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TO THE TWENTY-SIXTH DAY OF FEBRUARY, 1974, INCLUSIVE

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HOUSE OF COMMONS

Monday, November 26, 1973

The House met at 2 p.m.

[*English*]

PRIVILEGE

MR. POULIN—WINNING OF GREY CUP BY OTTAWA ROUGH RIDERS

Mr. Hugh Poulin (Ottawa Centre): Mr. Speaker, I rise on a question of privilege touching an event of national significance which took place over the weekend and had its beginnings in my constituency of Ottawa Centre.

The Grey Cup festivities continue to be the athletic event that contributes most to national unity. I should like the House to join with me in congratulating the players, the fans and the Ottawa Football Club upon the Rough Riders' victory Sunday afternoon in the Grey Cup classic.

Some hon. Members: Hear, hear!

Mr. Poulin: To the fans in Edmonton I suggest that if the hon. member for Edmonton Centre was still playing for the Edmonton Eskimos the fortunes of that team might have been different.

I believe the House might also wish to extend congratulations to the hon. member for Halifax, the Leader of the Opposition (Mr. Stanfield), upon the victory of St. Mary's University in Saturday afternoon's college bowl game.

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I wish to join the hon. member in extending congratulations to the Ottawa Rough Riders and I thank him for his reference to St. Mary's. I did not feel it necessary to rise to call attention to the victory of St. Mary's team because we maritimers take national victories for granted.

Some hon. Members: Oh, oh!

LEADERSHIP OF CANADIAN DELEGATION TO FORTHCOMING LAW OF THE SEA CONFERENCE—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Walter Carter (St. John's West): Mr. Speaker, pursuant to Standing Order 43 I rise to ask leave of the House to move a motion on a matter of urgent and pressing necessity, namely, the leadership of the Canadian delegation to the forthcoming Law of the Sea Conference.

This conference will be of historic importance to Canada since it directly concerns our marine resources on our continental shelves and the protection of our marine ecology on our Atlantic, Pacific and Arctic coasts. It is essential to the national interest that Canada's negotiating team be led by a minister—

Mr. Speaker: Order, please. I have to interrupt the hon. member. He is now making a speech, an argument, in support of the proposed motion under Standing Order 43. I suggest we should not follow this procedure and I invite him to indicate to the House the terms of his motion.

Mr. Carter: I was about to do so, Mr. Speaker. I move, seconded by the hon. member for Central Nova (Mr. MacKay):

That this House recommend that the head of the Canadian delegation to the forthcoming Law of the Sea Conference be a minister other than the present appointee, the Secretary of State for External Affairs, who, on his recent trip to the U.S.S.R., was criticized there for presuming to meddle in the domestic affairs of that nation.

Mr. Speaker: I doubt very much whether a motion put in those terms should be submitted to the House. It is not a motion, it is an argument, and in my view it is contrary to the spirit of Standing Order 43 as it has been observed in the House. In any event, I will put the motion pro forma. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ROUTINE PROCEEDINGS

[*English*]

EXTERNAL AFFAIRS

TABLING OF JOINT COMMUNIQUÉ ISSUED FOLLOWING CONCLUSION OF MINISTER'S VISIT TO SOVIET UNION

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I wish to table in both official languages the text of the joint communiqué issued on the conclusion of my visit to the Soviet Union.

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

[*Text*]

LOGO FOR CANADIAN-OWNED CORPORATIONS

Question No. 2,177—**Mr. Blenkarn:**

1. In the light of letters received from the Office of the Prime Minister by Mr. Michael J. Houlton of Can-Ad Promotions Limit-

ed dated April 5, 1971, April 25, 1972 and April 5, 1973, is the government prepared to reconsider the answer to Question No. 1,891 on page 3563 of *Hansard* of May 9, 1973, that they have had no application for financial assistance from Mr. Michael J. Houlton of Can-Ad Promotions Limited to promote Canadian-owned companies?

2. Is the Minister of Industry, Trade and Commerce prepared to acknowledge applications received from Mr. Michael J. Houlton of Can-Ad Promotions Limited for financial assistance in promoting Canadian-owned companies?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): In so far as the Prime Minister and Privy Council offices are concerned: 1. In early April of 1971, Mr. Michael J. Houlton delivered to the Prime Minister's office a proposal by Can-Ad Promotions Limited for a logo for Canadian-owned corporations. The proposal was acknowledged in writing on April 5, 1971, with advice to the effect that it was being forwarded to the Minister responsible for Information Canada. Mr. Houlton answered the acknowledgment on April 8, 1971, indicating his appreciation for the action taken. Mr. Houlton wrote again to the Prime Minister on April 15, 1972, seeking assistance for his proposal. That letter was answered by the Prime Minister's Office on April 25, suggesting to Mr. Houlton that he might wish to seek financial assistance from the Department of Industry, Trade and Commerce. Mr. Houlton wrote a further letter to the Prime Minister on March 26, 1973, seeking assistance for his proposal by way of a $50,000 loan from the federal government. The April 5 reply to his letter informed Mr. Houlton that the Prime Minister's office does not administer government programs and that any request for loans or grants should be directed to the appropriate department. Mr. Houlton addressed a communiqué to the Prime Minister on April 16, 1973, on behalf of the Governor General. The Administrative Assistant to the Governor General had written to Mr. Houlton earlier, on April 12, advising him that His Excellency had not given permission for such use of his name.

In so far as the Department of Industry, Trade and Commerce is concerned: 2. No application has been received from Michael J. Houlton of Can-Ad Promotions Limited.

REGULATION FOR DISPLAYING PORTRAIT OF HER MAJESTY, THE QUEEN

Question No. 2,179—**Mr. Dinsdale:**

What is the regulation for displaying the portrait of Her Majesty, the Queen of Canada, in (a) federal courts (b) post offices (c) other federal buildings?

Hon. James Hugh Faulkner (Secretary of State): The Department of the Secretary of State has no record of a regulation for displaying the portrait of Her Majesty, the Queen of Canada.

PRODUCTION OF MALTING BARLEY

Question No. 2,409—**Mr. Schellenberger:**

1. Do the malting barley producers contribute to the costs incurred by the Canadian Wheat Board in the same way as do the feed barley producers?

[Mr. Blenkarn.]

2. Does the government provide the malting barley producing farmer with incentives to ship his produce by modes of transportation other than rail shipment, for example, by truck?

3. What are the numbers of bushels of malting barley shipped per year?

4. Has the government considered the separate pooling of malting barley, for example, in the same way as is Durum wheat?

5. Has the government considered the possibility of creating effective incentives towards the establishment of malting facilities in the Western provinces where the product is produced?

6. If the government considers these incentives to be uneconomical, has it considered altering the present regulations and freight charges in order that the farmers producing malting barley not be penalized for their eastern shipments?

7. What is the present premium paid by the Canadian Wheat Board to the farmer who produces malting barley?

8. What level of malting barley production and what degree of competitive status does the government want the malting barley industry to achieve?

9. Is the present premium paid to the malting barley farmer by the Canadian Wheat Board an adequate level of incentive to attain this degree of production and competitiveness or does it believe that perhaps this should be increased to approximately 25 cents per bushel?

10. (a) How much No. 1 and No. 2 Feed Barley was eligible for malting (b) how many bushels of this barley were actually sold by the Canadian Wheat Board to the malting companies?

Hon. Otto E. Lang (Minister of Justice): 1. Yes.

2. No. It should be noted that the malthouses located in the Canadian Wheat Board designated area do not have truck unloading facilities.

3. 39,380,526.5 bushels of barley were shipped during the 1972-73 crop year under selected barley permits issued by the Canadian Wheat Board. A relatively small percentage of this quantity would be for pot or pearling purposes.

4. The government has considered the concept of separate pooling for certain types of wheat, oats and barley, including malting barley. Durum forms part of the wheat pool account but because durum is a recognizable variety, it has its own grade structure enabling its market returns to be reflected in its final payments. The suitability of barley for malting is not a grading factor.

5. Incentives for the modernization, expansion or establishment of malting facilities in the western provinces are available under the Regional Development Incentives Act and the Department of Regional Economic Expansion Act. It should be noted that grants have been authorized under the regional development program for two such facilities.

6. Incentives referred to in 5 are authorized where it is felt they are needed to induce entrepreneurs to modernize, expand or establish viable facilities and in this way contribute to the economic development and social adjustment of the regions designated for assistance.

7. A premium of 15 cents per bushel is paid to the delivering producer.

8. The government supports the achievement by the malting industry of the maximum possible level of production and competitiveness.

9. The present premium of 15 cents per bushel would seem to be an adequate level of incentive for the grower as maltsters have been able to obtain their required supplies of malting barley at this level of premium.

10. (a) It is not known how many samples of barley, submitted by growers to maltsters, graded No. 1 and No. 2 Feed and were considered acceptable for malting or what quantities of on-farm barley these samples represented. (b) The Canadian Wheat Board's selected barley permit records are not maintained in a manner that would enable a quantity breakdown by grades.

PUBLIC SERVICE—EMPLOYMENT OF MR. AND MRS. ANDRÉ ROY

Question No. 2,597—**Mr. Cossitt:**

1. Is Mr. André Roy employed by the government as a language teacher or in any other capacity and, if so (a) on what date did such employment commence (b) what is the salary involved?

2. Was Mr. Roy, at the time he was hired by the government, facing charges relating to FLQ terrorist activities and, if so (a) what was the exact nature of each charge (b) was the government aware that such charges existed?

3. Is Mrs. André Roy employed by the government and, if so (a) in what capacity (b) since what date (c) at what salary?

4. Is it government policy to hire persons of the FLQ, former members of the FLQ or known separatists to positions in the Public Service?

Hon. James Hugh Faulkner (Secretary of State): I am informed by the Public Service Commission as follows: 1. Mr. André Roy has been a language teacher with the Public Service Commission since April 4, 1972. The salary range of a language teacher is $8,025 to $17,531.

2. Yes. (a) The exact nature of each charge is not known because the charges were later withdrawn; (b) the Public Service Commission was unaware of such charges at the time of hiring since a police and security clearance was not required for language teachers at that time.

3. Mrs. André Roy has been employed in the government as a CR 4 since November 20, 1972. The salary range of a CR 4 is $7,496 to $8,238.

4. No.

POST OFFICE—NUMBER OF EMPLOYEES CLASSIFIED AS LETTER CARRIERS

Question No. 2,667—**Mr. Orlikow:**

1. How many employees of the Post Office Department are classified as letter carriers?

2. Of this number (a) how many resigned from the service in each of the past three years (b) what were the reasons given for such resignations?

Hon. André Ouellet (Postmaster General): 1. As of April 1, 1973, 12,599 (Note: only full-time personnel, both supervisory and non-supervisory, are being considered above).

2. Information on resignations is available for only the previous fiscal year (1 April 1972 to 31 March 1973). (Note: It is impossible to distinguish between letter carriers and mail-service couriers with respect to resignation information.) (a) Total number of letter carriers and mail-service couriers who resigned during the previous fiscal year, 620. (b) Outside employment, 162; Return to School, 37; Personal Reasons, 259; Number who resigned and gave no reason, 162.

Order Paper Questions

POST OFFICE—NUMBER OF EMPLOYEES CLASSIFIED AS MAIL SERVICE COURIERS

Question No. 2,668—**Mr. Orlikow:**

1. How many employees of the Post Office Department are classified as mail service couriers?

2. Of this number (a) how many resigned from the service in each of the past three years (b) what were the reasons given for such resignations?

Hon. André Ouellet (Postmaster General): 1. As of April 1, 1973, 1,738 (Note: only full-time personnel, both supervisory and non-supervisory are being considered above).

2. Information on resignations is available for only the previous fiscal year (1 April 1972 to 31 March 1973). (Note: It is impossible to distinguish between letter carriers and mail-service couriers with respect to resignation information.) (a) Total number of letter carriers and mail-service couriers who resigned during the previous fiscal year, 620. (b) Outside employment, 162; Return to School, 37; Personal Reasons, 259; Number who resigned and gave no reason, 162.

NUMBER OF BEARS KILLED IN PEACE RIVER REGION

Question No. 2,724—**Mr. Stevens:**

How many bears were killed this summer in the Peace River region (a) who killed them (b) what species were they (c) for what reason were they killed?

Mr. William Rompkey (Parliamentary Secretary to Minister of the Environment): Wildlife, except for migratory birds and fauna on national lands, is a provincial responsibility.

FERRY SERVICE—NORTH SYDNEY AND PORT-AUX-BASQUES

Question No. 2,741—**Mr. Marshall:**

1. Has any consultation taken place between the Department of Indian Affairs and Northern Development and the Department of Transport with regard to the need for additional ferry service between North Sydney and Port-aux-Basques to provide for the projected increase in tourists as a result of the establishment of the Gros Morne National Park?

2. Is the Department of Indian Affairs and Northern Development considering a direct service from North Sydney to any area in Bonne Bay and (a) if so, is consideration being given to providing harbour facilities to handle such a service (b) if not, will the Minister of Indian Affairs and Northern Development consider the provision of a service from North Sydney to Port-aux-Basques and Bonne Bay and the need for improved docking facilities in Bonne Bay?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): 1. The Department of Indian Affairs and Northern Development has not formally consulted with the Ministry of Transport regarding an increase in the ferry service between North Sydney and Port-aux-Basques.

2. No. (a) No; (b) No. This matter is not within the department's jurisdiction.

Order Paper Questions

RCMP RESPONSIBILITIES RELATING TO MEMBERS OF PARLIAMENT AND PARLIAMENT HILL

Question No. 2,781—**Mr. Clark (Rocky Mountain):**

1. How many (a) forces (b) civilian personnel are assigned by the Royal Canadian Mounted Police with special responsibilities concerning Members of Parliament or Parliament Hill?

2. (a) Where are such individuals posted (b) to whom do they report?

3. What is the exact description of each of the functions assigned by the RCMP which applies to Members of Parliament or Parliament Hill?

Hon. Warren Allmand (Solicitor General): 1. (a) 94; (b) nil.

2. (a) Parliament Hill. Prime Minister's official residence, Prime Minister's summer residence, and 240 Bank Street, Ottawa ("A" Div. RCMP) (b) The Officer Commanding Protective Sub-Division, "A" Division, RCM Police, Ottawa.

3. The maintenance of law and order on the grounds at Parliament Hill and protection of the government securities vault East Block; ensuring freedom of access to Parliament Hill by Senators and Members of Parliament; protection of the Prime Minister and members of his immediate family; investigation into any threats that may be made against Ministers of the Crown.

LOANS UNDER THE AUTOMOTIVE ADJUSTMENT ASSISTANCE PROGRAM

Question No. 2,810—**Mr. Rodriguez:**

What were the total amounts and number of loans provided under the Automotive Adjustment Assistance Program (AAA), by industry group, in each of the fiscal years 1968-69 to 1973-74 to date?

Mr. Herb Breau (Parliamentary Secretary to Minister of Industry, Trade and Commerce): All loans under the Automotive Adjustment Assistance Program were authorized in favor of companies in the automotive parts industry. Following is a breakdown of the number and amount of loans authorized, less cancellations, in each of the fiscal years 1968-69 to 1973-74 to date:

Fiscal Year	Number	Amount
		$
1968–69	20	15,256,917.51
1969–70	11	8,496,673.60
1970–71	8	3,083,500.00
1971–72	13	14,050,129.00
1972–73	3	1,450,000.00
1973–74 (Nov. 1, 1973)	3	2,167,500.00

GRANTS UNDER THE GENERAL ADJUSTMENT ASSISTANCE PROGRAM

Question No. 2,812—**Mr. Rodriguez:**

1. What were the names of corporations which received consulting assistance grants under the General Adjustment Assistance Program (GAAP) in each of the fiscal years 1972-73 (February 1, 1973 to end) and 1973-74 to date and what were the amounts of the grants in each case?

[Mr. Reid.]

2. What were the total amounts of government insured loans provided under GAAP in each of the years 1968-69 to 1973-74 to date?

Mr. Herb Breau (Parliamentary Secretary to Minister of Industry, Trade and Commerce): 1. Consulting assistance grants were provided to the following firms during the fiscal years 1972-73 (February 1, 1973 to end) and 1973-74 to date. F/Y 1972-73 (Feb. 1-March 31).

Name of Company	Amount
	$
Percy Lindzon Furs Ltd.	3,000.00
Tweed Veneers Limited	6,714.78
Paris Sportswear Limited	3,657.50
Chibougamau Lumber Limited	4,000.00
J. H. Barruch Limited	2,275.00
Cosmos Imperial Mills Limited	1,064.43
Consolidated Computer Inc.	6,778.13

F/Y 1973-74 (to Nov. 1/73). Nil.

2. The following is a breakdown of the number and amount of loans authorized, less cancellations, in each of the fiscal years 1968-69 to 1973-74 to date:

Fiscal Year	Number	Amount
		$
1968–69	2	1,579,500.00
1969–70	6	4,234,000.00
1970–71	13	13,367,255.67
1971–72	25	15,775,021.80
1972–73	18	14,147,520.00
1973–74	10	3,363,500.00

EXPENDITURES BY COMMISSIONER OF OFFICIAL LANGUAGES ON PUBLICITY

Question No. 2,853—**Mr. Nystrom:**

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

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

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

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): The Commissioner of Official Languages reports directly to parliament and not through a minister. Questions can be put to him directly.

EXPENDITURES BY THE COMMISSIONER OF OFFICIAL LANGUAGES FOR RESEARCH, DEVELOPMENT AND CONSULTING SERVICES

Question No. 2,902—**Mr. Nystrom:**

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

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

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

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): The Commissioner of Official Languages reports directly to parliament and not through a minister. Questions can be put to him directly.

COST OF BREAKWATERS BETWEEN TURKEY POINT AND MARY TOD ISLAND, VICTORIA, B.C.

Question No. 2,966—**Mr. McKinnon:**

What was the total cost of the breakwaters built or extended between Turkey Point and Mary Tod Island near Victoria, British Columbia?

Hon. Jean-Eudes Dubé (Minister of Public Works): The total cost of the breakwater is $527,899.

GRANTS UNDER EMPLOYMENT SUPPORT PROGRAM

Question No. 2,967—**Mr. Broadbent:**

1. What were the names of the corporations which received grants under the Employment Support Program (ESP) in each of the fiscal years 1971-72, 1972-73 and 1973-74 to date and what were the amounts in each case?

2. Has the Department conducted any evaluative study of the program and, if so, what was the date of the latest report?

Mr. Herb Breau (Parliamentary Secretary to Minister of Industry, Trade and Commerce): 1. For reasons of commercial confidentiality, this information is not available. It should be noted, however, that the program was operative only during the fiscal year 1971-72.

2. No.

CONTRACT No. TOX 3-1005/1 FOR PERSONNEL SERVICES

Question No. 2,995—**Mr. Hales:**

1. Was a contract TOX 3-1005/1 for personnel services at Toronto, Ontario, during the period July 20, 1973 to May 31, 1974 in the amount of $10,500 awarded to Staff Builders of Toronto, Ontario?

2. Were tenders called and, if so (a) what are the names and addresses of those who tendered (b) was the lowest tender accepted?

3. Were there any extra charges over and above the above figure and, if so, what were they?

4. How were suppliers notified of government requirements?

5. What is the nature of the service to be provided under the contract?

6. For which department or departments of the government is the service to be provided?

7. If the contract provides for the referral and placement of applicants in positions with the Public Service, how many such positions are to be filled under the contract?

8. Into what salary categories do these positions fall?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): 1. Yes.

2. (a) ESP Data Preparation, 10 Eglinton Ave. E., Toronto, Ontario; DOT Personnel Services, 30 Bloor St. W., Toronto, Ontario; Advance Personnel, 30 Bloor St. W., Toronto, Ontario; Office Master Services, 121 Inkerman St., St. Thomas, Ontario; Victor Temporaries, 102 Bloor St. West, Toronto, Ontario; Office Overload, 151 Bloor St. W., Toronto, Ontario; Kelly Girl Services Ltd. T.D.C., P.O. Box 322, Toronto, Ontario; Employees Overload Co., 101 Richmond St. W., Toronto, Ontario; Manpower Services Toronto Ltd., P.O. Box 510, Stn. F, Toronto, Ontario; Staff Builders, 980 Yonge St., Toronto, Ontario; Olsten Office Services, 130 Bloor St. W., Toronto, Ontario; (b) Yes.

3. No.

4. By an Invitation to tender.

5. Clerks (Intermediate, Senior), Dicta Typist, Secretary with and without shorthand, Secretary Executive, Receptionist Typist, Labourers.

6. Ministry of Transport, Toronto Area Airports Project.

7. The contract does not provide for the referral and placement of applicants in positions with the Public Service.

8. On hourly rates between $2.80/hour and $4.55/hour.

RECYCLING OF METALS, GLASS AND PAPER

Question No. 3,005—**Mr. Mitges:**

What government departments are engaged in recycling metals, glass and paper?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): The Crown Assets Disposal Corporation has a contract with Florence Paper Company, Ottawa, for the removal of waste paper from some government buildings in the National Capital area. The Florence Company segregates all waste paper through a screening operation at their plant and all useable paper is delivered to companies where it is recycled.

None, however, the Department of the Environment is initiating a program for solid waste management, which will encourage and assist the development of methods to recycle valuable materials including metals, glass and paper. The Department of Energy, Mines and Resources reports research work is in progress in connection with the recycling of tin cans as feed material for steel castings.

CONSTITUENCY OF ELGIN—COST-SHARING OF SHORELINE PROTECTIVE WORKS

Question No. 3,012—**Mr. Wise:**

1. With what property owners along the Lake Erie shoreline in the constituency of Elgin has the government in the past ten years signed an agreement for cost sharing of shoreline protective works?

2. What were the percentages of these cost-share agreements?

3. What was the total amount in each instance?

4. On what dates were these agreements signed?

Hon. Jean-Eudes Dubé (Minister of Public Works): 1. There are no signed agreements as such. The Treasury Board authorized the Department of Public Works to contribute towards the actual cost of remedial works to prevent erosion with the following property owners in the Constituency of Elgin. (a) Miss Fern Hill; (b) Miss Dorothy E. Markle, Miss D. Gunn, Mr. J. Hare, Mr. J. McManus and Mr. L. Pocock acting as a group under the title Markle & Hare; (c) Thomas Purdom; (d) Leopold

Eller; (e) Verne C. Higgs; (f) Mrs. Rose L. Gregg; (g) Village of Port Stanley.

2. The percentage authorized in each case was: (a) 35 per cent, (b) 39 per cent, (c) 35 per cent, (d) 25 per cent, (e) 38 per cent, (f) 38 per cent, (g) 38 per cent.

3. The maximum contribution authorized was: (a) $3,710, (b) $8,522.28, (c) $629.65, (d) $591.63, (e) $3,040, (f) $4,560, (g) $6,080.

4. The property owners were notified that these applications for assistance had been approved on the following dates: (a) 30/9/69, (b) 30/10/70, (c) 10/12/69, (d) 10/12/69, (e) 21/8/73, (f) 10/1/73, (g) 17/9/73.

*RIGHTS OF NATIVE PEOPLE TO FISH IN BRITISH COLUMBIA

Question No. 3,039—**Mr. Clark (Rocky Mountain):**

What is the position of the government concerning the rights of native people to fish for food in British Columbia?

Mr. William Rompkey (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, the answer to this question is as follows. The government has not restricted the rights of status Indians to fish for food in British Columbia waters except as required for conservation. Escapement through the commercial fishery is calculated to permit adequate spawning returns and also to provide for the needs of the Indians that historically have fished the runs for food. Open periods for the food fishery are established as requested by the Indians wherever possible. In the case where Indians are commercial fishermen, food fishing is permitted with commercial gear during certain periods when the commercial fishery is closed.

PROVINCIAL EGG MARKETING BOARDS AND CANADIAN EGG MARKETING AGENCY

Question No. 3,078—**Mr. Clarke (Vancouver Quadra):**

1. In each month from January to September 1973 inclusive, how many eggs were caused to be destroyed by (a) each of the provincial egg marketing boards (b) the Canadian Egg Marketing Agency?

2. In each month from January to September 1973 inclusive, how many eggs were sold by (a) each of the provincial egg marketing boards (b) the Canadian Egg Marketing Agency to industrial users (not for re-sale as whole eggs to consumers) and at what prices?

Hon. E. F. Whelan (Minister of Agriculture): 1. No eggs have been destroyed. (Destroyed being interpreted as junked, put in garbage, etc., and lost for human consumption.)

2. (a) Provincial Egg Marketing Boards, (each of the 10 provinces has such a Board) had total control of egg marketing in their provinces prior to early June when the Canadian Egg Marketing Agency began to function in the area of surplus removal. The exception was British Columbia which withheld participation in the Canadian Egg Marketing Agency until October 29. Thus, the records requested for British Columbia, and for the other provinces from the period January to May inclusive, are held within the provincial board offices. (b) Records of Canadian Egg Marketing Agency operations, June to September inclusive, show that no eggs were sold from the provinces of Alberta, New Brunswick, Prince Edward Island or Newfoundland. Sales of surplus eggs to industrial users from Saskatchewan totalled 90,255 dozen and from Manitoba 4,833,810 dozen. Sales from Ontario, Quebec and Nova Scotia were respectively 3,965,065, 1,037,062 and 478,920 dozen. The prices of these sales varied over the months and depended on the grade of egg involved, whether small, medium, large or extra large size. The range in prices was from 29 to 65 cents per dozen.

[Mr. Dubé.]

STUDENT SUMMER EMPLOYMENT IN GREY-SIMCOE CONSTITUENCY

Question No. 3,089—**Mr. Mitges:**

How many high school and university students were registered for summer employment in May, June, July and August, 1973, in each of the Canada Manpower Centres in the constituency of Grey-Simcoe and, of this number, what was the number who received employment from each Canada Manpower Centre?

Mr. Mark MacGuigan (Parliamentary Secretary to Minister of Manpower and Immigration): In the constituency of Grey-Simcoe, the following activity was recorded by the two CMCs for the months of May, June, July and August 1973, with respect to student registration and placement.

Owen Sound CMC	Post-secondary	Secondary	Total
Registrations	303	521	824
Placements	187	457	644
Collingwood CMC	**Post-secondary**	**Secondary**	**Total**
Registrations	114	502	616
Placements	133	410	543

These figures represent only the activity of the two CMCs in this constituency and do not reflect the full activity of students living in this riding with our department since they may deal with other CMCs, such as Midland for example. With respect to registrations, it might be mentioned that a large number of university and other post-secondary students register for employment in April or earlier.

AVAILABILITY OF CANADIAN WINES IN CANADIAN PACIFIC AIRLINES

Question No. 3,093—**Mr. Cossitt:**

1. Is the Minister of Transport aware that wines produced in Canada are not available on any flights of Canadian Pacific Airlines?

2. Since Canadian Pacific Airlines is one of our two major international air services, does the government believe that it should make available Canadian wines to the travelling public?

3. Has the government ever discussed this matter with Canadian Pacific Airlines and, if not, does it intend to do so in the interests of promoting a Canadian-produced product?

Hon. Jean Marchand (Minister of Transport): The Minister of Transport does not advise Canadian Pacific Airlines on internal management matters of this nature.

PRINTING AND DISTRIBUTION OF SPEECH BY MINISTER OF AGRICULTURE TO DAVENPORT LIBERAL ASSOCIATION

Question No. 3,100—**Mr. Cossitt:**

Was a political address made by the Minister of Agriculture to the Davenport Liberal Association on Wednesday, October 31, 1973 reprinted at public expense and distributed to a number of persons and, if so, how many persons received copies and does the Department of Agriculture intend to seek reimbursement for printing and distribution from the Liberal Party of Canada?

Hon. E. F. Whelan (Minister of Agriculture): A speech, made by the Minister of Agriculture to the Davenport Liberal Association on October 31, 1973, was printed and distributed to 1,845 persons at public expense. This was not a political address. The Department of Agriculture does not intend to seek reimbursement for printing and distribution from the Liberal Party of Canada.

PRINTING AND DISTRIBUTION OF SPEECH BY MINISTER OF AGRICULTURE TO HALTON AND HALTON EAST LIBERAL ASSOCIATION

Question No. 3,129—**Mr. Cossitt:**

Was a political address made by the Minister of Agriculture to the Halton and Halton East Liberal Association on Friday, November 2, 1973 reprinted at public expense and distributed to a number of persons and, if so, how many persons received copies and does the Department of Agriculture intend to seek reimbursement for printing and distribution from the Liberal Party of Canada?

Hon. E. F. Whelan (Minister of Agriculture): A speech, made by the Minister of Agriculture to the Halton and Halton East Liberal Association on Friday, November 2, 1973, was printed and distributed to 1,845 persons at public expense. This was not a political address. The Department of Agriculture does not intend to seek reimbursement for printing and distribution from the Liberal Party of Canada.

LIP GRANTS TO CONSTITUENCIES IN SASKATCHEWAN

Question No. 3,145—**Mr. Gleave:**

What was the total amount of money available for Local Initiative grants in each constituency (a) Assiniboia (b) Battleford-Kindersley (c) Mackenzie (d) Meadow Lake (e) Moose Jaw (f) Prince Albert (g) Qu'Appelle-Moose Mountain (h) Regina East (i) Regina-Lake Centre (j) Saskatoon-Biggar (k) Saskatoon-Humboldt (l) Swift Current-Maple Creek (m) Yorkton-Melville?

Mr. Mark MacGuigan (Parliamentary Secretary to Minister of Manpower and Immigration): The allocations for the 1973-74 winter period are: (a) Assiniboia, 88,000; (b) Battleford-Kindersley, 177,000; (c) Mackenzie, 107,000; (d) Meadow Lake, 295,000; (e) Moose Jaw, 90,000; (f) Prince Albert, 186,000; (g) Qu'Appelle-Moose Mountain, 157,000; (h) Regina East, 372,000; (i) Regina-Lake Centre, 133,000; (j) Saskatoon-Biggar, 176,000; (k) Saskatoon-Humboldt, 256,000; (l) Swift Current-Maple Creek, 107,000; (m) Yorktown-Melville, 182,000.

Orders for Returns

C.P.A.—DISCRIMINATION AGAINST FEMALE EMPLOYEES

Question No. 3,150—**Mr. Reynolds:**

1. Did the Minister of Labour write the Brotherhood of Railway, Airline and Steamship Clerks, Freight Handlers, Express and Station Employees in Vancouver on May 8 regarding the policy of Canadian Pacific Airlines of extending air travel privileges to the wife and dependent children of male employees but not on a reciprocal basis in respect of female employees and, if so, did the Minister indicate (a) an intention to introduce a bill a amend Part I of the Labour Code in order to prohibit discrimination on the additional grounds of age, sex and marital status (b) that preparations necessary for the development of such a bill were in hand?

2. On what date will such a bill be introduced?

Hon. John C. Munro (Minister of Labour): 1. Yes; (a) yes; (b) yes.

2. Although a precise date for the introduction of such a bill has not been set, the government intends to table it at an early date.

RCMP—AIRCRAFT EQUIPPED WITH EMERGENCY LOCATOR TRANSMITTERS

Question No. 3,155—**Mr. MacLean:**

Are all aircraft operated by the Royal Canadian Mounted Police of a class or kind requiring emergency locator transmitters (ELTS) by July 1, 1974, now so equipped and, if not (a) how many such aircraft are so equipped (b) on what date will the remainder be so equipped?

Hon. Warren Allmand (Solicitor General): All RCM Police aircraft are equipped with emergency locator transmitters.

* * *

QUESTIONS PASSED AS ORDERS FOR RETURNS

SENIOR CITIZENS AND LOW INCOME EARNERS HOUSING UNITS

Question No. 1,213—**Mr. Laprise:**

1. For each year since 1968, how many senior citizens housing units were built and what amount, by province, was paid for this purpose?

2. For each year since 1968, how many housing units for low income earners were built and what amount, by province, was paid for this purpose?

Return tabled.

CIVILIAN AND DEFENCE CONTRACTS AWARDED BY DEPARTMENT OF SUPPLY AND SERVICES

Question No. 2,803—**Mr. Grier:**

What was the total value of civilian and defence contracts awarded by the Department of Supply and Services under DSS contracts and contracts delegated to DSS by other government departments or agencies, for goods and services in each of the fiscal years 1968-69, 1972-73 (October 1972 to end) and 1973-74 to date to the following corporations: Abitibi Paper Co. Ltd.; Acme Seeley Ltd.; Acres Consulting Services Ltd.; Aircraft Appliances and Equipment Ltd.; Alcan Aluminum Ltd.; Algoma Steel Corporation Ltd.; American Motors (Canada) Ltd.; Atlantic Sugar Refineries etc.; Bell Canada; Bristol Aerospace Ltd.; B.P. Oil and Gas Ltd.; Bethlehem Copper Co. Ltd.; Boeing of Canada Ltd.;

Burrowes Manufacturing Ltd.; Canada Packers Ltd.; Canadair Ltd.; Canadian Admiral Corp.; Canadian General Electric Co. Ltd.; Canadian Industries Ltd.; Canadian Ingersoll-Rand Co. Ltd.; Canadian International Paper; Canadian Javelin; Canadian Johns-Manville Co.; Canadian Co.; Canadian Marconi Co.; Canadian Motorola Electronics Co.; Canadian Pacific Railway Co.; Chemcell Ltd.; Chrysler Corp.; Computing Devices of Canada; Consolidated Bathurst Ltd.; DeHavilland Aircraft of Canada Ltd.; John Deere Ltd.; Digital Equipment of Canada Ltd.; Dominion Foundries and Steel; Dominion Road Machinery Co. Ltd.; Dominion Textile Ltd.; Domtar Ltd.; DuPont of Canada Ltd.; Dyer & Miller Bros. Ltd.; Eddy Paper Co. Ltd.; Eddy Match Co. Ltd.; Ford Motor Co.; Foster Advertising; General Foods Ltd.; General Motors Corp.; Gordon Hill Advertising; Gulf Oil Canada Ltd.; Hewlett-Packard (Canada) Ltd.; Honeywell Ltd.; Hudson's Bay Co.; Husky Oil Ltd.; Imperial Furniture Manufacturing Co. Ltd.; Imperial Oil Ltd.; IBM Canada Ltd.; International Harvester Co. of Canada Ltd.; International Nickel Co. (Canada) Ltd.; Irving Oil Co. Ltd.; Kates, Peat, Marwick Co.; Kodak Canada Ltd.; Litton Systems (Canada) Ltd.; MacMillan Bloedel Ltd.; Massey-Ferguson Ltd.; McCain Foods Ltd.; McFarland Construction; McLaren Advertising; Micro-Max Products Ltd.; Microsystems International Ltd.; Minnesota Mining & Manufacturing of Canada Ltd.; Molson Industries Ltd.; National Sea Products Ltd.; Northern Electric Ltd.; Orenda Ltd.; Pacific Petroleum Ltd.; Peat, Marwick Mitchell Co.; Petrofina Canada Ltd.; Proctor and Gamble Co. of Canada Ltd.; RCA Ltd.; North American Rockwell of Canada Ltd.; Rolland Paper Co. Ltd.; Shell Canada Ltd.; Simpson's Ltd.; Spartan Aero Ltd.; Sparton of Canada Ltd.; Sperry Rand Canada Ltd.; Standard Aero Engine Ltd.; Steel Co. of Canada Ltd.; Sunar Industries Ltd.; Swift Canada Co. Ltd.; Texaco Co. Ltd.; Union Carbide of Canada Ltd.; Uniroyal Ltd.; United Aircraft; Westinghouse Canada Ltd. Xerox of Canada Ltd.?

Return Tabled.

EXPENDITURES BY DEPARTMENT OF SUPPLY AND SERVICES UNDER CONTRACTS

Question No. 2,805—**Mr. Grier:**

1. How much has the Department of Supply and Services spent under contracts delegated to it by other government departments or agencies, purchasing goods and services (a) in each province (b) in foreign countries, by country, during each of the fiscal years 1968-69 to 1973-74 to date?

2. How much has the Department of Supply and Services spent under DSS contracts purchasing goods and services (a) in each province (b) in foreign countries, by country, during each of the fiscal years 1968-69, 1972-73 and 1973-74 to date?

Return tabled.

GRANTS UNDER DEFENCE INDUSTRY PRODUCTIVITY PROGRAM

Question No. 2,978—**Mr. Broadbent:**

1. What were the names of the corporations which received cash grants under the Defence Industry Productivity Program (DIP), in each of the fiscal years 1972-73 and 1973-74 to date and, in each case, what were the amounts of money committed and paid?

2. What was the date of the latest evaluative study of the program conducted by the Department?

Return tabled.

VISITORS TO CANADA 1971-73

Question No. 2,990—**Mr. Paproski:**

1. How many visitors were officially recorded in Canada in 1971, 1972 and 1973?

[Mr. Grier.]

2. What was the total number of arrivals at all Canadian ports (including airports) in 1971, 1972 and 1973?

3. How many persons listed as visitors applied for landed status in 1971, 1972 and 1973?

4. Of the above applicants, how many received landed status?

5. Of the total number of persons, by country, applying for landed immigrant status in Canada both abroad and as visitors in 1971, 1972 and 1973, how many were (a) accepted (b) turned down?

Return tabled.

CONTRACT TOX 3-1005/2 FOR PERSONNEL SERVICES

Question No. 2,994—**Mr. Hales:**

1. Was a contract TOX 3-1005/2 for personnel services at Toronto, Ontario, during the period July 5, 1973 to May 31, 1974 in the amount of $14,500 awarded to Kelly Girl Service Ltd. of Toronto, Ontario?

2. Were tenders called and, if so (a) what are the names and addresses of those who tendered (b) was the lowest tender accepted?

3. Were there any extra charges over and above the above figure and, if so, what were they?

4. How were suppliers notified of government requirements?

5. What is the nature of the service to be provided under the contract?

6. For which department or departments of the government is the service to be provided?

7. If the contract provides for the referral and placement of applicants in positions with the Public Service, how many such positions are to be filled under the contract?

8. Into what salary categories do these positions fall?

Return tabled.

● (1410)

Mr. Yewchuk: Mr. Speaker, I rise on a point of order concerning question No. 3026 which sought information about the number of professional athletes receiving unemployment insurance benefits and the amount of benefits paid. The Parliamentary Secretary to the Minister of Manpower and Immigration, the hon. member for Windsor-Walkerville, replied to the question recently, stating that the Unemployment Insurance Commission does not maintain statistics that would make it possible to answer the question.

That reply is not accurate. The question could have been answered wholly or at least in part. I do not want to say that the parliamentary secretary or the minister responsible was trying to mislead the House, but it appears that neither gentleman is familiar with the workings of the Unemployment Insurance Commission. I am told that there is a separate code kept for professional athletes, the code number being 3373. I am further informed it would be simply a matter of writing up a program for the computer, feeding it to the computer and a print-out with the information would be made available.

I should like to ask the parliamentary secretary to the minister whether he would like to withdraw the previous answer and reconsider providing a correct answer, with unanimous consent, if that is necessary.

Mr. Stevens: Mr. Speaker, I too rise on a point of order. Again I should like to request that questions I put on the order paper on April 18, namely Nos. 1986, 1989, 1991 and

1993, be answered. As I pointed out before, these questions deal with the expenditure of public funds. I feel there is no reason for such a time delay as has taken place in answering these questions.

ORAL QUESTION PERIOD

[*English*]

ENERGY

EAST COAST OFFSHORE OIL AND GAS RESOURCES—INCLUSION OF QUEBEC IN AGREEMENT BEING SOUGHT—APPLICATION TO OTHER PROVINCES

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to direct a question to the Prime Minister arising out of his remarks on energy last Thursday evening when he referred, to quote him, to "the question of an agreement with the Atlantic provinces on offshore development". His previous references have always included the province of Quebec as well as the Atlantic provinces. Was it simply an oversight that the Prime Minister did not include Quebec along with the Atlantic provinces in his remarks on Thursday when he referred to an agreement, or is an agreement now being sought separately with the Atlantic provinces?

Right Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker. The agreement we would hope to reach would, of course, be applicable to all of Canada because all provinces except two do have some seacoast. It is a matter of knowing how we would reach such an agreement. In the last couple of years we have been working with the five easternmost provinces, Quebec plus the Atlantic provinces, and it would be our hope to continue to work in that direction. I certainly did not want to convey any contrary impression by my statement on Thursday. I think it may be known that one province, which is not Quebec, may not want to be part of the group of five, but I really should not be speaking for them. Our desire at the federal level is to reach an agreement with the entire five.

Mr. Stanfield: In view of the obvious significance of offshore development of probable petroleum resources, can the Prime Minister give us an indication as to his timetable in respect of the resolution of this matter leading to an agreement on offshore mineral and petroleum rights?

Mr. Trudeau: Mr. Speaker, I cannot, of course, say what the timetable is because this involves the five provincial governments. Our desire would have been to solve this a year ago, and last summer I thought we had come very close to doing so when we reached agreement that we should not spend too much time arguing about the constitutional question of ownership but should address ourselves to the problems of administration and division of the proceeds. The discussions did proceed from a year and a half ago until a point last spring when we put before the provinces a scheme we thought would have their agreement for solving this difficult problem. However, I am told that one of the provinces did not want to go along with the others, and I think at this stage they are trying to work it out among themselves. I have had some correspondence in the last two months with some of the five easternmost provinces, and I have asked them quite bluntly: Do you want to negotiate as a group or do you want to go it alone, because we want to proceed with this thing? I am waiting for their answer.

Mr. Stanfield: In view of the Prime Minister's answer to my first question that the government was seeking an agreement with virtually all the provinces, although discussions were active with the five eastern provinces, am I to assume that an agreement between the government of Canada and Quebec and the four Atlantic provinces would still involve further discussions with other provinces such as British Columbia before any settlement could be considered final?

Mr. Trudeau: Mr. Speaker, depending on the nature of the agreement we would reach, it might vary, but I think it would be fair to say that generally our position is that we will want to discuss this with all the provinces. The Leader of the Opposition will remember that in the fall of 1969 the position we put to all the provinces was that we wanted to reach a settlement out of court by political discussion and arrangement. That is still our desired position. When we found that our 1969 proposition was not making enough progress—some provinces had accepted it but certainly nothing like a majority—we accepted to deal with the five Atlantic provinces, the idea being that the case of British Columbia had already been settled in the courts. After that settlement, both Mr. Pearson and myself said that we were still prepared to seek a political arrangement and not just act on the Supreme Court decision. This is still our position, but we are certainly not giving a priority now to discussions with British Columbia as the courts have already settled the law in that case. Such is not the situation, of course, with the easternmost provinces.

Mr. Forrestall: What about the 50 per cent?

Mr. Trudeau: Do you have a problem?

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. At this point may I remind hon. members that we have only a 20-minute question period today pursuant to an order of the House. That being so, we should use the 20 minutes for questions and answers as much as possible. I will recognize the hon. member for Qu'Appelle-Moose Mountain for a supplementary question, but we should try for the remaining time to have as few supplementary questions as possible.

● (1420)

OFFSHORE OIL AND GAS RESOURCES—NEGOTIATIONS WITH PROVINCES—NECESSITY OF AMENDING CERTAIN PROVINCIAL BOUNDARIES ACTS

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, my question is addressed to the Prime Minister. Does the federal government offer to the provinces in these negotiations include an amendment to the Quebec Boundaries Act, the Ontario Boundaries Act and the Manitoba Boundaries Act?

Right Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker. That aspect of the problem has been set aside. As I said a moment ago, we have agreed with the easternmost provinces to set aside the question of boundaries, jurisdiction and sovereignty over certain offshore areas of the country. We are now discussing the problem of administration and division of the proceeds.

* * *

HOUSING

MEASURES TO STIMULATE CONSTRUCTION IN 1974—POSITION OF POLICY PLANNING DIVISION, CENTRAL MORTGAGE AND HOUSING CORPORATION

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Minister of State for Urban Affairs. In view of the report made last Friday by the President of the Housing and Urban Development Association that housing starts will fall and prices rise further in 1974, can the minister tell us what his department is doing now to head off the anticipated housing crisis next year exceeding the one we have this year?

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, our predictions are still that we will exceed our medium term target for housing and that housing next year, 1974, will exceed 250,000 units per year. In addition, we are endeavouring and I am endeavouring to ensure that the provisions of the National Housing Act and the programs provided by it are used to the absolute maximum to provide social housing for those who are least able to afford housing.

Mr. Broadbent: In view of the fact it is the 250,000 figure that is too low, in view of the anticipated demand, and in view specifically of the forecast increase in family formations next year, following the baby boom right through the cycle that began some 25 years ago, there is going to be a slack. There is going to be an absence of construction compared with the demand. My question relates also to the report last Friday that starts in apartment construction are going to fall off and we will see not only a drop in single family units—

Mr. Speaker: Order, please. Would the hon. member ask the question?

Mr. Broadbent: It is important to get it clear for the minister, Mr. Speaker. In view of this slack, what does the minister plan to do now to increase production beyond the 250,000 unit level?

Mr. Basford: Mr. Speaker, the National Housing Act is primarily concerned with social housing for those who can least afford housing. Thus we are pressing forward as hard as we can to ensure that those people who can benefit from the social housing programs under the National Housing Act have housing available to them. The rate of construction next year will certainly exceed the rate of family formations in this country, and has for some years.

Mr. Broadbent: Can the minister inform the House whether, following the dismissal recently of Mr. Rudnicki, CMHC has now followed this up by abolishing the policy planning division of CMHC, and can he also inform the House whether or not a senior planning officer concerned specifically with native peoples' housing has resigned as of last week?

[Mr. Hamilton (Qu'Appelle-Moose Mountain).]

Mr. Basford: Mr. Speaker, the first part of the question is not correct. There is, as has been going on for some 18 months, a reorganization study within the organization and any reorganization that takes place will always maintain a strong policy planning concept development agency. As to the second part of the question, I have not been so informed.

* * *

[*Translation*]

SHIPBUILDING

SUBSIDIES TO DAVIE SHIPBUILDING, LAUZON TO PROVIDE EMPLOYMENT

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I should like to ask a question of the Minister of Industry, Trade and Commerce.

In view of the great number of lay-offs in the Lauzon shipyards, could the minister say to the House whether grants awarded by his department to that firm for shipbuilding which he mentioned in the House a couple of weeks ago, will allow additional jobs during the winter?

[*English*]

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I think that the shipbuilding program and the shipbuilding temporary assistance provisions are working very well and, indeed, have helped to put the Canadian shipbuilding industry on a world competitive basis.

Mr. Speaker: The hon. member for South Shore. Order, please. This is becoming too confusing.

[*Translation*]

I think that the hon. member for Bellechasse who was waiting for the simultaneous translation of the minister's answer could ask a supplementary question, followed by the hon. member for South Shore who wishes to ask a supplementary question on this afternoon's first question.

Mr. Lambert (Bellechasse): Thank you, Mr. Speaker. You have understood well my hesitation, for I was indeed waiting for the interpretation.

My supplementary question is the following. I understand that the department's policy has helped maintained Lauzon shipyards in operation, but I would ask the minister, when grants are given to this corporation, if certain conditions are imposed so that the company continues operating, mainly during periods in which the government goes all out to maintain employment at the highest level.

I would appreciate more details in this regard.

[*English*]

Mr. Gillespie: Perhaps I could clarify it by saying that assistance to the shipyards is not so much in the form of grants as it is in the form of a subsidy to the shipbuilding firms in seeking and getting foreign business as well as

domestic business. That is one level, 17.5 per cent. The second assistance that the federal government provides is through the Export Development Corporation with respect to the financing of the purchase once it is made by a foreign buyer.

* * *

ENERGY

EAST COAST OFFSHORE OIL AND GAS RESOURCES—FEDERAL POSITION ON DIVISION OF ROYALTIES WITH PROVINCES

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I have a supplementary question for the right hon. Prime Minister. Does the Prime Minister's reply to my leader indicate that he is now dropping his claim to 50 per cent of the royalties on offshore gas and oil development which he has stated would accrue to the federal government and only 5 per cent would accrue to each province and, if so, what new formula is he now putting forward to which he now hopes the provinces of Atlantic Canada will agree?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the negotiations are proceeding in a way which we hope that the government of Canada, speaking for all the people of Canada, will get what we expect is a fair share of these proceeds in view of the fact the courts have held, at least on the west coast, that these offshore hypothetical products would be under Canadian federal jurisdiction. This is the position we are taking. As to the exact percentage, I think the House will understand if I do not reply to that aspect of the question. It is a matter of negotiation and I would not want to state any figure which would put the federal government in a worse position than it would otherwise be in bargaining.

Mr. Speaker: The Chair will recognize the hon. member for a last supplementary question, but there are less than five minutes before the end of the question period and we are still on the first question.

EAST COAST OFFSHORE OIL RESOURCES—NOVA SCOTIA PREMIER'S REQUEST FOR FEDERAL PARTICIPATION IN PIPELINE TO MOVE SABLE ISLAND OIL

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, it is half past six according to the clock, and I recognize your difficulty. I wonder if I might direct a supplementary question past the distinguished member for Winnipeg North Centre to the Minister of Energy, Mines and Resources. Is there a substantial foundation on which the premier of Nova Scotia is basing his call and plea to the federal authority for participation in the development of a pipeline from Sable Island to the mainland or to a collection point for the collection of oil for the purpose of distribution to refineries for processing and subsequent distribution?

● (1430)

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, one of the options for further supply in the supply shortfall situation in eastern Canada had been to consider the early possibility of bringing the east coast fields into production. That has been studied by my department.

Mr. Forrestall: Mr. Speaker—

Mr. Speaker: Order, please. I remind the hon. member that my difficulty is not that it is six-thirty according to the clock but that we have a 20-minute question period today. That is not my difficulty but that of hon. members.

Mr. Forrestall: Mr. Speaker, I rise on a question of privilege. The province of Nova Scotia through its distinguished premier has indicated to the people of that province a real desire to involve the federal authority in a multimillion dollar project on the basis of information the federal minister is not prepared to discuss. My question of privilege is simply that either the premier of the province of Nova Scotia or the minister responsible for energy in this parliament is deliberately misleading the people of Atlantic Canada.

Some hon. Members: Oh, oh!

Mr. Forrestall: Now, hold on. There is a section I can quote with respect to the right of a member to be heard in this chamber. I do not very often have recourse to that. Our hopes have been so raised by half information, half truths and partial stories that we can no longer, as residents of Nova Scotia, and New Brunswick and P.E.I., continue to have this question unanswered. What I am asking the minister to do is to have some concern for these high hopes and expectations. If they are justified, let him say so. If they are not, I am asking him to caution our people not to raise their hopes when they cannot be realized. I am asking him to answer the question—

Mr. Speaker: Order, please.

Mr. Forrestall: —does the premier of Nova Scotia—

Mr. Speaker: Order, please. The hon. member for Rocky Mountain.

* * *

TRANSPORT

RAILWAY FREIGHT RATES FOR DELIVERY OF ALBERTA COAL TO CENTRAL CANADA—REQUEST FOR INFORMATION ON STUDY

Mr. Joe Clark (Rocky Mountain): Mr. Speaker, my question is directed to the Minister of Industry, Trade and Commerce. To ensure that there are no artificial obstacles to energy supply, has the minister sought from his colleague, the Minister of Transport, a report on the apparent substantial over charging by the railways on the delivery of Alberta coal to central Canadian markets? If he has received that report, can he tell the House what the facts are in that case?

Mr. Gillespie: Was that to me?

Mr. Clark (Rocky Mountain): Whoever has an answer.

Oral Questions

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, we have been studying with the interested provinces the possibility of bringing Rocky Mountain coal to the consuming centres of central Canada. At the moment the figures on that are under careful study. We have also been studying other means of bringing it east, such as a coal slurry in crude oil.

* * *

EXTERNAL AFFAIRS

STEPS TO ASSIST CHILEAN REFUGEES WISHING TO COME TO CANADA

Mr. Andrew Brewin (Greenwood): Mr. Speaker, my question is addressed to the Secretary of State for External Affairs. Perhaps I might be permitted to preface it by saying I am glad to see him back in the House after his trip.

Some hon. Members: Hear, hear!

Mr. Brewin: Mr. Speaker, a week ago last Friday the minister told the House that teams were being sent to Santiago, Panama and Honduras for the purpose of examining the question of Chilean and other refugees from Chile and their admission to Canada. Can the minister now tell the House what report he has received from these teams and what steps are being taken to carry out his undertaking, given then and previously, to deal with these refugees in the same humanitarian manner as refugees from Czechoslovakia, Hungary and Uganda were previously dealt with?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, the team that went to Chile, Panama and Honduras has now made a preliminary report by cable. The team itself, or at least the head of the team, Mr. Geoff Pearson, is returning to Canada tonight, and the reports that they are making will be considered this week by the cabinet.

Mr. Brewin: Will the minister report to the House after he has received these messages from Mr. Pearson and the others?

Mr. Sharp: Yes, Mr. Speaker.

* * *

[*Translation*]

INDUSTRY

STUDY OF OIL AND GAS PATENTS IN ORDER TO REDUCE USE OF PRODUCTS

Mr. René Matte (Champlain): Mr. Speaker, I should like to direct a question to the Minister of Consumer and Corporate Affairs.

Could he tell the House whether he intends having a serious study made of all patents for devices aimed at reducing energy consumption, especially as regards oil products, in order to avoid the useless spending of gasoline and gas and to make the necessary savings during this pseudo-shortage period?

[Mr. Clark (Rocky Mountain).]

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, my department is now studying the Patent Act, and I shall bring the very interesting question asked by the hon. member to the attention of the officials concerned and try to determine whether this study can be completed.

* * *

[*English*]

WILDLIFE

ACTION TO PRESERVE POLAR BEARS

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, time is of the essence in connection with the question I am about to ask the Minister of Indian Affairs and Northern Development. It has to do with the survival of some of our most wonderful animals in the north. The United States Congress has given approval to do everything it can to assure survival of these animals which face extinction unless action is taken. I may say that this matter was raised earlier by the hon. member for Edmonton Centre but nothing complete came from the discussions regarding polar bears. From all over this nation members are receiving letters, and fears are being expressed concerning the future of these animals, the most wonderful animals of the north. Will the minister advise what action is being taken and, in particular whether any arrangements have been made with the armed forces to assure transportation of these animals into the far north whenever they come down into areas that are inhabited?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I can assure hon. members that there is no danger for the polar bear in Canada. I am informed there are approximately 10,000 polar bears in the north and they are closely supervised by the Wildlife Service of Canada. The Wildlife Service permits the Eskimo people to kill a quota of about 400 polar bears per winter. Everything is under control. I am satisfied at this moment that there is absolutely no danger of extinction for that great animal.

Mr. Diefenbaker: Mr. Speaker, that is not the view of those who understand the problem thoroughly. Although, I do not belong to that group and I never, in all the hunting I have done, killed any Canadian animal.

Mr. Trudeau: Just fish.

Some hon. Members: Oh, oh!

Mr. Nielsen: Except Grits.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: They do not require protection, but we would under the game laws if they had the power to deny it.

Some hon. Members: Oh, oh!

Mr. Diefenbaker: I ask the minister to look further into this matter and put an end to trophy hunting of the white bear in the north, even though he is most optimistic that

with only 400 a year being killed, and with 10,000 living there, there is no danger at all. The United States House of Representatives thought otherwise. Would the minister advise whether the government intends to close the season on these animals?

● (1440)

Mr. Chrétien: Mr. Speaker, we do not intend to close the season because it is not 4,000 polar bears, it is about 10,000 polar bears. The population is controlled by the Canadian Wildlife Service. I have confidence in these experts. I know the hon. member thinks he is an expert, but I have been in the north in the last six years and I have talked with the Eskimos. I am sure the Eskimos will co-operate with the government if there is a need to close the hunting. So far there is no such danger, and I want to retain for the Eskimos their traditional right to hunt polar bears.

Mr. Speaker: Order, please. The Chair might be allowed to recognize the hon. member for Moose Jaw, following which I will call orders of the day.

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NATIONAL REVENUE

OIL EXPORT TAX—NOTIFICATION TO COMPANIES OF DETAILS OF ASSESSMENT AND COLLECTION

Mr. Doug Neil (Moose Jaw): Mr. Speaker, I have a question for the Minister of National Revenue. Has the minister notified all relevant companies of the assessment, collection and other guidelines with regard to the export tax and, if so, what are the general terms of agreement?

Hon. Robert Stanbury (Minister of National Revenue): Mr. Speaker, if they have not been notified they will be very shortly. I do not think this is the appropriate time to outline what the notices are, but I will be glad to discuss the matter with the hon. member.

Mr. Speaker: Orders of the day.

GOVERNMENT ORDERS

[*English*]

FOREIGN INVESTMENT REVIEW BILL

PROVISIONS RESPECTING ACQUISITIONS OF CONTROL OF CANADIAN BUSINESS ENTERPRISES AND ESTABLISHMENT OF NEW BUSINESSES

The House resumed, from Wednesday, November 21, consideration of the motion of Mr. Gillespie that Bill C-132, to provide for the review and assessment of acquisitions of control of Canadian business enterprises by certain persons and of the establishment of new businesses in Canada by certain persons, be read the third time and do pass.

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, at the close of debate on Wednesday I was quoting from the

Globe and Mail of November 20, 1973, the comments of Mr. Kniewasser made at a seminar at the University of Toronto Faculty of Administrative Studies. Some further comments were made by Mr. J. A. Perham, Chairman of Canadian Oxygen Limited, Toronto, a company that employs 1,000 Canadians, to the effect that at its inception that company could not have met the test of proving that it would provide a positive benefit to Canada.

I think this is an example of the difficulty that will be faced by the tribunal. This company, which is owned by British Oxygen Company, has made 17 acquisitions since it was formed. Some involved a few thousand dollars and one was for $8 million. The latter was the acquisition of a United States controlled company. I take it this is an indication this company feels that the acquisition of a U.S. controlled company is in our interests, particularly as its parent company is British.

The article in the *Globe and Mail* states that Mr. Perham noted that many of the small acquisitions might not have been approved under the new takeover legislation because they involved the purchase of small Canadian welding supply distributors. Yet, according to him, without these purchases they could not have taken over the largest acquisition, the American company. He went on to say that governments are overly concerned today about what they loosely call social justice and he felt they should be equally concerned about business justice so as not to inhibit the long-term economic growth of our country.

The president of Canadian Motorola Electronics Limited of Toronto had this to say:

> Many of government's doubts about multinational firms are based more on theory than fact.

He went on to say that no one can find fault with the legitimate concern that foreign investment should meet Canadian standards and objectives but that the problem is to define what these standards and objectives are because they have not been made plain.

The need to interpret vague words like "national industrial and economic policies" or "the effect of the acquisition of establishments on the level and nature of economic activities in Canada" makes it very difficult for business to make decisions. I suggest that it is going to be extremely difficult for this tribunal to interpret the words "of significant benefit to Canada".

I submit that virtually every small business will have to be sold once the owner retires or is deceased. The present level of income taxes, the federal government's capital gains tax, and the fact that all provinces except Alberta are inflicting estate taxes on their citizens mean very heavy tax payments when the owner of a business is deceased or a business is sold. Most businesses in Manitoba of over $300,000 capital are facing the problem of raising almost half that amount for capital gains tax and death duties should the owner die. This will mean that virtually every small business will have to be sold within the lifetime of the owner or at his death. I should think that this group of businesses, up to say the $5 million range, will be hard hit by this new tribunal. The tribunal will obviously have to disallow many sales of businesses on the basis of the requirement that they produce "significant benefit to Canada". Most often the business would be of significant benefit to a local area but would not be of

benefit to other regions of the country, particularly when it introduces a new competitive firm in that part of the country. This is one of the complaints. Companies sold to Toronto-based firms and Montreal-based firms will probably be closed down and the plants moved to those cities. One cannot blame them for this, but the problem is very real.

The centralizing role of this tribunal is obvious. Sales of firms close to Ottawa, in Ontario and Quebec, will receive favourable consideration. Those in the periphery of Canada, in the Maritimes and in the west, are certainly not going to receive the same consideration. The levying of the oil tax and the discounting of barley and wheat to Canadian consumers by the federal government just recently are a case in point. These actions would never have been taken against the provinces of Ontario and Quebec just because they are too powerful and their voices are heard in Ottawa. The role of this tribunal will obviously be to discourage investment in western Canada and the Maritimes.

Finally, the fact that the ultimate decision is to be made by cabinet means that the guideline, "of significant benefit", will be disregarded and in the final analysis the decision will be absolutely a political one of the moment, not a very good thing on which build a foreign investment policy. The failure to introduce a means by which the provinces would have something to say about investment being made within their jurisdictions is a major weakness of this legislation. Until the provinces can have a role in deciding what is important in their areas this tribunal will not function adequately.

Mr. Randolph Harding (Kootenay West): Mr. Speaker, I should like to take part in the debate on the motion before the House and at the outset indicate that it is my intention to support the legislation despite its many deficiencies. It is at least a step in the direction of controlling foreign takeovers. It is a sad commentary, indeed, that legislation such as this was not placed on the statute books years ago. It would have been far more effective 20 or 30 years ago than it will be today simply because at that time action could have been taken with regard to all the key corporations that over the years have passed to foreign control.

● (1450)

Last year the majority Liberal government introduced a foreign investment review bill in the House of Commons. It was a weak, indecisive piece of legislation. Fortunately, it died on the order paper when the election was called in the summer of 1972. The present bill, C-132, is a considerably improved piece of legislation. It deals not only with foreign takeovers but also with new businesses sought to be established by foreigners and expansion of existing corporations in unrelated areas.

The minister has accepted a number of changes from committee members, including suggestions from my NDP colleagues. The result is a stronger and vastly improved piece of legislation. It is an indication that minority government has had a beneficial effect on this legislation now being processed by parliament.

[Mr. Ritchie.]

At this time, however, I must make it crystal clear that the legislation now before us is only one of several measures that must be taken if we are to regain control of those key aspects of the Canadian economy that have come under foreign ownership. For example, the bill still does not deal effectively with the most important part of the problem in Canada, the expansion of existing foreign corporations within this country. If the legislation is policed effectively by the minister, the expansion of existing corporations in unrelated fields can be checked. However, this is only a part of the vast expansion of these foreign corporations which is taking place within the boundaries of our own country. Parliament must proceed with further legislative measures to control future foreign investment in the country and to ensure that control of those vital sectors of the economy which have already passed into the hands of foreign investors is returned to Canadians.

Liberal and Conservative speakers are constantly extolling the virtues of foreign investment in our resource industries and in other aspects of our economy. Canadians are told that we must have this investment or our economy will wither on the vine. To-day, as in the past, the policies of both the Liberals and the Conservatives have been directed toward encouraging foreign investment in practically every phase of our economy. Both Liberal and Conservative governments over the years have passed legislation and regulations which have given a host of concessions to foreign investors. These include ridiculous tax concessions, exemptions, low royalty rates on oil and gas, generous permit and lease arrangements for resource development, and so on. These policies have resulted in foreign control of our Canadian economy to an extent not seen in any other industrialized nation in the world. These policies have resulted in the massive export of Canadian raw materials with little or no processing taking place in our own country. This is one of the major reasons why a resource rich country like Canada has such a high unemployment rate.

The limiting of foreign ownership in our country is not an unreasonable proposal. I point out to hon. members that many other countries in the world have been forced to take legislative action against foreign investors from other countries. These countries have recognized that economic independence is fundamental to political and cultural independence. They took action to protect their own national interests and to ensure that the control and direction of their economies would be subject to decisions made in their own countries by themselves. They were able to foresee the tremendous pressures and influences that foreign-owned corporations would be able to exert on key sectors of their economies if these foreign corporations had control. Perhaps they have taken the lessons history has taught far more seriously than Canadians, for it has been demonstrated over and over again in many parts of the world that the political takeover of a country in one form or another has always followed economic takeover. It is a tragedy that this government and the Conservative party have not recognized these basic facts.

Among the many nations of the world that have taken action to limit foreign ownership is Japan. It is a good example because since World War II there has been very heavy United States investment in that country, just as there has been in Canada. A few years ago, however, the

Japanese passed legislation limiting foreign control in general industry to 49 per cent. In certain key industries such as railways, steel and auto manufacturing the limit on foreign control was cut to 20 per cent, and in such essentials as radio, television, the press, the banks, etc., the Japanese government would allow no foreign ownership at all. Some adjustments have been made to foreign investment over the years, but we find that Japan still keeps a firm hand on the control of her economy.

In practically every country in Europe, including France, West Germany and the Scandinavian countries, we find legislation limiting foreign ownership. These countries are more acutely aware than Canadians have been of the inherent dangers and weaknesses that may result from loss of economic power when it is held in the hands of foreign corporations. These countries, however, have done something about the situation while Canadian governments, past and present, have refused to face up to the basic problem and to make those major basic changes that are required to protect Canadian industry and Canadian resources from complete domination by foreign corporations. Our very future is at stake and I am certain that Canadians will not tolerate much longer the Liberal and Conservative policies which in effect allow the control of our industry and resources to continue to pass to and remain under the control of foreign based corporations.

I would first like to show the extent of foreign control of the Canadian economy and then deal specifically with one of our major resources, oil and gas, which is almost completely dominated by foreign interests. The sellout of this key energy resource, federally and provincially, by the Liberals, the Conservatives and the Social Credit over the years is one of the tragedies of our time. Their past policies will come back to haunt them in the years ahead as Canadians realize their over-all interests have not been protected or planned for on any long-term basis.

It is very noticeable that foreign control of Canadian resources is more pronounced in those areas where governments have granted ridiculous tax concessions, exemptions of various kinds, low royalty rates, and so on. It is difficult to believe that any government could be so stupid as to allow many of our non-renewable resources to be gutted at fire sale prices. We find that the oil and gas resources industry is over 90 per cent foreign controlled. In the oil refining segment of the industry, the control is over 99 per cent. Foreign control in the mining industry has risen to over 70 per cent, while the smelting and refining industry is 85 per cent non-resident controlled. In the iron mining industry the rate is 86 per cent, while in the non-metal mining industry, which includes asbestos, potash, gypsum, etc, non-resident control has reached 85 per cent. In 1969 the figure for rubber products was 92.7 per cent, in the machinery section foreign control in 1969 amounted to 73.2 per cent, transportation equipment was 86.4 per cent, chemicals and chemical products were 80.4 per cent. Four years ago, in 1969, the printing and publishing sector rose to 20.4 per cent foreign control from 11.3 per cent in 1965. Many more figures could be given here, but the preceding examples indicate the serious situation facing many aspects of Canadian industry.

● (1500)

We should next look at the reasons for excessive foreign control in some sectors of the natural resource field. Canadians should be asking why foreign controlled oil companies and mining firms have moved into Canada on a vast scale. The answer lies in the major concessions which past governments have granted to these corporations. Perhaps the excellent table of tax rates on profits which was presented by Eric Kierans two years ago will give the reason and show how foolish government policy in this field has been over the years.

In the speech given by Eric Kierans to the Canadian Economic Association on June 3, 1971, he had this to say:

> Taxation allowances have been used so extensively in Canada since 1949 that the Dominion Bureau of Statistics has been forced to issue two sets of financial figures, the one based on the annual reports of corporations to their shareholders, the other drawn from the reports filed with the Department of National Revenue for tax purposes by the same corporations. In 1968, for example, book profits reported to shareholders amounted to $8,350 million while taxable income reported to the Revenue Department amounted to $5,021 million.

These figures indicate that there was a difference of $3,329 million between the profits reported to shareholders and the taxable income reported to the Revenue Department. In other words, in 1968 only 60 per cent of the companies' book profits were classified as taxable income. Over the four-year period from 1965 to 1968 inclusive, of a total of just over $30 billion shown as company book profits, the taxable amount came to $17.3 billion. This means that over the four years between 1965 and 1968 about $12.7 billion of book profits were not classed as taxable income, as a result of which the average taxation rate for all corporations in that four year period came to about 57.6 per cent of the book profits.

These figures do not imply that all corporations were taxed to the same extent. So let us look at the second table which was supplied by Mr. Kierans two years ago. It shows the book profits made by selected industries, the taxable income of those industries and the percentage of book profits which was taxed. It is a most revealing document. This table shows that in the four years from 1965 to 1968, the book profits of companies dealing in mineral fuels, which include oil and gas, amounted to $795 million. The income on which taxes were levied amounted to only $45 million. As a result, the companies were taxed on only 5.7 per cent of their book profits. Is it any wonder, in these circumstances, that we have seen a concentration of foreign control in this industry?

In the metal mining industry, over the same period, book profits amounted to $1,707 million. Taxable income was $220 million which amounts to only 13 per cent of total book profits. In the category of "other mining", book profits over the period amounted to $374 million and the companies paid tax on only $120 million which works out to 32 per cent of book profits. In the manufacturing industry, companies paid taxes on 63 per cent of their book profits. The construction industry paid taxes on 65 per cent, and the wholesale trade on 87 per cent. But in the retail trade, which is almost entirely Canadian-controlled, we find the companies paying taxes on 90 per cent of their book profits.

The picture becomes crystal clear. Foreign corporations are concentrating in those areas where they can make the most money. This is natural. Mr. Kierans summed it up neatly in the following paragraph:

> If foreign ownership dominates the mining and petroleum industries, our tax system has clearly invited this concentration. We have not only extended a warm invitation to foreign capital, but we have told it where to go. If you invest in the service industries, we say, you will have to pay taxes on 87 per cent or 90 per cent of your profits. On the other hand, in metal mining you will only have to pay on 13 per cent and in petroleum on 5.7 per cent of your profits. The invitation says, in effect: Come and get us.

It has been the taxation system and the concessions by a series of governments over the years which have led to the overwhelming control by foreign investors in these two key sectors of our economy.

Some changes have been made in our taxation system since 1968 but the corporations involved in the petroleum and mineral field still maintain their privileged position. Over the years, the NDP has urged a succession of federal governments to initiate legislation of a type which would ensure Canadians exercising effective control over their economy for all time, and we call upon the government to move in this direction without further delay.

The present energy crisis in Canada, and the close relation it bears to our own supplies of oil and natural gas, should help bring the whole picture of foreign control, as well as our own failure to give adequate direction in this regard, home to the Canadian people. It is not only the problem of foreign control which we find disturbing at this time: it is the complete lack of a viable, national energy policy. As we drift from crisis to crisis, it becomes increasingly obvious that the present administration does not know in which direction to turn, simply because it has neglected to lay down any longterm policy for the nation. Conservative spokesmen have demonstrated time and again in this House that they are the mouthpieces of the multinational oil corporations which are firmly in the saddle as far as oil and natural gas supplies in this country are concerned.

We find the Province of Alberta, under a Conservative administration, planning to hand over to the multinational oil corporations for development one of the greatest oil deposits left in the world, the Athabasca oil sands. This valuable resource should be developed under public ownership, and in so doing Alberta should seek financial support not only from the federal government but from other provincial governments and from the Canadian public in general. It should be obvious to all Albertans that under the present plan to develop this rich resource, those who will make real profits out of the undertaking will not be the general public but the foreign-controlled oil corporations.

Since the spring of this year, the world has seen an unprecedented increase in the price of crude oil, natural gas and their by-products. There was an exceptionally sharp rise in the market price, especially in the United States which uses about 38 per cent of the world's total energy. There was really no need to import this inflationary trend in oil and gas from the United States to Canada. At the same time, it did not make sense to sell our oil and gas in the United States market at prices far below their going rate. The only way this could be done effectively, without importing more inflation to Canada, was to impose an export tax on both oil and gas. The government finally took this step a few months ago and imposed a 40-cents-a-barrel export tax on crude oil exports which, in effect, set up a two price system in Canada. It meant our domestic oil would be 40 cents lower that the going price in the United States.

This export tax is to be raised to $1.90 as of December 1, 1973 and will carry through to the end of January. This move has helped to check the severe inflation in the price of oil products which will be passed along to other spheres of economic activity unless the export tax remains.

• (1510)

It is interesting to see the tremendous opposition to this form of tax by the multinational oil corporations, the Conservative government of Alberta and members of the official opposition in this House. There has been a great deal of misinformation spread throughout Canada about the imposition of this export tax, so perhaps I could briefly examine the oil situation in Canada and the role played in it by the multinational oil corporations which primarily control it. The anguished cries of the Conservative party over the alleged mistreatment of the oil companies by the government should be a clear warning to the Canadian people of what we can expect from this group if they ever take over the reins of government in Canada.

Last year the oil companies in Canada had their best year profit-wise in history. This year their quarterly profits are up sharply over 1972. Over the past year there have been sharp increases in the prices of all oil products, including gasoline. This increase was not based on additional production costs in Canada but on the rising cost of oil in the international market.

On November 1, 1972 the price of western Canadian crude was increased by 10 cents a barrel. On May 1, 1973 another increase of 25 cents a barrel took place. This was followed by further increases of 20 cents a barrel on June 1 and 40 cents a barrel effective August 1, 1973. This means that over a nine-month period the price of western Canadian crude jumped a total of 95 cents a barrel. This was a 37 per cent increase in oil costs and would increase the annual revenue of the oil companies by $700 million over a full year.

These price increases forced the government to take action, and on September 4 the Prime Minister (Mr. Trudeau) called for a freeze on further price increases. He indicated that the 40 cents a barrel export tax would be levied as of October 1 on all crude oil leaving Canada. This export tax will be raised to $1.90 a barrel as of December 1, and will last until the end of January. I might add that our NDP group will oppose removal of this export tax at that time.

Let us now look at this export tax and the alternatives to it. An export tax of $1.90 means that Canadian oil will be sold in the United States market at going world prices. It also means that oil in the Canadian market will be sold at domestic prices, which will be $1.90 below the inflated prices in the United States. The federal government has guaranteed that the producing provinces will not lose one penny in royalty rates through the imposition of this tax.

This applies both to exported oil and to oil used domestically. The government has also indicated that it would be prepared to turn over any surplus money which accrues from this export tax to the producing provinces for oil development or research in those provinces. The surplus revenue, over and above the royalties which would be returned to the provinces, would amount to several hundred million dollars a year.

Now, let us look at the alternative that is favoured by the Conservatives in both Alberta and Ottawa. They would like to see price increases levied at the wellhead in progressive stages. What does this mean in terms of revenue to the general public in the producing provinces? Alberta now receives an average royalty of about 22 per cent for oil produced at the wellhead. The oil companies get the other 78 per cent. In the case of the $1.90 export tax, if this were to be the price added to the wellhead cost we would find Alberta would receive 42 cents and the oil companies would receive $1.48 of this additional $1.90 increase.

It has been interesting also to hear the complaints of our Conservative friends in the House about the export tax. As I understand it, there had been no increase to the oil companies in the price at the wellhead in Alberta at the time the tax was levied. If the export tax had not been levied by the federal government, it would have meant that the multinational oil corporations in the United States would have continued to buy Canadian crude at the initial low contract price and they would have reaped 100 per cent of the price increase of 40 cents a barrel when it reached the Chicago market. In my opinion, the Conservative position is a weak one and is certainly not in the best interests of Canadian consumers or in the interests of the citizens in those provinces where oil is produced.

We have heard from a number of speakers in this debate about the unhappy position of the oil companies in Canada. Our Conservative friends in particular talk about the need for increased revenues so that these companies can carry on exploration in various parts of Canada to ensure the future of energy sources in the oil and gas industry. According to the information which I have, these companies have always been able to write off their exploration costs, and more. This was ably explained by Eric Kierans when he showed that the oil companies in Canada paid taxes on 5.4 per cent of their book profits. This scandalous situation has existed for long enough and should be changed. All oil products, including gasoline, used by the Canadian consumer bear part of the cost of exploration carried on by these companies.

There is another very important and distressing aspect about the foreign control of our oil and gas resources by the multinational oil corporations. Most Canadians know that the vast majority of profits made by these corporations operating in Canada goes into the pockets of foreign investors. There is another aspect which we sometimes forget, and that is the increasing value of the resource as the world price increases. For example, big oil companies have the option on most of the oil remaining in Canada's conventional reserves. It is estimated that there is a little over 10 billion barrels of these conventional reserves left. At the present rate of exploitation these reserves will be exhausted in about 12 years. It is doubtful whether they could last that long unless severe export restrictions were put upon our oil exports.

The point I should like to make here, however, is that when the oil companies received a 95 cent increase per barrel over the period November 1972 to August 1, 1973, that increased the value of oil reserves on which they had options by over $9 billion. There will be relatively little increase in production costs from these conventional sources as the wells have been drilled and the distribution system is already installed, so the bulk of this huge increase will go to these firms and will not benefit the Canadian people or the general public in Alberta.

Since the companies were granted this 95 cents increase, the price of crude oil has increased again by at least $1.90, which is reflected in the export tax about which I have spoken. If this additional $1.90 is progressively phased in at the wellhead over the next few months, we will see an additional $19 billion added to the value of these conventional reserves which are controlled by the oil companies. This would make a total of almost $28 billion in additional revenues available to these companies as a result of oil price increases over the last year alone; but only a fraction will be returned to the people of Alberta under their present royalty set up.

There is no doubt that the world price of oil will be further increased, which again will increase the value of our oil and gas reserves. If these conventional reserves had been owned by the people of Alberta, they would have had sufficient revenues coming in over the years to have carried out public development of the Athabasca tar sands without seeking elsewhere for capital. Even now a major change in their royalty and assessment procedure would vastly increase the return to the public purse from what is presently being received.

● (1520)

During the debate on energy resources we have heard a number of Conservatives and Liberal speakers indicate the need for additional revenues for the oil companies so that further exploration could be carried out in various parts of Canada to ensure continuing supplies of oil and gas for both the domestic and export markets. This government and other governments, including the one under former Prime Minister Diefenbaker, have always given the multinational corporations unprecedented concessions, permit lease arrangements and tax exemptions.

The present Canada oil and gas land regulations which are the product of both Liberal and Conservative governments consist of a major sellout, at five sale prices, of our potential oil and gas industries in northern Canada. These regulations are in the process of review, but indications are that there has been relatively little change, and the multinational oil corporations still reap vast fortunes from our northern oil and gas resources once they are tapped. Perhaps a short review of the present situation north of the 60th parallel would make the members of this House more aware of what we must do if Canadians are to get a fair return from this particular resource.

Last March an interesting research paper was presented to the Canadian Arctic Resources Committee in Ottawa by Professor Andrew Thompson of the University of British Columbia. It is a slashing attack on the giveaway resource

policies of the Canadian government, particularly in the field of petroleum resources. The report likens the oil and gas regulations to Canadian colonialism, and calls the regulations a resource giveaway unparalleled in any country in modern times. It points out that these giveaway regulations have sparked a powerful thrust into oil exploration and development in Canada, and brought into sharp and urgent focus a number of major national problems which require immediate attention and early solution. These problems include the environmental issues, the claims of native people, the questions about transportation systems and the implications that large-scale energy exports may hold for industrial strategy.

These oil and gas regulations govern petroleum exploration and production in all parts of Canada under federal jurisdiction. This includes the area of 60 degrees latitude and also the east and west coast offshore regions, including Hudson Bay. They include a permit lease system which allows the leasing company to hold vast areas into the next century at little cost, even without discovery of oil or gas, unless changes are now made in the regulations. It must be obvious what regulations of this type could do to the proper planning for national use of the energy resources that exist in our northern areas.

Perhaps the most glaring aspect of this giveaway policy in the north shows up in the royalty rates which the regulations have established for the federal areas. For the first three years there is a 5 per cent royalty rate which is unprecedented anywhere in the world. After the three year period, the royalty is increased to 10 per cent. Let us compare this maximum 10 per cent rate with the 16 ⅔ per cent charged in the United States offshore areas, a 20 per cent effective rate in Alaska, which is just as far north as northern Canada, and with the average 22 per cent in the province of Alberta.

The loss of revenue to the federal government from these extremely low royalty rates would be fantastically large if oil and gas finds in the north warranted the construction of a gas or oil pipeline. The paper by Professor Thompson gives two excellent examples of the revenue loss which could accrue to Canadians if these ridiculous royalty rates are allowed to stand. The first example is a gas pipeline from the Mackenzie Delta to southern Canada and the United States market with a throughput of 4.5 billion cubic feet of gas per day. It is presumed that this gas would be obtained in equal proportions from the Alaska north slope and from the Mackenzie Delta.

The price used was a wellhead value figure of 30 cents per thousand cubic feet in both places. The royalties payable to the Canadian government during the first three years of production would be approximately $36 million as compared with $144 million payable to the State of Alaska. After three years, the Canadian government would receive $24 million per year and the State of Alaska $48 million per year. Over a ten year period Canadian gas revenues would be $276 million less than those received by the State of Alaska.

From the example I have quoted one can see that weather conditions, drilling conditions, etc. are comparable, but the distance the gas must go from Alaska to United States markets is almost twice as far. Does it not seem rather foolish that a multinational oil corporation which controls a gas well in the Prudhoe Bay area and controls a similar gas field in the Mackenzie Delta area would be willing to pay $276 million more to the State of Alaska for the same amount of gas over a 10-year period than to Canada? This is just a sample of the colonial thinking of our federal government which has dared to set these unprecedented giveaway royalty rates for our non-renewable resources. In addition, all exploratory costs are deductible from income regardless of the cost.

The second example is an oil pipeline from the Mackenzie Delta to the same markets with a capacity of 1.5 million barrels per day. A wellhead value for the oil of $2 per barrel has been assumed, although it would be much higher at present day prices, and this would reflect much higher figures. Royalties payable to the Canadian government during the first three years of production would be $157.5 million. The same oil produced in northern Alberta would generate royalties of $787.5 million for the provincial government at a 25 per cent rate. After the first three years, the federal government would collect $105 million per year as compared with $262.5 million for the Alberta government. The 10-year difference in oil revenues would be $1,732,500,000 in favour of Alberta. This does not mean that Alberta is presently levying adequate royalty rates to return to the people of that province the just return they should receive from this valuable non-renewable resource. These figures show the callous disregard of the old line parties toward our national resources.

These figures indicate the need for Canadians to rethink the position of our country in relation to the whole field of energy and, in particular, to those oil and gas resources which come under federal jurisdiction. The potential of vast quantities of natural gas in the north alone would indicate that they should be brought under public ownership, planned and utilized to serve the long-term energy needs of Canada.

There are many other aspects of foreign control which have been touched upon by other members of our group, so I will not deal with them again. In closing, however, I would point out that we are in an emergency energy situation at the present time. It has not been brought about by the recent war in the Middle East. This merely brought it to a head a few months sooner than would otherwise have been the case. There is no national energy policy in Canada today because governments of the past have been afraid to formulate those policies. The trend of both Liberals and Tories over the years has been to gradually integrate the energy resources of this country with those of the United States. This integration is already well advanced. Even today we see recommendations before the National Energy Board for the province of Ontario to make a sharp increase in the export of their hydro electric power to that country. Once this power is exported and becomes integrated into the industrial complex of the United States, it will be almost impossible to stop future exports, no matter how adversely this might affect our economy.

● (1530)

Long-term commitment of our energy resources can seriously affect the future industrial development of Canada. This Parliament and this nation should first establish basic long-range planning for a national energy

[Mr. Harding.]

program before we further commit any of these precious non-renewable resources to another country. I am hopeful we will see some decisive planning by the present government along these lines within the next few months.

[*Translation*]

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, once more we have just heard a magnificent lecture on the importance of public ownership and development of our natural resources.

While my hon. friend had the floor, I was thinking about what happened in Chile when Mr. Allende was president and had nationalized the copper mines of his country, three years ago, and said to the Americans: We are getting control over our own country, pick up your marbles and go home. The Americans left, and the American machinery in those copper mines happened to require some repair. Therefore, the Chileans asked the United States to provide them with spare parts to repair these machines. The latter answered: You threw us out, you no longer need us, we therefore refuse to sell you spare parts.

Then, Mr. Speaker, what did happen? The communist president of Chile happened to resort to the services of the Noranda Mines Limited of Rouyn-Noranda, to process 22,500 tons of copper ore for Chile. When private enterprise can be useful to these people, it is all right, but it is dangerous to respect it when it contributes to developing the country's natural resources. This is where we do not agree on public ownership, nationalization and government control on resources. What we want is a private enterprise system. We do not want any trusts or monopolies but a private enterprise system under which the individual may act according to his abilities, his skills, his will, with as little interference from the government as possible. That is what is called real democracy.

Mr. Speaker, as regards Bill C-132, relating to foreign investment, we can say that there are two kinds of investments: investments for private and public undertakings. In the private sector, if Germans, Americans or Frenchmen bring in with them capital to set up viable private concerns, if they come here with new techniques and new knowledge, we think that a logical government should not oppose such investments liable to increase the economic and social development of our country.

With regard to the public sector, we Créditistes have been maintaining for a long time that we do not need foreigners to tell us what to do in our public administration. For instance, last week, as this recurs about every two or three weeks, our "strong" Quebec premier, Mr. Bourassa, with 102 hon. members out of 110, floated a $50 million bond issue to finance Hydro-Quebec.

[*English*]

Mr. Knowles (Winnipeg North Centre): Wall to wall Liberals.

Mr. Caouette (Témiscamingue): Right. It is about the equivalent of a carpet.

[*Translation*]

Mr. Speaker, it means $50 million bearing interest at 10 per cent for 25 years, again for the partial hydroelectric development of the famous James Bay. That means a $125 million interest in 25 years. It is a good deal for the lenders, but an awfully bad one for the people of the province of Quebec. I am referring here to Quebec, but I could say the same of Manitoba. The New Democratic government of that province is so much against private enterprise, so much anti-American, that their Minister of Finance went again to the United States as recently as three months ago, to beg on his knees to borrow $50 million from private entrepreneurs.

Mr. Speaker, to say something here, and then to act otherwise outside, that is quite different.

We say the same thing everywhere. We suggest Premier Bourassa should come to Ottawa to meet the right hon. Prime Minister (Mr. Trudeau), the hon. Minister of Finance (Mr. Turner) to tell them both: We need $50 million guaranteed by the same resources, on the same Hydro-Quebec development. But instead of having the figures written in the United States, they should be written at the Bank of Canada. It is a question of figures, based upon the same resources.

If Mr. Bourassa and the other premiers of Canada exerted pressures on Ottawa, instead of going down on their knees in New York, it seems to me we would get better results. Therefore I say that the public segment of our economy should be financed directly by our financial institution, not by the one in New York, but by ours, the Bank of Canada, which is allowed to write down the figures. It is allowed to grant loans for six months and not for 25 years under section 13 and 20 of the Bank of Canada Act. Let those who do not believe me refer to this act. They will be able to read that the Bank is authorized to grant loans to provinces and even to municipalities but for periods not exceeding six months. What can Mr. Bourassa do within six months? He already finds it difficult to achieve something in three years so it is clear he cannot do anything in six months.

Therefore, let us say to Mr. Bourassa: Come over to Ottawa and exert your pressures where they should be exerted. Mr. Speaker, investments in the public field would also help private businesses. The manufacturers would be paid with money free from debt instead of being paid with debts and interest paid to foreigners. We would become the masters of our economy whereas we remain the true servants of a few money lenders for the development of our resources.

The Creditists will keep on fighting for the private sector not to be hindered by the governments and for the public sector to be financed by our national financial institution. I repeat that if Americans wish to settle down in Canada to develop our resources to the benefit of Canadians we will not oppose it. Earlier, I heard an NDP member state that such a company had made a 65 per cent profit, another 40 per cent, another 60 per cent and another 32 per cent. We are told only about those profits and not about the expenditures of those companies! This is what I would like to know: What has been spent?

Have the 65 per cent profits been hidden in the cellar of the house or have they been spent for expansion? Have they been spent for improvements to the industry or to buy personal effects?

When someone buys a Cadillac, Mr. Speaker, admittedly it provides jobs for those who help make it, for those who

manufacture parts, for mechanics, for just about everyone. When a castle is built, carpenters are given jobs, building materials are sold, jobs are created. New Democrats do not speak of jobs, but of profits. Expenses do not count. Mr. Speaker, we believe that profits are expenses which are the backbone of the Canadian economy, which stimulate the circulation of goods and the manufacture of materials, and move products towards the consumers, whether they are wage earners or small businessmen, it does not matter much.

Mr. Speaker, far from me the desire to create or protect trusts, combines or monopolies. In this connection we say: There are some laws to control monopolies, combines and large multinational corporations trying to set prices. There is only one thing to do: Fine them. They laugh at us, because price increases enable them to double, triple and even quadruple their income to cover the payment of the fines. We merely have to jail the officials. I am sure that there is not one who wishes to go to jail; before they do so we will soon see the end of the combine.

Mr. Speaker, those are the few comments which I wanted to make on Bill C-132. We are in favour of investments for private enterprise as well as for public enterprise. We advocate the use of the Bank of Canada, so that we may all say together: We are masters at home, masters in our country, Canada, and masters of our economy.

● (1540)

[*English*]

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, in rising to speak on third reading of the bill, I should like to say that the crux of the problem confronting this House has been summed up in the editorial of the Toronto *Star* for November 14, 1973 entitled "Tories waver on foreign control". In this editorial, the Toronto *Star* assumes that whatever is good for Toronto is good for Canada and what is bad for Toronto is bad for Canada, no matter what the results are in areas remote from Toronto. The definition of Toronto should be expanded to include Montreal and Ottawa. It goes without saying that almost all foreign investment in parts remote from this triangle would be considered of no significant benefit to Canada. The effect of this bill would be to allow for the complete domination of the peripheral portions of the country by this centrally controlled Ottawa bureaucracy.

The failure of the government to accept these amendments, and to allow greater participation in the decision making process of this review board by the individual provinces, will really arouse suspicion in the west and in the Maritimes that the central government will not allow any investment that interferes with its predominance. Why is this problem of a serious nature? I suggest that it is serious because, along with the review process by the Ottawa bureaucrats—most of whom will have no knowledge of the rest of the country—is the fact that our investments pools which will have to operate if foreign buyers are to be prevented from buying Canadian investments, unless we move to shut them out altogether, are controlled by institutions that dominate the action. This is a situation which should be of considerable concern to governments.

[Mr. Caouette (Témiscamingue).]

A serious problem facing the stock market is the fact that the small, individual investor is absent. Small investors were badly burned in 1969-1971, and they show no signs of returning. I suggest this fact is not taken into account in the bill. When institutions dominate the investment market, unlike the small and individual investor, they tend to put their faith in major corporations such as the elite 30 detailed in *Fortune*. The small and individual enterprising companies rely to a fairly heavy extent on the investment of the little guy. Now, unless these small investors can be wooed back into the marketplace, some disturbing trends will occur. The institutions, with their massive pool of funds, cause degrees of instability when they make major shifts in investments, while the individual investor tends to be a stabilizing factor as well as an excellent source of capital for smaller companies seeking much needed financing to carry out expansion programs that would be of general benefit to the community. Failure to create a climate that will lure back the individual investor will make a fundamental change in North America's investment patterns.

What has happened to the investment pool? It seems likely that the incentive for building the market has been greatly weakened through a combination of world economic trends resulting in recession and inflation, reducing the value of the player's return on investment, while at the same time capital gains taxes further cut into profits if any materialize. The little guy has come to the conclusion that, under the circumstances, he is better off salting his money away or, in the light of today's high interest rates, putting it in the safekeeping of his friendly banker or trust company. Why take the risk of being clobbered in a market which has been full of uncertainties in the last few years for gains that are becoming less attractive in comparison with what a dear old savings bond or bank can offer?

I think this trend is very pertinent to this bill because who will lend money to this $1 million feed lot operation or this small factory with 10 employees if it is not the small investor? But he cannot lend his money when he has it invested in government bonds or in the dear old bank vault. The big financial institutions cannot be bothered to lend money to a high risk blacksmith, especially one who is pounding out agricultural implements. Brokers refute this argument and maintain that if a well planned investment program is put on the market it is still attractive, but few people seem to agree. They are keeping their money in large pools instead of having it eaten up by inflation.

Further comments on this move to remove investment moneys out of the stock market where it would help to finance many of the companies that would be viable concerns in their communities is detailed in an article in the Ottawa *Journal* of September 4, written by Mr. Bruce Whitestone. He points out that small investors are increasingly reluctant to put money in common stock. He has suggested that inflation, and its persistence in a peacetime area, has been the main factor at work here. For most of the post-war period, the public was told that investing in common stock was a good hedge against inflation, but generally the stock market has proven to be a poor hedge for at least a decade. The public has been shifting its financial assets into bonds, bank accounts and real estate. An interest rate of 8 per cent took care of an inflation

premium of 5 per cent, leaving the real cost of money at around 3 per cent a year.

● (1550)

I should like to quote from an article in the *Globe and Mail* of Friday, October 26, by Ronald Anderson, titled, "The Saving Habit," as follows:

Canada has traditionally been so heavily reliant on inflows of foreign capital that it is difficult for most Canadians to accept the thought that domestic savings might be, or could be, capable of financing an adequate level of capital investment.

By international standards, Canada is a nation of savers. National savings represent a higher proportion of gross national product here than in all but a few countries, notably Japan and some western European nations.

Capital requirements, though, also are unusually high. For reasons related to geography, climate, population and industrial structure, Canada has to invest more capital to achieve any given increase in output than most other countries.

The Provincial Bank of Canada calculates that from 1926 to 1972 Canada's gross national savings averaged 18.5 per cent of GNP, while capital spending averaged 19.2 per cent of the value of total output. "National savings have thus on the whole been inadequate and non-residents have had to fill a gap equivalent to 0.7 per cent of GNP."

There are a number of ways of measuring Canada's reliance on foreign capital, some of which show that non-resident savings are more important than is suggested by the GNP relationships.

The system of national accounts, for example, does not take account of the profits and depreciation allowances re-invested in Canada by the subsidiaries of foreign companies. These sums, while generated here, are not Canadian savings, strictly speaking.

The Provincial Bank says that, when these omissions have been corrected, the net use of foreign resources has fluctuated between 13 per cent and 27 per cent of gross capital formation during the past two decades. Using another approach, the "direct" foreign financing method used by Statistics Canada, foreign sources can be shown to have financed 29 per cent of gross domestic investment from 1946 to 1969.

These calculations, which take no account of Canadian investment and re-investment of earnings abroad, tend to over-state the national dependence on foreign savings. Nevertheless it is quite plain that Canada has not been able in the past to finance the whole of its investment programs. But the statistics also show that the degree of dependence on foreign financing has gradually diminished. Canada now is within shooting distance of a position of statistical self-sufficiency—that is, a position in which outflows come close to inflows of capital.

In 1970 and 1971, there was a net outflow of capital. The current account balance will be negative this year and probably in 1974. Even by 1980, the current account deficit, which is a measure of the new inflow of foreign capital, may run at about $1 billion a year.

The prospective deficit, though, will represent a steadily declining proportion of total output. Furthermore, if it were judged to be in the national interest, Canada could manage its affairs in a way that would eliminate the need for net capital inflows.

Critics of this line of reasoning contend that Canadians would pay for any reduction in capital inflows by a decline in the standard of living, or at least a slowing of economic growth.

But it is difficult to argue that Canada requires an exceptionally large amount of capital per unit of production without acknowledging, at the same time, that a moderate decline in the rate of investment would have a modest effect on the rate of economic growth.

Moreover, there could well be the possibility that Canada could reduce its use of capital by changing its industrial structure. One important reason for the extensive use made of capital in the past, as the Provincial Bank observes, is the dependence of economic growth on abundant natural resources. "Raw materials exploitation demands a particularly capital-intensive system of production."

This implies that capital could be conserved by increasing the degree of processing of raw materials in this country before the commodities are exported, instead of depending for growth on the export of enlarged quantities of relatively unprocessed materials.

It is not necessarily the case, in any event, that a reduction in capital inflows must be balanced by a fall in investment. An alternative might be to encourage a higher level of domestic savings. While Canadians already save relatively more than the residents of the United States and Britain, the Canadian rate of savings is exceeded in a number of other countries.

The Canadian and Quebec Pension Plans are mechanisms that result in forced savings. Private pension plans and registered retirement plans also increase individual savings. An instalment share accumulation plan, such as is proposed by the Canada Development Corporation, might well turn out to be a successful method of persuading small investors to save more. Profit-sharing plans, already adopted by a number of companies, could be used more widely by industry; savings would be increased if employees could be persuaded to take part of their future earnings gains in company shares rather than in cash.

Care must be taken in offering tax incentives to save. Such incentives tend to benefit the more well-to-do, and increase the gap between the rich and the poor. But government, industry, and financial institutions have not exhausted all the possibilities for persuading individuals to defer consumption. A relatively small increase in the rate of savings would narrow, or close, the gap between domestic savings and investment.

The objective should not be to isolate Canada from world financial markets or to turn away foreign direct investment that could benefit this country. However, self-sufficiency in savings, on a net basis, would improve Canada's ability to function as an efficient, independent economic unit.

Studies of the stock market in the 1960's showed that random investment portfolios yielded an average of 9 per cent. Unless one can improve on the long-term 30 year average it must be admitted that the interest rate on long-term bonds is a carefree way to equal the result that can be achieved on average common stock investments.

I have attempted to detail how investment money for the small industrialist and entrepreneur is being dried up. Institutions controlling investment pools, with their head offices in Toronto and Montreal, cannot be bothered and cannot practicably look after the peripheral areas of the country. Can any one imagine a workers' corporate pension plan, with its head office in Toronto, being able to offer financing to a business worth $250,000 in a small prairie or maritime town? Our registered retirement savings plans, our insurance savings plans and our mutual funds all operate to pool capital centrally. If a small manufacturing business in southern Ontario or Quebec is having difficulty finding a buyer, and if it does not get a buyer, the plant will close but the owner will receive sympathetic consideration from this investment tribunal here in Ottawa. And with the help of these large pools of capital in our large cities, such cases will be easily looked after. But should a similar situation arise in either the Maritimes or western Canada there is a much different scenario. The tribunal will have much less knowledge of the facts of the case. They will be less interested. If they make any contacts with the pools of capital in our financial centres, these in turn will be much less interested in investments in remote areas. I could well imagine the bureaucrats suggesting to Toronto investors that "There is a company for sale in Manitoba worth $5 million. The only

buyers are foreigners. If you want to buy it, we can have it discounted for you at $3 million."

● (1600)

Mr. Speaker, if provinces had a say in the workings of this tribunal, they could prevent serious injury to the provinces. There are no provinces that can match the economic might of Ontario and Quebec. The Toronto *Star* knows that Ontario and Quebec can look after themselves. They are giants in their own right on the Canadian scene in a political way. As well as that, they have the investment capital available, not only of their own generation but of a good portion of the rest of the country as well.

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

Some hon. Members: Question.

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

Some hon. Members: Agreed.

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

* * *

NATIONAL PARKS ACT

AMENDMENT DELINEATING GOVERNMENT'S POWER IN DISPOSING OF PUBLIC LANDS

The House resumed, from Monday, November 19, consideration of the motion of Mr. Chrétien that Bill S-4, to amend the National Parks Act, be read the second time and referred to the Standing Committee on Indian Affairs and Northern Development.

Mr. Leonard Hopkins (Renfrew North-Nipissing East): Mr. Speaker, when we left the National Parks Act the other night I was discussing the proposed interprovincial national park between the province of Ontario and the province of Quebec in the Mattawa-Temiscaming area. I mentioned that we had had considerable co-operation from the Minister of Indian Affairs and Northern Development (Mr. Chrétien), but that the proposal for the park was turned down by the province of Ontario. One of the reasons they gave for this was that there were too many parks in that particular area already. However, in this debate we have heard some hon. members mention the large urban areas which are growing in northern New York State and in Canada and that these people are going to require more and more park space as the years go by. This is quite true, and we should be laying plans now to meet the demand.

I also mentioned that parks of this nature have a tendency to develop the economy surrounding them. In the area to which I am referring, the economy does need a shot in the arm. I made mention that an industry in each of the towns of Mattawa and Temiscaming had closed, but since then things are beginning to look better in other fields of activity in the locality. This is a good thing for both these communities. However, there is no park in eastern Ontario and western Quebec better fitted to be an interprovincial national park than the one about which I am speaking. The Ottawa River would cross the middle of it and this would emphasize the need for cleaning up the river and making it navigable for small boats. With the hon. member for Pontiac (Mr. Lefebvre), and other hon. members from eastern Ontario and western Quebec, I have been working on the navigation study for small boat traffic on the Ottawa River. We have had excellent co-operation from the Minister of Public Works (Mr. Dubé). This park, Mr. Speaker, would be an added feature toward making the Ottawa River valley an extremely good tourist region with a wider appeal than the local interest portrayed by the highway signs in the area.

In recent years, there has been a general tendency to spend large amounts of money on massive highway schemes surrounding the large cities while the remote regions of the country have not received the treatment that they deserve. In order to get tourists into an area there must be decent roads. This could mean upgrading highway 17 between Montreal and the Mattawa area as well as the North Bay and northern Ontario area in general, for example. This concept is in keeping with our history if we consider the mode of traffic used in the early days. Champlain came up the Ottawa River and the Northwest Company and the Hudson Bay Company eventually worked out of Montreal in the fur trade, taking their routes up the Ottawa Valley and the Mattawa River through the area proposed for this national park. We would like to see plans for this park go ahead so that we may relate it to the past and build a new history with some meaning in that region.

An old CPR railway line runs through this park area. When we made an initial tour of the area with departmental officials and other working committees, we hired a CPR coach and attached it to the back of a freight train which travels that line. We had an excellent tour, stopping at certain sites along the way and it was a most educational experience for all concerned. There was a time when people thought that railways were going out of style but that is not the case today. Indeed, the future of railways in Canada looks brighter than it has for years, and the idea of having trains take people through this park is an added attraction. It is also a pollution free means of getting people from point A to point B.

There is nothing wrong with trying to promote more funds for roads to get people from the large urban areas to the parks, of course. We hear a great deal about rapid transit for the cities these days. There is a strong possibility that the large amounts of money that have been pumped into the cities to build roads and expand freeways in the past may not be needed in the future because of rapid transit. Perhaps these funds could be filtered through to the less developed areas to build decent recreation areas and roads for the mass of people who will live in our urban centres in the future.

● (1610)

As far as the interprovincial national park at Mattawa and Temiscaming is concerned, I am disappointed that the province of Ontario has turned it down. I wish to leave the gate open so they can come back to it at a future time. There is a real potential there. It is an excellent chance for the federal and provincial governments to work together

on this consultative program. The other night the hon. member for Grenville-Carleton (Mr. Baker) mentioned the fact that there should be more consultation between the federal government and the provinces concerned. In this case there was consultation between the federal government and the province, but it did not work out. It certainly was not the fault of the Minister of Indian Affairs and Northern Development.

I appeal to the province of Ontario to re-assess the ideas of a national park in the upper Ottawa valley. I ask them to take a serious look at the proposal of the smaller land mass on the Ontario side for part of this park. I can see a great advantage in going into this hinterland which rests between northern and southern Ontario. Quite often we in this area find ourselves in the position of being not far enough north to become heavily involved in northern Ontario plans, but so far north that we are sometimes left out of southern Ontario plans. This is why, as time goes on, we will have to do more talking and promoting for our area.

We are the buffer zone between the north and the south and we can bring peace and harmony to both areas of Ontario. In this regard, I wish to ask the Minister of Indian Affairs and Northern Development not to give up this idea of a national park. I would like him to re-open negotiations with the province of Ontario. At the same time, I would like the province of Ontario to come to him with a constructive approach to this idea to see what can be worked out.

This proposal is not just for the establishment of an interprovincial national park, but would entail the uniting of two provinces. It would mean more facilities between the two provinces. The hon. member for Pontiac (Mr. Lefebvre) and I have done a great deal of work on the future development of small boat traffic on the upper Ottawa river. This would complement a national park. It is another route to get into that area of the national park. If the Ontario government does not build highway 17 any faster than it has been building it for the past 30 years, it might be easier to get up the Ottawa river by the means used by Champlain rather than by travelling highway 17.

In conclusion, may I say the proposed park was an excellent idea. We are very disappointed it was not adopted. We would like the province and the federal government both to take another look at it and come up with the solution so that in the future the people of that area will be able to take advantage of the added road facilities, the added economic development around the park and the promotion of a rail line into the park, all of which will influence the general development of employment and business. At the same time, the park will be built in a community that will be known far and wide in the large urban areas of southern Ontario and the northern United States as being a place that is friendly, welcomes tourists and has all facilities. If the facilities are there, these people will want to come back.

Mr. Erik Nielsen (Yukon): Mr. Speaker, the hon. member who just spoke is one of the few members of parliament who has been privileged to travel to a location in Canada that is very vitally concerned with a large portion of this bill, 8,500 square miles, to put it in precise terms. It will probably be the largest national park to be established in Canada in the Kluane region of the Yukon.

Many members do not appreciate the fact of all the members of this chamber, the hon. member for Northwest Territories (Mr. Firth) and I come here in a triple capacity. This is because the Minister of Indian Affairs and Northern Development (Mr. Chrétien) is responsible for our municipal wellbeing. He is responsible for our territorial wellbeing in the sense that term is used in a provincial way. Of course, we are also here representing our constituents on the federal level. Having that responsibility under the terms of the Yukon Act and the Northwest Territories Act, two federal statutes which set up these two separate territorial jurisdictions, whatever the minister does very vitally effects every level of government in both territories. Indeed, he is responsible and has the power to affect every level of government in both territories.

One of the themes I have been following since coming into this chamber is that the federal government has been remiss, and has sadly neglected, the two northern territories with respect to the establishment of national parks in those jurisdictions. I have also been saying repeatedly that the federal government should not simply embark on a frolic of its own, to unilaterally and arbitrarily carve out areas in these territories, without having any consultative process with the elected representatives of the people in the two territories. If the minister were here, he would say there has been this kind of process adopted in so far as the Yukon is concerned. I gainsay him on that. I do not believe that process has been followed.

One of the things I welcome is the fact we are now debating a stage in this bill which will result in it going to the Standing Committee on Indian Affairs and Northern Development for consideration by that committee which is scheduled to travel to the Yukon Territory on December 10 for the whole week. While there, that committee will hold public meetings, three if necessary. One will be at Whitehorse, one at Dawson City, which was classified as an area of national historic interest, and a third at Haines Junction which will be the hub of the national park proposed to be set up by this statute.

Let me comment here that I am continually amazed by the utter gall of this government. They say they want parliament to approve a national park in the Yukon, a national park in the Northwest Territories in the Nahanni area and on Baffin Island. However, for the past two years the government has been spending the taxpayers' dollars from the consolidated revenue fund for the purpose of proceeding with the development of all these parks, certainly the one in the Yukon, without approval by parliament of the bill now before us. We are, in effect, being asked to rubber stamp something the government has already committed millions of dollars to develop. It amuses me when I see in the bill provisions with respect to consultation. For example, the provision in clause 2 of the bill stipulates, and I quote:

> The Governor in Council may, by proclamation, amend the schedule by adding to any park described therein lands described in the proclamation where the Governor in Council is satisfied that

(b) agreement has been reached with the province in which the lands are situated that the lands are suitable for addition to a National Park;

● (1620)

The government's idea of consultation is that it should make a unilateral decision and, having made that decision, go to the other government concerned and ask: What are your views? Sotto voce, they say: We do not really care, because we have made up our minds, but we must go through the process of consultation. It is the same when it comes to the so-called consultative process involving the Indian people. I wonder how many of the organizations the government funded so that they might be set up for the purpose of dialogue have been consulted concerning the establishment of national parks at Kluane, at Nahanni, or on Baffin Island. I should say precious little. They make up their minds and, having done so, they disclose their plans. Then, they hear views which they call input, but these views do not change their decision one iota.

There is a still more serious objection which we take in the Yukon and in the Northwest Territories, if I may presume to speak for my colleague in the New Democratic Party. In the north, in the two territories, all lands, for the most part, are owned by the government over which this House of Commons purports to exercise a measure of control. Clause two stipulates that the government may add land to any park provided it can reach an agreement with the province in which the land is situated. Now, according to the Interpretation Act, a statute of this parliament, a province is defined as including both territories. One would, therefore, assume that the same kind of agreement must be reached with each of the territorial governments as must be reached with the provinces before any extension of park boundaries can come about.

But it is the minister himself who is the government of the Yukon and of the Northwest Territories. So, when it comes to the implementation of this clause he puts on his hat as federal Minister of Indian Affairs and Northern Development and says to the Yukon or the Northwest Territories: I am obliged by this legislation to secure your agreement, since certain lands are situated within the boundaries of your jurisdiction, that it is in order to extend the boundaries of a national park. Then, he takes off his hat as federal minister and puts on his hat as minister responsible for the government of the Yukon and the Northwest Territories and says to himself: I agree with you that the boundaries should be extended. That is the situation, and shows how ridiculous this kind of provision for consultation is as far as the Yukon and the Northwest Territories are concerned.

The fact of the matter is that what the minister decides determines what will take place in those two northern territories. If he wants to extend the boundaries of the Kluane National Park from roughly 8,500 square miles to 207,031 square miles, indeed, the whole of the area of the Yukon Territory, and make it a people reserve, he can do just that. I am not arguing against the notion of a people reserve. Sometimes, when I have spent too long in these southern areas of Canada I think it would be a good idea to set up a people reserve, such as the Yukon is at the moment. But I do object to legislation such as this, supposedly intended to work throughout Canada for the benefit of all Canadians, being designed to cover only provincial requirements without regard for any meaningful consultation or any—if I might use a phrase which seems, now, to have been discarded—any provision for participatory democracy being contained in it whatsoever.

[Mr. Nielsen.]

Throughout the debate on whether or not federal parks should be established in the north, I have maintained that what the government should be doing, particularly when the acquisition of such a vast area of land and such a vast amount of potentially resource-rich reserve is under consideration, is first of all to make a careful assessment of the commercial and resource potential of that land before unilaterally and arbitrarily establishing the area as a park. I do not think this is being done. I do not think I am being unfair to the Minister of Energy, Mines and Resources (Mr. Macdonald) and his predecessors or to the Minister of Indian Affairs and Northern Development and his predecessors, when I charge them with failing to act in accordance with this very reasonable and logical approach. No real assessment has been made of the potential. The consequence is that in the Yukon, at any rate—I am not as familiar with the situation in the Territories—two very decided and discernible bodies of opinion have arisen. On the one hand, there are the conservationists and the environmentalists who want the park boundaries not only to remain as described in this bill, but to be extended still further. On the other hand, there are those who insist just as strongly that the boundaries are too wide and that within the vast area they enclose, potential exists for mineral development which should not be frozen by the action the minister is taking.

The question could easily be solved had the government followed the suggestion which has repeatedly been made to it, namely, that a resources inventory be taken within the boundaries of the land proposed as a national park. The committee will be hearing these opinions when it goes to the Yukon on December 10. It will be hearing opinions from the Yukon Conservation Society, the Yukon Resource Council, the Yukon Chamber of Mines, the British Columbia and Yukon Chamber of Mines and many other interested individuals and organizations. These opinions will reflect both sides of the question. I see the minister present in the chamber, though not in his place. I know he will be most interested to hear what the committee has to say when it reports to the House.

There is another point I wish to mention. The minister—and I do not say this in a denigrating manner—came to the House after I did and he has made one or two statements, both here and in committee, which left the inference that I had in the past been opposed to the establishment of national parks in the Yukon and in the north generally and that I was now coming round to his way of thinking, particularly since the introduction of the bill before us. Nothing could be farther from the truth. If he is fair, after looking at past *Hansards* he will admit my position has been consistent throughout the 16 years I have sat here, namely that national parks are a requirement in this part of Canada as much as they are in the south. But for heaven's sake the logical approach should surely be to examine inventory resources and hold a public inquiry or hearing before their establishment.

• (1630)

This refuge was sought when I was saying to the government, of which the present minister was a member of the treasury benches, that there was no need to stall. I said the government could set up its national park in the Yukon now and that it did not have to wait. The minister's reply, and that of some of his officials was: "Well, we can't very well do that because there are now provisions in the Yukon Quartz Mining Act and in the Yukon Placer Mining Act which would permit mining activities to occur within park boundaries, because they, too, are federal statutes". And indeed they are.

I notice that in clause 11 of the bill the minister has very easily overcome the difficulty, as was suggested to him and his officials in committee, by inserting a subclause that would make the act establishing a park in the north operable notwithstanding any other act of parliament. This is in fact the recurring theme in clause 11. Subclause (2) states that the Governor in Council, which is the cabinet that is going to act on the recommendation of the minister, may after consultation with the council of the Yukon territory or the council of the Northwest Territories, as the case may be, by proclamation set aside as a national park of Canada, and so on, with publication in the *Canada Gazette* 90 days beforehand, etc.

Consultation in the sense that this bill contemplates consultation means simply nothing. The minister makes up his mind, and the decision having been taken, consultation is window dressing, at least as that word is used in the bill. The minister shakes his head but I have seen this happen so often with the Indian people. I do not know why he shakes his head. He knows full well that the cabinet comes to decisions, and these decisions are then communicated to the organizations concerned. In this case it would be to the Indian Brotherhood, or the Territorial Council, or what have you, and the government would ask: "What do you think of our decision? Isn't it a great thing?" Then, they listen either to kudos or to condemnation, but it does not change their mind one iota and the decision stands. This window dressing clause which says "after consultation" means nothing.

A few years ago when the minister was still in this portfolio but a little fresher than he is now, amendments came before the House to the Yukon Act and the Northwest Territories Act. They had a rough time in committee, even though the government enjoyed a very much greater majority in committees than it does today. We went through this whole process of consulting with the people in the north before making decisions. The government wrote into the amendments to the Yukon Act and Northwest Territories Act the phrase "after consultation with the councils of the respective territories". It was meaningless. Why cannot the government say the same as in clause 2, namely, that there must be agreement with the councils of both territories? Of what is the government afraid? The last referendum taken in the council of the Yukon showed unanimous support in favour of the establishment of a national park. Is the government afraid it might get a negative response if the people of the north were asked to voice a deciding opinion and to make the establishment of the extension of boundaries conditional upon the consent or agreement of the two northern territories, as is the case with the provinces?

What about the consultative process of the government in terms of the energy talks with Alberta? That has been about as effective and as meaningful as the consultation phrase as far as this government is concerned. There was no consultation with the province of Alberta about the energy crisis we are now experiencing. I draw these contrasts to the attention of the House because not too many members have been to the northern territories. Not too many realize that the residents of these areas have the same kind of aspirations as any other Canadians. Not too many of them realize that in the territorial councils, which the minister taunts as having all the powers of a provincial legislature, there is less power than the average municipality has in this country.

The people in the north want to be heard. They want to be a deciding factor in any decisions that are made governing their future. They do not object to setting up a national park in the Yukon, but they do object to the minister making a decision and saying: "Here it is; this is what you get, like it or lump it", without any hearings being held. This is why I welcome the fact that this bill has come before the House at this stage, on the eve of the visit of the standing committee to several of the communities in the Yukon that will be very vitally affected by this bill if it passes in its present form.

Mining interests and resource interests are going to present their views in regard to the boundaries, as are the environmentalists. Some of the problems the minister will have to explain and some of the questions that the committee will be unable to answer when they visit there are these: What is going to happen to the dozens of mining claims that have been staked inside the boundaries proposed in the schedules to this bill? Dozens of mining claims have been staked under the provisions of the Yukon Quartz Mining Act; similarly dozens of claims have been staked and leases obtained under the provisions of the Yukon Placer Mining Act. When the committee goes to the Yukon people will say to the members of the committee: "What is the government going to do with respect to reimbursing us for the dollars and time we have spent developing these claims over the years?"

Then, there are people who hold leases on land used for purposes other than mining which is within the boundaries of the proposed park as set out in this bill. Other citizens hold licences to occupy lands within the boundaries of the park as set out in this bill. This committee is a body set up by parliament which will be inviting representations from people in the Yukon. What are the members of the committee going to say to those people when they ask: "Is the government going to pay us? How much money is the government going to give us? Is it going to expropriate our rights? When are the hearings going to be held?" What are we going to answer in reply to inquiries of this kind, the most natural kind of inquiry by people owning interests within the proposed boundaries?

One matter I have not mentioned and of which I know the minister is aware, is the growing body of resource opinion regarding the hydroelectric potential of the Alsek River. Here, I am told, is a natural drainage area which could be developed into a producer of hydroelectric power

in excess of that which is contemplated by the Aishihik project now under way in the Yukon. This was a project that was not even considered by the department when it made the decision to establish the boundaries of this park. Indeed, I am sure the project has only recently come to the minister's attention.

● (1640)

Members of the committee who visit the Yukon now would hear representations concerning such an approach. Having the view I have of the effectiveness of committees of this House as a whole, it is a little too much to hope that anything a committee does, anything it hears and anything it recommends as a result, would receive any worthwhile or meaningful consideration by the minister or this government. We have seen unanimous recommendations come out of committees, I might add not just with this minority government but in a previous majority situation, which have been sloughed aside by this minister and his Cabinet colleagues. Time after time during this session recommendations have come out of that committee, either unanimously or with a substantial majority, only to be ignored.

Mr. Woolliams: That sounds like me.

Mr. Nielsen: That is not the only example. We have just witnessed one of the greatest examples of this session in respect of the recommendations of the Committee on Justice and Legal Affairs, also ignored by the government. Indeed, the minister thinks so much of this committee which passed a recommendation by a substantial majority, he decided to reverse that recommendation and nullify the effect of that committee's work. I ask you what the purpose is of committees. They waste hours, days and weeks of time, as well as hundreds of thousands of dollars in taxpayers' money, in a useless and meaningless exercise, bringing recommendations to the attention of this House which are ignored and shoved aside by an unfeeling government. That is what this government means by the beautiful phrase "after consultation with". I only wish that meant something.

Mr. Chrétien: I agree with you.

Mr. Nielsen: I also agree if it only meant something, but it means nothing. The minister knows it means nothing. If he really believed there should be consultation before coming to decisions, he would sit down with the representatives of the two councils concerned before any decision was made affecting the administration of affairs in the north. The minister cannot truthfully say he does that. He cannot truthfully say he makes these decisions concerning his responsibility for Indian affairs after consultation with the people most concerned, because he does not do that. This is on record and I could refer to many documents issued by his department which show that his department ignores this principle left, right and centre.

I am sure the minister sincerely wants to do a good job. He may even think he has achieved some success, and perhaps he is now thinking that if he can bring the James Bay situation out of the fire he will get a new portfolio that is a little less onerous but which provides a little more challenge.

[Mr. Nielsen.]

Mr. Chrétien: There is none better than this one.

Mr. Nielsen: I agree with the minister on that, but he is not going to make a real success of things, such as Bill S-4 and his other responsibilities, until he takes more seriously the real desires of the people of the north who, after all, are not so much different from those people of his own province. Those people are fighting for an identity. Some of them in his province are fighting to get out of confederation, while we in the north are continuing to fight to get into confederation. We are always being put down, not only by the minister who is not 100 per cent to blame but by his officials and the bureaucrats. After all, if that structure disappeared so would his department. If the people of the north were given the same kind of decision-making power the minister is giving the provinces in Bill S-4, there would be no reason for the existence of the bureaucratic infrastructure of his department.

Mr. Chrétien: In 1969, I offered to cut my department in two but you refused.

Mr. Nielsen: The minister says he offered to cut his department in two in 1969, but I do not recall that. I do not recall his ever having made such an offer to the Yukon Council or the Northwest Territories Council. I invite him to do so in order to see how quickly it would be snapped up. Let him make that offer to the people of the north, those of us who live there and those of us who are affected by these decisions. Let us make the decisions as they are made in the provinces. Make that offer to us and see how quickly we will snap it up. We think we are entitled to the same rights as the people of Biafra, Nigeria and other emerging nations of the world. Canada is one of the few nations of the world which still has a colonial government, and I refer to that government in the north.

Mr. Chrétien: Mr. Speaker, after listening to the hon. member I should like to know if I heard him correctly. Is he calling for provincial status for the Yukon right now? I should like a simple answer, yes or no, as he asks of us once in a while. Are you asking for provincial status for the Yukon right now?

Mr. Nielsen: I will give the minister an answer like we never get from members of the government benches. The answer is yes, we are ready for it now.

Some hon. Members: Hear, hear!

Mr. Nielsen: There is no pricetag on bureaucracy in the north and there is no population tag. We in the north are entitled to the same rights as other Canadians, and they are being kept from us by the minister. We on this side represent the only national party committed to that principle.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: Before recognizing the hon. member for Assiniboia (Mr. Knight) I should advise the House that, pursuant to Standing Order 40, the questions to be debated tonight at the time of adjournment are as follows: The hon. member for Burnaby-Richmond-Delta (Mr. Reynolds)—Canada Development Corporation—Reported statement by official that head office will not be located in Vancouver; the hon. member for Selkirk (Mr. Rowland)—National Defence—Damage to HMCS *Restigouche*—Reason for establishment of legal inquiry following initial inquiry report—Cost of repairs; and, the hon. member for Peel South (Mr. Blenkarn)—Trade—Pulp—Discussion of possible purchases by Chinese with Prime Minister during visit.

GOVERNMENT ORDERS

[*English*]

NATIONAL PARKS ACT

AMENDMENT DELINEATING GOVERNMENT'S POWER IN DISPOSING OF PUBLIC LANDS

The House resumed consideration of the motion of Mr. Chrétien that Bill S-4, to amend the National Parks Act, be read the second time and referred to the Standing Committee on Indian Affairs and Northern Development.

Mr. Bill Knight (Assiniboia): Mr. Speaker, I rise to take part in this debate as the matter of national parks is of such concern to the province of Saskatchewan. That province has at this time one national park, Prince Albert National Park. Since the early 1960's we have heard a number of proposals relating to a park in southern Saskatchewan to be called the Grassland National Park. This proposal has caused a great deal of confusion and a great deal of concern on the part of the farming and ranching people in that area of southern Saskatchewan. This concern relates to the implications of the establishment of a park in that area for cattle and farming generally. It has also caused concern to many of the so-called nationalists in southern Saskatchewan who for years have been concerned about the grassland areas around Kildeer and Val Marie. They are concerned about the possible destruction of this natural grassland area by the influx of tourists.

In the short time at my disposal, I should like to make several suggestions to the minister and his colleague, the Minister of Regional Economic Expansion (Mr. Jamieson). Let me make several positive proposals in respect of what might be done to develop a national park in the area without disturbing the lifestyle of the people who have lived there for generations. Mr. Speaker, when the Parliamentary Secretary addressed the House on the second reading of this bill, he made the following statement which I wish to pursue at this time. He stated:

● (1650)

In its broad concept, clause 2 provides a procedural simplification for dealing with park boundary adjustments. Let me assure you, however, that clause 2 does not authorize any deletions, however small, from parks. I should also like to emphasize that no new park can be established without the approval of Parliament.

I believe it to be absolutely fundamental that should this government or any government, be it Liberal, Conservative, New Democratic or Social Credit, on a federal level suggest the establishment of a new park within the Dominion of Canada it ought to be the right of any member of this House to stand up and speak up on the bill relating to the establishment of a park in his area. I am pleased to see, and I want to spell this out clearly for my constituents, that this legislation does not allow for the establishment of any park without parliamentary authority. Should any government present that kind of legislation, I will endeavour to stop such a bill with all the power I possess. It should be a fundamental rule that members have a right to express their opinion in respect of the establishment of any park, whether it is the hon. member for the Yukon (Mr. Nielsen) or my colleague the hon. member for the Northwest Territories (Mr. Firth) or indeed members from southern Saskatchewan, where a proposed grassland national park has been mentioned on several occasions.

What are some of the historical developments related to the federal government's proposed grassland national park? Well, historically the events related to the establishment of the grassland national park began back at least in 1966. In 1966, under the Liberal Government of Saskatchewan, there was a suggestion to the federal government that that province was prepared to enter into the necessary land negotiations in order to establish the national park. In other words, the province was prepared to move in the direction of negotiating with the local farmers and ranchers in respect of the establishment of the grassland national park. This caused a great deal of concern to the people of southern Saskatchewan.

In 1967, the boundary proposed in the report prepared by the National Parks Service reduced the number of square miles for such a park from 640 square miles to 360 square miles. In 1967, the Deputy Premier of the province of Saskatchewan, Mr. Davey Steuart, advised the federal government that, because of the ranching industry and the wildlife involved, there would be $2 million needed for land acquisition. Because of the cost involved in respect of such a park, Saskatchewan at that point in time was opposed to any further consideration of a grassland national park in Saskatchewan. However, in 1968 an economic impact study was undertaken in respect of this national park. It indicated that the benefits exceeded the cost. It was called the Kaplan report. For the minister's sake, I wish to deal with it in order to show that this report, which was put out by a group out of Montreal, was the most outrageous piece of nonsense that has ever been written under the guise of an economic impact study. This report probably did more to stop the development of any proposed park in that area than any other document that was prepared.

In 1969, the Premier of Saskatchewan, at that time Mr. Thatcher, advised that the province would be prepared to reopen discussions if the following points were met: min-

eral rights remain with Saskatchewan; 20-year phasing out for grazing—in other words the farmers and ranchers in the area were to have no future—and federal financial assistance in respect of land acquisition. From 1969 to 1970, negotiations and discussions continued between the two levels of Liberal government. In 1971, a meeting was held in Saskatchewan between the ranchers and the Minister of National Resources of the province to update the ranchers on where matters stood at that time. This meeting was held under the auspices of the new NDP government. In October 1971 the Minister of Mineral Resources of the province of Saskatchewan advised that there had been a change in policy, and that the government did not have the positive attitude towards the development of this park based on the proposals made in the Kaplan report as did the previous government.

In October 1971, the Minister of Indian Affairs and Northern Development (Mr. Chrétien) suggested there be a meeting of federal and provincial officials to carry out the following proposals: identify a core area for each of the two-park components; minimize interruption of ranching and interruption of grazing which might be discontinued; identify outer boundaries of the ultimate park to be realized over a period of time with ranching to continue on the basis of the life tenancy of those ranchers not wishing to sell. It was suggested that if a park were established in the 360 square mile area, then the proposed legislation now before us would give the government the power through Order in Council to extend the boundaries without bringing the matter before parliament. This could have a detrimental effect on the area of southern Saskatchewan where the park is proposed.

Mr. Speaker: Order, please.

Mr. Knight: May I call it five o'clock, Mr. Speaker.

Mr. Speaker: It being five o'clock, it is my duty to interrupt the proceedings now before the House. These proceedings will be resumed later this day. Pursuant to an order made on Friday, November 23, the House will now revert to motions.

ROUTINE PROCEEDINGS

[*English*]

ENERGY

STATEMENT BY MINISTER ON MEASURES TO CONSERVE SUPPLY

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, in describing Canada's crude oil and products supply situation to this House on November 1, I said that the exact magnitude of the possible oil import curtailment which we might face was uncertain. Stock levels were in delicate balance across the country, with the possible exception of residual fuel oil in British Columbia. Any curtailment would pose problems of supplying some regions of the country and, therefore, I announced the steps the government was then taking to assess our ability to meet, and to lay plans for dealing with, any shortfalls.

While there are still some uncertainties with respect to the depth of shortfalls we shall suffer, we have, as the Prime Minister (Mr. Trudeau) announced on Thursday evening, decided that the facts now warrant embarking upon a voluntary program of energy conservation immediately to be followed by a program of mandatory allocations to be in place early in the new year.

Eastern Canada is totally dependent on imported crude oil and products. British Columbia has historically relied upon some importation of heating oil and residual fuel from the United States. The Arab nations have, until recently provided eastern Canada with 30 per cent of its crude oil supplies. This has amounted to about 300,000 barrels per day. The direct impact of Arab production cutbacks of 25 per cent would, therefore, be 75,000 barrels a day or about 7.5 per cent of our needs in eastern Canada. The cutbacks of 25 per cent of Arab production, however, represent a fall of 20 per cent in total world supply. Canada will have to share, not only in the direct cutback from Arab sources but in the general world shortfall. We may, therefore, suffer a loss, if world shortfalls are shared equally, of up to 200,000 barrels a day. Further, the Arab states have stated their intention of further reductions at the rate of 5 per cent per month from December. Our ultimate shortfall will clearly depend on the speed with which Middle East problems are resolved, but could be in excess of 20 per cent or over 200,000 barrels a day. While it is true, I have said, that our stock positions were adequate and, indeed, held up to 45 days supply of oil products in inventory, even if the Arab nations resumed full production tomorrow at pre-war levels, it is the government's judgment that the situation warrants the actions which I am announcing tonight.

● (1700)

Before describing the nature of the voluntary and mandatory programs, I would like to list the actions we have been taking, some of which have been announced in this House and some of which were alluded to by the Prime Minister both to ease and manage supply shortfalls.

On November 1, I announced the formation of the technical advisory committee on petroleum supply and demand under the chairmanship of the National Energy Board. This committee has been meeting weekly to examine supply and demand slates, to determine stock trends and to provide advice to the government with respect to the over-all supply situation. First, we have sought out and purchased, on government account, supplies of products in world markets. Second, shipments of western Canadian crude oil by Seaway from Sarnia to Montreal, which averaged 17,000 barrels a day in September, will average close to 100,000 barrels a day in November, and will continue at this rate until the Seaway closes. Third, we are organizing and co-ordinating a substantial movement of crude oil and products by rail and truck following the closing of the Seaway. Fourth, we are organizing the movement in excess of 50,000 barrels a day of western crude via the Trans Mountain Pipe Line to Vancouver and via ship through the Panama Canal to Montreal. Sixth, re-arrangements have been made in Trans-Northern product pipeline flows to augment product supplies in eastern

Ontario. Capacity will be available for the movement of about one third of the heating oil requirements of the Ottawa area.

Despite these arrangements, we cannot guarantee that the oil that has been and will be lost in the Ontario, Quebec and Atlantic markets can be replaced. The impact of these shortages, particularly of heating oil, will begin to be felt immediately but will be particularly severe in late winter and early spring. I should also note that while we may not experience any immediate shortage of gasoline, the loss of crude oil, together with refiners' efforts to maximize the production of heating oil from available crude are both occurring in a period when stocks of gasoline would normally be refurbished. In the spring, this failure to replenish stocks may be felt in inadequate gasoline supplies.

At the same time that a shortage of international petroleum supplies has been developing, there has been a sharp increase in the price of crude oil coming to Canada from overseas. In his statement to the House of September 4, the Prime Minister indicated that eastern refiners would be permitted to pass on to consumers increased costs resulting from increase in international prices. I have been advised that the costs experienced by eastern refiners have increased again this month, and I have therefore acceded to requests for increases in product prices in that part of the market to be effective December 1. Increased costs vary from refiner to refiner but the average increase is anticipated to be between four cents and five cents a gallon for motor gasoline.

I would like to make one further observation before describing the program of voluntary conservation in which I would urge all Canadians to engage. Eastern Canada and, to a lesser extent, British Columbia, will feel the shortages most. We do not anticipate any shortage in the prairies, but Ontario will feel the effects of our efforts to distribute product supplies equitably. While the mandatory allocation program which I am announcing will deal only in those allocations and those areas where necessary and practical, I am urging all Canadians to embrace the program of voluntary restraint. Oil conserved in the Prairies, for instance, even if it may be transported to other regions only with some difficulty, may yet provide us some needed options in meeting our difficulties.

I would now like to talk about the voluntary program we propose. In my statement of November 1, I concluded by requesting Canadian consumers, municipalities, heavy industry and provincial governments to study means of reducing consumption of energy on a voluntary basis. Since that time, I have received numerous letters from industry indicating the measures they were implementing or planning to implement in order to increase the energy efficiency of their operations. Many provincial and municipal governments have already undertaken voluntary conservation measures, and indeed some governments and industries have gone further than this and launched campaigns to heighten individual awareness of the ways by which energy can be conserved and the savings that can result from voluntary co-operation. I am deeply appreciative of these actions.

Tonight I would like to detail for you some of the measures that the federal government is introducing to reduce its own energy consumption, and to speak more specifically about some of the ways in which other Canadians can voluntarily reduce their consumption of energy.

To heat its buildings, the federal government uses about 2 per cent of all the heating oil used in Canada. As a government, we are taking steps to reduce our fuel oil requirements. The Department of National Defence has already undertaken a program designed to achieve substantial cutbacks in fuel requirements, both at home and abroad.

The Department of Public Works has developed a detailed set of guidelines which it will apply to the buildings it administers, and these guidelines will be applied to other federal properties as well, with appropriate modifications in special circumstances. The guidelines recommend that, depending on the nature and the size of building, temperatures be maintained at a maximum of 68 degrees to 70 degrees between 8 a.m. and 5 p.m. on weekdays and 63 degrees to 65 degrees between 6 p.m. and 5 a.m. on weekdays. These lower temperature settings would also prevail on weekends and holidays. As well, the guidelines include detailed suggestions to improve the operating efficiency of heating plants, and to reduce ventilation. At the end of my statement I should like to table a copy of these guidelines.

I should like to stress that these guidelines have been prepared in such a way that they will provide the maximum possible saving with the least amount of discomfort. Indeed, I suspect that many people will find their working conditions more comfortable. We expect that, on average, the actions we propose to take will result in a reduction in federal fuel oil requirements of 18 per cent. Action has already been taken to implement these guidelines and to support them with a co-ordinated reporting and monitoring system.

The savings that we expect in the federal government's own consumption of petroleum are large in percentage terms, but it must be remembered that the federal government's share in total petroleum consumption is fairly small. If we are to significantly reduce the impacts of the foreseen shortages by voluntary measures—as I believe every Canadian wishes to do—then we will require the help of all Canadians.

I am pleased to announce that I met with the energy ministers of the provinces last Friday and believe I have their co-operation in extending the federal guidelines to their own properties to the fullest extent possible.

Tonight, I would strongly urge commercial and industrial enterprises to examine the guidelines set by the Department of Public Works for temperature and ventilation control and to implement them, with modification where necessary, as soon as possible. I would like to stress again that the adoption of these guidelines will result in a minimal loss of comfort and may, in some cases, increase comfort. I know that many of us have experienced overly warm stores when shopping and this is particularly true in the pre-Christmas season when stores are very congested and customers warmly dressed. I would anticipate that reducing temperatures in these circumstances will increase the comfort of the customer, while not seriously inconveniencing sales personnel.

While I am appealing to commercial and industrial users of energy, I would like to make one further point. Industry is expected to observe the guidelines on comfort heating and to improve its efficiency wherever possible in the use of process energy. However, in anticipation of the serious implications which a reduction in industrial process energy could have on the economy as a whole, more particularly in terms of output and employment, industry is not being asked to reduce manufacturing output under this voluntary program.

Industrial and commercial users use almost 25 per cent of total heating oil in Canada, and if significant savings can result in these sectors, we will move a long way toward reducing the shortages that face us. However, Mr. Speaker, the largest single use of heating oil in Canada is for residential heating, and the success of any voluntary conservation program must ultimately rely on the co-operation of individual Canadians in reducing their own space heating requirements.

● (1710)

In the case of large buildings accommodating many people, maximum temperature settings are constrained by the diverse requirements of the many people using a building. Individuals in their residences are freer to adjust temperatures to their own preferences. I would urge that as a minimum individuals maintain temperatures no higher than 68-70 degrees during the day, and about 5 degrees lower at night or when the dwelling is unoccupied. At the same time, I hope that across the country we might achieve average temperature reductions of 5-7 degrees in residences.

I want to emphasize, too, to the Canadian consumer, that saving fuel is saving money. Estimates of savings vary, and depend on such factors as the heat retention capabilities of the building and furnace efficiency. To achieve maximum possible savings, I would again like to table a standard check list of the important steps that can be taken, and I would request each Canadian who is in any way responsible for space heating to put them into practice as soon as possible. It is generally agreed that for each degree drop in temperature fuel savings of 2 per cent to 3 per cent are likely to be achieved. If the target I have set tonight, a 5-7 degree drop in average temperatures, can be attained, Canadian consumers can realize fuel savings of 10 per cent to 15 per cent. There are many different ways of expressing savings of this magnitude.

One way is to tell you that over this winter it can amount to as much as 375 million gallons of heating oil, but I expect that most of you would not find that terribly meaningful. A better measure is perhaps to point out that in dollar terms this saving would amount to about $125 million. But perhaps the most meaningful information I can give you is to put it on an individual basis. An average Canadian household, achieving the targets set tonight, might reduce its winter fuel bill by some $35 to $50, and the oil saved might provide an extra three to four weeks of petroleum supply at the end of the winter season when we expect the impact of the shortages to be most severe.

Next to space heating, the second major area of energy conservation relates to motor gasoline. I have already referred to the gasoline supply position that confronts us this winter, and next spring and summer. At the same time you are all aware, from stories in the press, of what the response to gasoline shortage has been in the United States and some European countries.

We have discussed with the provinces the considerations involved in a mandatory reduction of highway speed limits. Such an action would involve considerable expense for provincial governments and we have concluded that it would not, at the moment, be justified. The question of curtailing driving on certain days or at certain times is a difficult one. On balance it seems to us more equitable, if shortages turn out to be critical enough to warrant it, to ration gasoline and let each motorist determine his own driving times, rather than arbitrarily to impose bans on driving which might fall unequally on some people.

The necessity to reconsider these decisions and to impose legislative restrictions on motor vehicle use will depend on the success of voluntary actions to conserve gasoline. It has been estimated that a reduction in speed from 70 mph to 50 mph will result in a gasoline saving between 20 per cent and 40 per cent. Although no legislation is being sought at this point I would urge Canadians, in the strongest possible terms, voluntarily to reduce highway driving speeds to 50 mph. As well, I would again like to table at the end of this statement a standard check list of some of the more important conservation measures motorists can take.

I also want to note that I am not tonight making any specific requests of the transportation sector of the economy. We would not at this time like to see any interruption or serious slowdown in the flow of goods. At the same time we believe these goods should be moved in the most energy efficient manner that is economically feasible, and I would ask the transportation industry to examine its use of energy and to make cutbacks where possible.

Government is initiating steps to ensure that the voluntary guidelines I have proposed will be applied to official vehicles, subject to operational limitations. In addition, actions have been undertaken by the Ministry of Transport to ensure that fuel is used efficiently in commercial air flights, and to assess the saving potential of increased railroad operations in urban areas in an attempt to reduce commuter traffic on the road.

Before leaving this subject I want to speak specifically about car pools, since they are potentially a tremendous source of savings. Calculations suggest that the formation of a four-man car pool and the elimination of three cars driving five miles to a work site could save two gallons of gasoline per day, 40 gallons of gasoline per month, and $6 per person per month. Between now and next summer the saving from one such car pool could be 240 gallons of gasoline and $40 per person for fuel alone. These savings are considerable and tonight I am urging employers, including all levels of government, to take whatever steps they can to assist the formation of car pools. Such actions might range from co-ordinating and organizing car pools, to giving parking spaces on a preferential basis and, if necessary, to examine the possibility of adjusting working hours and shifts. It has been estimated that the conscientious pursuit of conservation measures can yield savings in motor gasoline of anywhere from 15 per cent to 25 per cent over the next year. A 20 per cent saving would result

in a saving to the nation of up to 3.75 million gallons of gasoline per day, and an annual saving to the average motorist of as much as $100.

I would like now to say a few words about electric power. In almost every household there are a number of appliances that are major consumers of electricity. In many homes electricity provides space heating as well as hot water. There is no question in my mind that in the longer run we must learn to use our energy resources, all of our energy resources, wisely and efficiently. In the context of the immediate dislocations facing us, however, the conservation of electricity poses special problems. In many parts of Canada, particularly in eastern Canada, electricity is generated by burning petroleum products. In these areas it is essential that conservation measures be actively pursued. In other regions of Canada where the generation of electricity does not depend on petroleum, supply appears to be more than adequate. In these areas it may appear to make sense to use electricity to economize on petroleum products, by such measures as using space heaters in homes. In fact, such actions might seriously strain the capacity of the system and result in service interruptions.

Because the situation is so complex, and because the large and inter-related power networks in Canada make it difficult for the average Canadian to know what the source of his electricity is, I have asked the Energy Minister of the provinces, through their electric utilities, to develop information programs to advise the Canadian consumer on what actions would be appropriate this winter in their regions. I would hope that in this process the utilities would bear in mind substitutions that might be implemented. For example, I am mindful of the security reasons for much of the commercial lighting we see at night. Nevertheless, if commercial lighting requirements would be kept to the minimum necessary, it might, where advisable, be possible for consumers to make more use of electrical space heaters and electric blankets without seriously straining the capacity of the electrical system.

One of the colourful aspects of the Canadian scene at this time of year is the outdoor lighting of homes and commercial establishments to mark the Christmas season. At the risk of being designated as "The Grich who stole Christmas," I would ask individual Canadians, and especially businessmen, to act with restraint this year. If full use of such lighting could be confined to the several days surrounding the festival, significant savings could be achieved.

The measures we are asking the Canadian people to adopt tonight are the result of an intensive evaluation process in which we have tried to isolate the most significant and least disruptive sources of energy saving. I want to emphasize that there are several possible measures that we are not asking for at this time. These include daylight saving time, legislated speed limit reductions, curtailment of Sunday driving, and some measures that other countries have adopted or are considering. Some of these we have avoided because the energy savings would not be that great; others because the potential gains, in our opinion, would be outweighed by the disruptions that would result in the lives of many Canadians.

I would be wrong, however, to conclude that because we have stopped short of what other countries have done the situation in Canada is not serious. It is indeed serious. It is important, in any serious situation, to maintain a sense of balance, to keep matters in a proper perspective. We hope that we can meet the challenge that faces us without imposing major hardships on any Canadian. But to succeed we must have the full support of all Canadians.

● (1720)

I wish I could give this House the assurance that, given our assessment of the oil supply situation, the saving which will flow from the voluntary conservation program would be sufficient to make a program of mandatory allocations at the wholesale level unnecessary. I can assure the House and all Canadians that a faithful pursuit of the conservation practices I have urged will substantially reduce both the magnitude and duration of the short fall we shall experience. Unfortunately, both our assessment of the probable degree of shortage and the growing inequities which begin to appear in any distribution system when products are in short supply, has convinced us that a mandatory program will be necessary.

I shall be introducing legislation to support the creation of mandatory authority and shall have an opportunity on that occasion to describe more fully the government's intent. I wish only to indicate tonight the major features of this legislation.

First, under the legislation, an Energy Supplies Allocation Board, at the direction and with the approval of the Governor in Council, will have the authority to make allocation directives to ensure equitable distribution of all petroleum products to wholesalers. The legislation will permit the Governor in Council to extend the board's authority to other energy products when and if this might be deemed necessary. Wholesalers will be expected to allocate products equitably to their customers, subject to priorities in allocation to be determined by the government.

Second, in establishing these priorities it will be the government's intention to strike an appropriate balance between the physical comfort and economic health of Canadians. The board will be composed of five people. Two will be representatives of provinces, one of consuming and one of producing provinces. One will represent industry and there will be two federal representatives, one of whom will be primarily concerned to represent the interests of Canadians as consumers.

Third, the board, upon its creation, will assume the direction of the government's efforts and will be responsible for completing the planning for the management of the allocation program as well as assuming the responsibility for the co-ordination of all voluntary efforts.

I have referred earlier to the possibility of gasoline rationing. I wish to emphasize that the mandatory allocation program I have described will not, at the present time, include rationing. The Energy Supplies Allocation Board will have the authority under the act to develop and implement rationing schemes that will apply at all levels including the retail level. The government will request the implementation of such rationing schemes only if the severity of shortages would appear to warrant it.

Finally, I would remind the House that the programs which I have described tonight are designed to deal with shortages brought about by cutbacks in Arab production and therefore, in world supplies. There will be a critical need for these programs until such time as, and only until such time as, world supplies return to normal levels and inventories are replenished. In the meantime, given Canada's relative wealth of energy resources, the government is taking and will continue to take every measure to reduce our vulnerability to foreign supply interruption.

I would suggest, however, that the voluntary conservation measures which I have urged tonight will not only help to alleviate our immediate problems, but have longer run application. We may, in retrospect, look upon the winter of 1973 as the time when each of us became conscious of what has been called the conservation ethic and the understanding that by a rearrangement of priorities and outlook, our life styles would not suffer any critical damage, but might, on the other hand, be substantially enhanced.

Mr. Speaker, I have the three lists, namely, Conservation of Energy in Federal Buildings, Conservation of Energy in the Home and Conservation of Energy in the use of Motor Vehicles. I should like now to table these and I would ask, if the House would give its consent in order that they be distributed, that they might be made an appendix to today's *Hansard*.

Mr. Speaker: The hon. minister is suggesting that certain documents be appended to *Hansard*. Is this agreed?

Some hon. Members: Agreed.

Mr. Speaker: It is so ordered.

[*Editor's Note: For text of documents referred to above see appendix A.*]

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, my comments in reply to the minister this evening must be, first of all, on the shocking revelation that the shortage we expected just a few weeks ago of 75,000 barrels a day or thereabouts as being equivalent to our share of the Arab cutback, now turns out to be 200,000 barrels a day. Even being more generous with the figures and allowing for 30 per cent of the 300,000 barrels a day we import from the Middle East, the maximum reduction we should have had to endure was 90,000 barrels a day. We could have looked after that with an all-out effort in this country. Now, we are given the information that we have to find and make up for two-thirds of the total amount of oil imported from the Middle East. I think a lot of questions have to be asked on this point, Mr. Speaker. Where did the 125,000 barrels a day shortage come from? Was it some concession that was made months ago with OECD that not only do we share our own shortages but some of the others as well. These are questions that I think the minister will have to answer, and I hope he stays in the House for the full 20 minute question period to answer them.

Mr. Speaker, I have a few words to say about the voluntary part of the program. There is not much challenge to Canadians in this—no Churchillian phrases here. In fact, if the right hon. member for Prince Albert (Mr. Diefenbaker) were in my place he would probably be describing the old-fashioned custom of his day of "bundling" which the minister and I are too young to appreciate.

[Mr. Macdonald (Rosedale).]

I do not want to go through a long list of nitpicking suggestions that could be added to the program of voluntary proposals, Mr. Speaker, but in all seriousness I would suggest to the minister and to the government that they not forget the little proposal I made some weeks ago of having the Minister of Finance (Mr. Turner) immediately state that he would like to give the same sort of reduction and accelerated depreciation to fuel storage units in small towns in eastern Canada, as has been given to large companies. The shortage is going to be with us for some time and an announcement of this type could encourage some of these people to build up storage of heating oil in the summertime when it is not being used so that they would not have to reply on supplies from the big storage facilities in the cities during the winter.

Many years people all over the world have been putting forward ideas for getting more gasoline mileage from their motor vehicles by improving carburetion and so forth, but we have no way of knowing what happens to these ideas. The same thing happens with regard to furnaces and insulation in our homes. I know that there is more information over at the National Research Council on insulation than 90 per cent of the people of Canada know about. We have this practice in Canada of putting our research on the library shelves.

I should like to direct some remarks now to the question of the mandatory program. In answer to questions from the Leader of the Opposition (Mr. Stanfield) a few weeks ago, the minister flatly stated at page 7547 of *Hansard* for Nov. 5:

> A mandatory program is now under preparation but it is not expected to be required.

That was 2½ weeks ago, Mr. Speaker. I should like the minister to listen to his reply when the Leader of the Opposition asked if this was based on consultation. As recorded at page 7548 of *Hansard*, the minister said:

> I would point out to the Leader of the Opposition, who has had his mouth open through most of my speech rather than his ears, that we are talking about a program which we do not expect will come into existence—

I ask all members of the House and all members of the Canadian public—whose eyes should be opened, whose ears should be opened and whose mouth should be shut?

Some hon. Members: Hear, hear!

Mr. Hamilton (Qu'Appelle-Moose Mountain): This government has consistently refused to face up to the possibility of supply shortages from the Middle East. I pointed out to the minister previously in this House that he can go back to questions asked in the Standing Committee on Energy, Mines and Resources, and he can go back to questions asked in this House by members of this party and members of the New Democratic Party about the Montreal pipeline. He can find all sorts of questions about getting supplies from Venezuela, Nigeria and all the rest of it. Always the minister replied that these will not be necessary; there will be lots of supply. At the end of my

remarks I will ask for permission to table a list of these questions and answers for the record, so that it will be in *Hansard* and the minister can easily find it in the future.

• (1730)

Some hon. Members: Hear, hear!

Mr. Hamilton (Qu'Appelle-Moose Mountain): I mentioned the Montreal pipeline. I hope no one in this House believes for a moment that all we have to do is get through this winter. Montreal is in serious trouble. All of eastern Canada is in serious trouble, and will be for many years to come. On September 4, the Prime Minister (Mr. Trudeau) mentioned the decision to build the Montreal pipeline. It is now 2½ months later, November 26, and still there has been no action. We have the confusion raised by the Minister of Industry, Trade and Commerce (Mr. Gillespie) who pointed out there was not any steel to build a pipeline this year or next.

I suggest that the position taken by Her Majesty's Loyal Opposition is good. In 1961 this party issued a national oil policy which at that time was the right policy for Canada. It saved the western oil industry and gave Canada self-sufficiency today which has saved us from the fate our neighbours to the south are facing.

Some hon. Members: Hear, hear!

Mr. Hamilton (Qu'Appelle-Moose Mountain): In 1969, two years after the Arab-Israeli outbreak, our party met in conference at Niagara Falls. We put forward official resolutions of the party calling for a Montreal pipeline to transport 200,000 to 400,000 barrels a day to make sure people would not be cold in the winter. There was no reaction from the government until September 4, 1973. Thers was no reaction of a positive source from the media. All they have said is that westerners are trying to provide us with more oil in the east. I ask this simple question of all members of the House: Where was the Liberal Party when Montreal and Eastern Canada was endangered? We know where they were: they were interested in every other thing but the economics of this country.

Some hon. Members: Hear, hear!

Mr. Hamilton (Qu'Appelle-Moose Mountain): In 1969 our party asked for a change in the national oil policy of 1961. We still do not have an oil policy from this government. One of the very small parts of that oil policy, although an important part, is the Montreal pipeline. I say to the government, on behalf of this party and, I hope, on behalf of all Canadians: build the pipeline now.

Some hon. Members: Hear, hear!

Mr. Hamilton (Qu'Appelle-Moose Mountain): My questions in the committee hearings of January and February were ignored. We had the statement by the Prime Minister on September 4. Two and a half months later, still no action. The government is discussing the financing with a private company, Interprovincial Pipe Line. I say, get out and arrange the finances even if the government itself has to build and pay for it. If the government can allocate power and ration gasoline, it can allocate the steel from our steel plants and we can get the project under way. Any government with a sense of urgency would have a pipeline built in 14 months, ready for the fall of 1974. Completion of this Montreal pipeline by 1974 would be timed perfectly for the looping of the Interprovincial Pipe Line west. We would have the capacity flowing through. Why should the people of Montreal and all of eastern Canada have to worry each winter for several years while this government dithers, procrastinates and does everything to pose—arrogant at one time; Uriah Heep the next? I think, Mr. Speaker, that I have said enough to make this country aware that it is about time we had a change of ministers on the government side of the House.

May I have the permission of the House to table this fundamental document.

Mr. Speaker: Order, please. The hon. member knows the rules of the House do not provide for the tabling of documents by private members.

Mr. Woolliams: Mr. Speaker, I rise on a point of order. I wonder whether the House would consent to the list of questions and answers forming part of the speech of the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton) in *Hansard*.

Some hon. Members: No.

Mr. Woolliams: They don't want the truth.

Mr. Speaker: Of course, the House can do anything by consent—or just about anything. Obviously, though, the hon. member's suggestion, which would require unanimous consent, does not have unanimity.

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, both the speech made by the Prime Minister (Mr. Trudeau) to the nation last Thursday night, and the speech made by the Minister of Energy, Mines and Resources (Mr. Macdonald) to the House this afternoon, gave the impression of a government which had been taken by surprise in finding this country in the throes of an energy crisis. The fact is that this government has been made aware time and time again that we were heading for the present mess in which this country finds itself.

Some hon. Members: Hear, hear!

Mr. Douglas: The problems the country faces with regard to a shortage of oil is the result of the failure of this government to formulate and implement an oil policy. Canada is now going to be required to eat the bitter fruits of this government's procrastination.

Some hon. Members: Hear, hear!

• (1740)

Mr. Douglas: One of the reasons we find ourselves in this difficult situation is that we have no delivery system to convey western crude to eastern Canada. Canada is one of the two nations in the world which is self-sufficient in oil and gas supplies, and successive governments have received adequate warning about the vulnerability of our position in the absence of a suitable system for conveying western crude to eastern Canada.

Energy Resources Policy

During the period I was associated with the government of Saskatchewan, my colleagues and I joined with the Independent Petroleum Producers Association in urging the Conservative government of that day to build a pipeline from Montreal. Since I came back to the House of Commons in 1962 I have made repeated representations to the government on this matter, to the present Minister of Energy, Mines and Resources and to preceding ministers in charge of that department. The Independent Petroleum Producers have come before the government repeatedly, drawing attention to the necessity for making secure the oil supply to eastern Canada.

As late as June 28 last, the Minister of Energy, Mines and Resources tabled the report on energy. On page 14 of that report we read—I suppose the report is speaking for the government—that the threat to security of supply is not sufficient to warrant building a pipeline to Montreal. Yet within a few weeks the Prime Minister, on September 4, announced that the government was in favour of building such a pipeline.

Some hon. Members: Oh, oh!

Mr. Douglas: When the Prime Minister talked, as he did the other night on the air, about planning ahead, one wonders where this planning is. We have been promised a national oil policy statement for several years. I know of nothing which has had a longer gestation period than the government's oil policy. They started out to put such a policy together four years ago. We have been promised it year after year. We are still waiting for it. The Prime Minister says now that there will be a national oil conference of first ministers in January. If he is correctly reported in the press, the Minister of Energy, Mines and Resources says he expects nothing more concrete than a policy—and I quote—"evolving as a reality throughout 1974".

What we have seen as a substitute for an oil policy has been a series of ad hoc decisions responding to a series of crises. When some of us in this party warned the government that oil and gasoline were being sent out of the country because of a shortage in the United States, we were ignored and accused of scaremongering tactics. Finally, the government imposed export controls. We pointed out that rising prices in the United States were enabling the oil companies to realize windfall profits. The government finally woke up to the situation and on September 4 imposed a temporary price freeze and put on an export tax.

In recent months, almost every other day we have asked the minister to tell us which alternative sources of oil it is proposed to utilize in the event some of the OPEC countries, particularly the Arab states, refused to make supplies available to us. These questions were set aside with Pollyanna statements that all was well and there was no need to worry. Now we find ourselves in the position where none of the major decisions has been taken with respect to an oil policy.

The minister has not yet told us what the price structure is to be when the freeze is removed. He has not yet told us whether the government intends to set up a national energy corporation and, if so, what its functions and powers will be. He has not told us how he proposes to develop, in conjunction with the oil producing provinces, the oil sands and the shale deposits. We still do not know the position the government will take with regard to the development of these last great reservoirs of oil—a resource which Canada must develop if we are not to face an even more serious energy crisis in the future.

Let there be no doubt about the reason we face an oil shortage at the present time. It is because the government has failed to produce an oil and gas policy. And there is no immediate prospect of one being produced unless hon. gentlemen opposite decide to move much more quickly than they have done up to now.

I appeal to the Prime Minister not to wait until January to call—

Some hon. Members: An election.

Mr. Douglas:—a national energy conference. I see no reason why the first ministers could not meet some time in December. I see no reason why the government could not take an immediate decision with reference to the construction of a pipeline to Montreal so that work could begin next spring and we could look forward to its completion before the end of 1975.

The minister has put forward certain proposals, and I wish to comment on them briefly. He said he would establish an energy supplies allocation board which would be responsible for allocating oil supplies at the wholesale level. There is no doubt such a board will be needed, and that the government will have to intervene to make sure that supplies are allocated to areas where they are most required and to see they are distributed fairly. Members of this party would, of course, have preferred to see some type of marketing mechanism. If the government had taken the advice of the energy report that the minister placed before the cabinet last April, the suggestion made by the department that a national energy corporation be set up, we might not be in the situation in which we find ourselves today.

I hope that when the legislation is brought down, the minister will be prepared to tell us what plans the government has made with respect to allocating oil supplies so as to minimize the amount of unemployment which is bound to arise if industries are not able to get adequate supplies of energy. I hope the minister will also tell us, when the legislation comes down, what provision he intends to make to ensure that the independent wholesalers are able to get supplies.

The minister told us in his statement he will make sure that the wholesalers distribute the oil equitably. But will the allocation board ensure that the oil is distributed equally to the wholesalers? Everyone knows that the independent wholesalers depend on the independent oil companies for their oil and that they only get it when the major companies have a surplus. Many of these independent wholesalers service important sections of the Canadian public. We shall be anxious to secure from the minister an undertaking that the independent wholesalers will be able to get a fair share of the oil so that their customers will not suffer.

I note that the minister has acceded to the request that the price of gasoline in the eastern areas of Canada be

raised between four and five cents a gallon. I want to point out that the burden of this increase will fall upon that part of Canada which can least afford to carry it. That is why we in this party have pleaded for a national petroleum corporation which would be the sole purchaser of imported and domestic oil, so as to pool all oil and equalize prices right across Canada.

● (1750)

When the minister brings down his legislation, I hope he will tell us how he proposes to deal with the particular problem faced by the province of British Columbia. In that province all of the refineries are geared to producing gasoline. The practice over the years has been to send Canadian oil which comes through the Trans Mountain Pipe Line, to the United States for refining and they sell back to British Columbia the diesel fuel, the middle distillates and the bunker fuel.

Recently it has become increasingly difficult to secure these petroleum products. In British Columbia they have gasoline running out of their ears, but they are having difficulty getting middle distillates, diesel fuel, home heating oil and bunker fuel. At this very moment, in my constituency, a ship with bunker oil is being unloaded. This oil is for one of the mills and is made from Canadian oil that has been processed in the United States, and they are paying $9 a barrel for this bunker oil. Surely this is a matter the minister will have to look into. Otherwise the people on Vancouver Island in particular will be cold this winter because they will not be able to get adequate supplies of home heating fuel.

I agree with the minister when he says we should try allocation of oil supplies at the wholesale level first before resorting to rationing. It is less cumbersome and administratively much easier. If it becomes necessary, of course, we can then look at the situation with respect to rationing. The other set of proposals that the Minister of Energy, Mines and Resources made related to an appeal to the Canadian people to impose upon themselves voluntary restraints in the consumption of energy. I have no doubt at all that the Canadian people will respond as they always have to a challenge to work together to solve a problem, because it is in our common interest to do so.

Some hon. Members: Hear, hear!

Mr. Douglas: While I criticize the government, as I have done repeatedly, for its lack of an oil policy, when we are in the situation in which we find ourselves today it is the duty of every good Canadian to co-operate with the government in trying to reduce discomfort and inconvenience to a minimum. However, the minister is going to have some difficulty telling the people of Ontario, for instance, that they should shut off their Christmas-tree lights when Ontario Hydro has asked for permits from the National Energy Board to increase its export of electricity to the United States by over one-third. What makes the situation even worse, Mr. Speaker, is that while the National Energy Board has approved the application and sent it to the government for ratification, the board in the meantime, I am told, has issued emergency permits. It will be very difficult to tell the Canadian people that they have to turn off their lights at the same time as we are increasing our electricity exports by more than one-third.

Mr. Sharp: What is wrong with selling electricity to the Americans?

Mr. Douglas: If I understood the Secretary of State for External Affairs (Mr. Sharp) correctly, he asked what was wrong with exporting power. I say that it is somewhat illogical to be increasing exports of power by more than one-third at the same time as you are asking the people of the country to turn down the lights. In addition, the minister recommended that we should take the sofa away from the walls and the windows, and also be might have suggested that when young people sit on the sofa they turn the lights out altogether!

It is also going to be difficult to explain to the people who live west of the Ottawa Valley why they should be curtailing their consumption of oil at the same time as we are exporting more than half of our supplies of oil and gas to the United States. I have never suggested that we should cut off our oil supplies to the United States.

Some hon. Members: Ah!

Mr. Douglas: But I want to remind the government that its stated policy is that we should only export oil that is surplus to our needs, and that the first demand upon Canadian resources is the needs of the Canadian people. I would further remind the government that until a few years ago our American friends restricted our exports of oil to the United States to 300,000 barrels a day. Now we are exporting over a million barrels a day. If we had not put on export controls, we would not have any oil left for ourselves.

I conclude by saying that I think much of the minister's statement today, like the statement of the Prime Minister last Thursday night, is an attempt to divert public attention from the fact that the government has procrastinated for so long that it has allowed this country to get into this very unfortunate situation. The minister says that when the Arab-Israeli war is over, we will return to normal. I want to remind him that the OPEC nations, and particularly the Arab states, have made it clear that even when the war is over they do not propose to go beyond the production figures they had prior to that time. I think the day may come when we will thank the Arab states for waking us up to the fact that we must develop a policy by which we can use our own resources for the benefit of the Canadian people; and the sooner we get busy and do that, the better it will be for all concerned.

Mr. Speaker: Order, please. I am informed by reliable sources that it is approximately six o'clock. However, I am wondering whether it would be the sense of the House that the hon. member for Témiscamingue (Mr. Caouette) be allowed to make his statement at this time.

Some hon. Members: Six o'clock.

Mr. Speaker: This would require unanimous consent, and I am inquiring whether there is such.

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent.

Mr. Speaker: There is not unanimous consent.

[*Translation*]

I very much regret to advise the hon. member for Témiscamingue (Mr. Caouette) that there is not unanimous consent. The House will by happy to hear him at eight o'clock.

It being six o'clock, I now leave the chair until eight o'clock p.m.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I regret that I was not allowed to make my comments after the other political leaders. I thank the Leader of the Official Opposition (Mr. Stanfield) for his kindness, when he came to apologize for his colleague. Another member told me that it was normal for the hon. member for Crowfoot (Mr. Horner) to deny his consent, because he had to leave immediately before the closing time of the Liquor Board at 6.30 which enabled him to carry on.

Mr. Speaker: Order. The hon. member will recognize that his comments are out of order. I hope that he will immediately come to the matter now under consideration.

Mr. Caouette (Témiscamingue): Mr. Speaker, I was only reporting what a colleague of the hon. member for Crowfoot told me.

I now come to the subject matter we are considering tonight. I very carefully read the French translation of the English speech I heard last night on channel 7 of the American network in which President Nixon announced the restraints imposed upon the American people. The minister read this afternoon the French version of the speech delivered last night. I see him laugh and he knows that I tell the truth.

Mr. Speaker, in this—

An hon. Member: This is a delayed reaction.

Mr. Caouette (Témiscamingue): Yes, a delayed reaction.

Mr. Lewis: This is true and amusing at the same time.

Mr. Caouette (Témiscamingue): Mr. Speaker, I know it is true. Once more I can see, as all my colleagues in this House, that we are somewhat aping the Americans. If they decide something, you can hear the same thing repeated in Canada the following day. If the discount rate of American banks is increased by ½ or 1 per cent, "His Excellency" the Governor of the Bank of Canada does exactly the same the following day, and the Minister of Finance (Mr. Turner), responsible in a sovereign government, repeats what the Governor of the Bank of Canada said.

[Mr. Speaker.]

Mr. Speaker, I do not believe one single word of all the Minister of Energy, Mines and Resources (Mr. Macdonald), the Leader of the Opposition, the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) said about the oil shortage. I heard the people from Alberta say that we had in that province enough petroleum products for the next hundred years. I heard as well Premier Bourassa of the province of Quebec, about two weeks ago say that there would not be any shortage in the province of Quebec. He changed his mind when he met with the right hon. Prime Minister (Mr. Trudeau) a few days after his statement.

An hon. Member: After the election.

Mr. Caouette (Témiscamingue): The Prime Minister of Canada made him change his mind.

Mr. Speaker, I have here a book just given us and written by the hon. Joey Smallwood, former Liberal Premier of Newfoundland for many years and who is surely not a Créditiste. He writes and I quote:

What else does Mr. Smallwood have to say? In Chapter 24, page 471, we may read the following:

[*English*]

This is in "I Chose Canada", the memoirs of the Hon. Joey Smallwood.

Mr. Knowles (Winnipeg North Centre): En français.

[*Translation*]

Mr. Caouette (Témiscamingue): That is in eastern Canada, not in Alberta: "we are drowning in a sea of oil".

And the minister recommends that we tighten our belts. This reminds me of the years 1929 to 1939. Then, in the name of the world-wide economic crisis, both the Right hon. Mackenzie King and the Right Hon. R. B. Bennett told Canadians: Tighten your belts, this is a world-wide crisis and there is nothing that we can do about it. At the same time, mountains of wheat were burned in western Canada, potatoes were soaked in laundry bluing in New Brunswick, milk was thrown away, and the production was destroyed. This happened in 1934 and 1935.

Mr. Corbin: I was born in 1934.

Mr. Caouette (Témiscamingue): That is possible. The hon. member was not there at the time, so he did not need potatoes. But this does not explain why he has stayed in the potato fields all his life.

Mr. Speaker, in those days, people were told: Starve, even though you are sitting on mountains of wheat! This afternoon, in 1973, the minister told us: We have too much oil, you will freeze! We shall freeze because we have too much oil. The minister makes recommendations. He is an intelligent man, but I believe that those who wrote the speech which he gave this afternoon are not, far from it, and I wonder if it would not be better if some of them were in Saint-Jean-de-Dieu, in Montreal, rather than at the service of the Minister of Energy, Mines and Resources.

Mr. Speaker, how can one imagine the recommendations that we heard this afternoon concerning motor vehicles?

Buy slightly less than a full tank of gasoline. This will prevent wasteful overflow . . .

One should wait till it is full to fear an overflow. Further on it is said:

Remove bugs and foreign matter from your radiator to prevent overheating.

Mr. Speaker, the minister could not stop from laughing while reading these things.

Mr. Laprise: He had not read the declaration before making it to this House.

Mr. Caouette (Témiscamingue): There lies the fault, Mr. Speaker. He surely had not read the declaration before making it to this House, for he would never had said such things. I have talked of automobiles. Let us consider energy conservation in the home. Now there's a good one! I have read parts of it to the waitresses in the dining room a minute ago and they were all laughing. Here's one:

(a) Lock windows to achieve a better seal.

That is usually done in the winter. Moreover we are also asked to set thermostats at 68 to 63 degrees at night. I think that just about everyone does that. At night, the thermostat is set so that there is fresh air while sleeping. As for me, I set mine at 60 degrees. I advise the minister that I thus preserve energy.

● (2010)

However, in government offices, if we want to keep the temperature at 65 degrees in daytime, the minister will have to see that employees are provided with mitts. We will still be short of energy. And it is not all.

Mr. Speaker, I read the following:

c) Open and close doors only when essential

Let us take note of this, the civil servant thought of it.

. . . and for shortest possible time; use doors away from prevailing winds.

Mr. Speaker, this is the first time in my 15 years in this House that I have so much fun reading a minister's statement, it is so foolish. And a little further:

d) Close drapes at night and leave them open on sunny days.

Mr. Laprise: Don't you invent a little?

Mr. Caouette (Témiscamingue): My colleague from Abitibi asks whether I am not imagining things. No, I am not, the minister read that this afternoon.

Mr. Speaker, in a more serious vein, there is no doubt that there is not and there will not be an oil shortage in Canada. Nobody will convince me of the contrary. I heard the hon. member for York South (Mr. Lewis), the leader of the New Democratic Party, say recently that the tar sands in northern Alberta contain the equivalent of 750 billion barrels of oil. That should be enough to meet the requirements for the next hundred years. Now the minister tells us to save energy. As I said on television and in the House, it was recently announced that a Greek tanker would sail from Vancouver to Portland, via the Panama Canal, to supply Montreal with oil and gas.

Mr. Speaker, I talked at that time about a merchant marine. We have been asking for a merchant marine for at least 15 years. If action had been taken 10 years ago we would have it now.

An hon. Member: In Lévis—

Mr. Caouette (Témiscamingue): That was promised in Lévis just before election day. That was promised for 15 years but they forgot to follow up with it.

Mr. Speaker, I understand that it costs more to ship through Panama than with a pipeline. But did you hear the minister speak about a pipeline from the west to Montreal this afternoon? Not a word. There has been talk about it for six months, for a year. Why is that pipeline not being built now?

Mr. Speaker, there are other means of transport. CNR and CPR employees complain that jobs are being lost, that trains are less used. What is stopping this government from using both national railways to move oil from the west to the east? What prevents the use of aircraft? Why not build air tankers? Things are being moved by trucks to the Middle East, in Viet Nam, in short almost everywhere in the world. Why not use aircraft to move oil to eastern Canada?

An hon. Member: Feed grains.

Mr. Caouette (Témiscamingue): We are not dealing with feed grains but with oil. We shall settle the feed grain problem later on.

Mr. Speaker, if we took the necessary steps there would be no oil shortage presently in Canada. I say: I agree. They say: It is an international matter. It is the same argument as in 1929. I say that the oil question is used to cause an economic crisis in Canada, in the United States and in all western countries. This is what they are leading at. They will speak of energy shortage and what do you think will happen if we follow the government program? The closing of plants, restrictions for the producers and ration coupons. This is what we are threatened with. We already had the ration coupons. We have seen that during World War II. When I was first elected in 1946, we had the ration coupons. A family mother with ten children was entitled to ten ration booklets. in addition to hers and her husband's. To carry those booklets you needed a special bag. The ration coupons were not made to fit a stomach needs. No. They were printed and the stomach had to fit the size of the ration coupon. This is what we did during the war.

Did that prevent people from getting sugar? I know people in Val d'Or, a doctor among others, who bought ten pounds of sugar at a time. When the ration coupons were issued he had five 100-pound bags of sugar put aside. We bought butter 50 pounds at a time instead of two pounds. We had everything. It is so true that they had to destroy sugar in the Cuba area because there was too much of it everywhere and in spite of that we had ration coupons. I mentioned this in the restaurant of Parliament. Butter was rationed at home but at the restaurant of Parliament we did not need ration coupons and we could eat one pound of butter at a time. We, the members, were not rationed, so I said to the right hon. Prime Minister of the time: If we are not rationed, then we have no right to ration our constituents. It took three weeks, a month, but ration coupons were abandoned and people could obtain

normal supplies. Oil ration coupons and the oil shortage are nothing but a hoax.

The one objective is to get the Canadian population panicky and telling it to freeze slowly in the name of the international oil crisis. Instead of coming out with ration plans, the Creditistes would develop our natural resources for the benefit of the Canadian population and reveal the abundance of Canadian production. This wealth should be developed by the minister who should stop talking of shortages, stop lying as he has been doing, not himself but through his department's officials.

Mr. Speaker, those were the comments that I wished to make on the oil crisis which is only a blind, because it does not exist in Canada. It would not prevent us from transacting with the United States or any other country. But please, let us be frank with the Canadian people and let us tell them why we are really talking about shortages when there is abundance everywhere.

● (2020)

[*English*]

Mr. Speaker: My understanding of the special order passed by the House on Friday last is that the House is to proceed now to the 20-minute question period relating to the minister's statement.

ORAL QUESTION PERIOD

[*English*]

ENERGY

OIL—AMOUNT OF OIL IMPORTS TO EASTERN CANADA FROM ARAB COUNTRIES—EFFECT OF CUTBACK

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources, first of all for clarification. Can the minister tell me which is the correct statement, the one appearing in a publication, apparently from his office, dated November 9 in which it is said that 25 per cent of the oil supplies in eastern Canada are from Arab countries in the Middle East, or the statement in the minister's address of today which is that the Arab nations have until recently provided eastern Canada with 30 per cent of its crude oil supplies?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, my understanding is that the 25 per cent is for the second quarter and the 30 per cent is the third quarter estimate.

Mr. Stanfield: I would like to get some information about the drop or the anticipated cutback of some 200,000 barrels of oil a day. I should like to ask the minister, what accounts for this cutback, assuming that the 25 per cent cutback in the oil we receive from Arab countries in eastern Canada accounts for 75,000 barrels a day? Is the additional cutback of 125,000 barrels made up from Arab sources of crude oil, or from other sources?

[Mr. Caouette (Témiscamingue).]

Mr. Macdonald (Rosedale): It will depend, I gather, upon the prorating terms in the existing contracts with other sources. I am advised that the 200,000 barrels a day is really the worst estimate of the situation, but it could be the result of the prorating involved on the basis of *force majeure* provisions in existing contracts being exercised by each of the supplying companies to the Canadian companies.

Mr. Stanfield: But for reasons of clarification, can the minister say whether we are receiving a reduction of two-thirds in the oil from Arab countries, or a reduction of 75,000 barrels a day from Arab countries, or thereabouts; the other part of the 125,000 barrels a day being cutback from other sources such as Venezuela, Iran and African countries other than Arab countries?

Mr. Macdonald (Rosedale): The figure of 75,000 is the current estimate of the degree of interruption. The 200,000, including the 75,000 is the estimate of the down side, if you like, if *force majeure* provisions are exercised in the other supply contracts to Canada.

Mr. Stanfield: From other countries?

Mr. Macdonald (Rosedale): Yes.

OIL SUPPLIES FOR EASTERN CANADA—GOVERNMENT POSITION IN ENFORCING ALLOCATION AS BETWEEN ESSENTIAL AND NON-ESSENTIAL INDUSTRIES

Mr. David Lewis (York South): Mr. Speaker, may I ask the minister some other questions. With regard to his program of allocation, is it his intention to order or otherwise persuade eastern refineries to concentrate on the production of home heating oil for use this winter in the eastern part of Canada?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): In fact, that is the policy which has been followed by the refineries since midsummer. But we anticipate that as one of the powers that would be contained in the bill to reinforce what in effect has been the operating practice in any event.

Mr. Lewis: I would also ask the minister whether, instead of leaving it all for the time when he produces the bill, he could inform us if one of the criteria to be used for allocation to industrial users will be the question of jobs. Also, will there be any criteria to distinguish between essential and non-essential services including the matter of jobs.

Mr. Macdonald (Rosedale): The question of jobs will be foremost in the criteria, and naturally there will have to be some judgment exercised by the board—that is why it has been created—as to which criteria should be given priority, and which should not. Again, I will have to say that until the bill receives first reading I cannot respond very well.

CONTROL OVER WHOLESALERS TO ENSURE EQUITABLE DISTRIBUTION OF SUPPLIES

Mr. David Lewis (York South): May I ask the minister one other question along the same lines. Would he inform the House whether one of the objectives of his legislation—I appreciate the fact that he cannot go into details—will be to make certain that wholesalers that are not part of the majors' integral organization will be served by the majors so that they can serve their customers, and whether there will be any control over what the wholesalers do to make certain that there is equitable distribution?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): I can say to the hon. gentleman that one of the concerns we will have about this situation of short supply is that integrated companies not use the opportunity to the prejudice of independent dealers, whether at the wholesale or retail level. We regard this as an important level of the trade, both in home heating oil and gasoline, and the protection of this particular level will be one of the criteria that the board will follow.

[*Translation*]

MEETING OF MINISTER WITH PROVINCIAL COUNTERPARTS—POSSIBILITY OF REDUCING TAXES ON OIL PRODUCTS

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I should like to ask a question of the hon. Minister of Energy, Mines and Resources.

Following his meeting with his provincial counterparts, can he tell the House whether, in view of the shortage and especially of the high price of oil and heating fuel, they foresee any possibility of reducing taxes on heating products?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, we have indeed discussed this issue. My provincial counterparts have not, however, taken such a decision or confirmed that such a decision had been taken by their provincial governments.

[*English*]

PIPELINE TO MONTREAL—NEGOTIATIONS WITH PROVINCE OF QUEBEC

Mr. Jim Balfour (Regina East): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. In light of the urgent need for the construction of a pipeline to the port of Montreal, can the minister advise us whether or not an agreement, at least in principle, has been reached with that province for the construction of such a pipeline?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): I anticipate meeting my Quebec counterpart in the very near future to continue the discussion which has gone on at the official level and which was interrupted by certain events.

Mr. Balfour: Is it the government's intention to construct such a pipeline with or without the agreement of the government of Quebec?

Mr. Macdonald (Rosedale): I have already responded to that question. It would be our hope that we would be able to do so in a way that would be found acceptable to Quebec; but ultimately, undoubtedly, we will be held responsible for the security of supply to that market and we will have to continue with the decision taken at the outset.

NEGOTIATIONS WITH VENEZUELA TO SUPPLEMENT OIL LOST FROM ARAB COUNTRIES—EFFECT OF "FORCE MAJEURE"

Mr. Peter C. Bawden (Calgary South): Mr. Speaker, the minister spoke of *force majeure* which would account for the potential reduction of 125,000 barrels a day which was not from Arab countries. Would the minister say who is going to call *force majeure* and where this oil might go to, if Canada will not continue receiving it? Would he say whether his negotiations with Venezuela for royalty oil might supplement and replace the oil we might lose by *force majeure*?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): The suggestion of the hon. gentleman could indeed be a response to that situation. My current information is that Venezuela has not decided at the moment to take its royalty in kind rather than in cash. The *force majeure* would be called in effect by the supplier companies which have the contracts to deliver oil to Canada. I understand this is a standard aspect of the delivery contracts. So far as I know, it has not been called yet. Presumably it would be prorated, I would imagine, to western European parties in particular who would otherwise have been cut off from supply.

An hon. Member: Would you agree with that?

● (2030)

QUANTITY OF OIL TO BE TRANSPORTED FROM WESTERN CANADA TO MONTREAL

Mr. Peter C. Bawden (Calgary South): I would like to ask the minister what volumes of oil he projects moving into the Montreal market from western Canada by truck and rail, in barrels per day, and whether he can see a continuity of 50,000 barrels a day travelling from the west coast into Montreal. And can he say whether this might not come very close, along with the volumes presently reaching Montreal, to meet the shortfall?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): I believe there will be a continuity of this consignment through the winter of oil by tanker into Portland. My recollection is that the capability of the land transport system to deliver any substantial quantities of crude or petroleum products is not high, and I do not believe it should make up the difference.

Mr. Bawden: How big?

Mr. Macdonald (Rosedale): I am sorry; I do not have the actual figures here. I could give them at a later date.

Oral Questions

EXTERNAL AFFAIRS

REQUEST THAT GOVERNMENT'S SPECIAL EMISSARY NEGOTIATE WITH MIDDLE EAST COUNTRIES TO OBTAIN MORE FAVOURABLE OIL SUPPLIES

Mr. Reg Stackhouse (Scarborough East): Mr. Speaker, I wish to direct a supplementary question to the Secretary of State for External Affairs. In view of Canada's suffering a serious loss of oil supplies from Saudi Arabia and other Middle East states, would the minister consider sending a special emissary to meet with King Feisal and other heads of government in that area to clarify Canada's involvement in Arab cutoffs and, hopefully, to negotiate a more favourable supply?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, we have had no information that Canada is going to be subjected to any boycott. We must assume, however, that we, like many others, will suffer from reductions in the production of oil by Saudi Arabia.

[*Translation*]

ENERGY

CONSTRUCTION OF A PIPELINE IN NORTHERN ONTARIO

Mr. J.-J. Blais (Nipissing): I would like to put a question to the Minister of Energy, Mines and Resources.

Since he maintained that security of supply is uppermost in his thoughts, is the government still considering the project to build a pipeline through northern Ontario and if so, would any urgent matter be contrary to this plan?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I said in the House that we had examined the suggestion made by the hon. member and by his colleague from Algoma (Mr. Foster). The main point is the length of time it would take to build an oil pipeline through northern Ontario, considering there is one between Sarnia and Montreal. That is one of the things to be weighed before taking any final decision in that matter.

[*English*]

BRITISH COLUMBIA—REFINING OF CRUDE OIL BY PROVINCIAL COMPANIES

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I ask the Minister of Energy, Mines and Resources a question with respect to the refining of home heating fuel and bunker fuel in the province of British Columbia. As the minister knows, the refineries there are geared mainly to the production of gasoline, which involves about 100,000 barrels a day, but about 300,000 barrels of oil a day are shipped to the United States and we in turn buy back the refined petroleum products. Does the minister intend to have steps taken to persuade the refiners in British Columbia to refine petroleum products there, so that British Columbia will not face the possibility of being short of home heating fuel and bunker fuel this winter?

[Mr. Macdonald (Rosedale).]

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I cannot be sure on a technical question like that, but my understanding is that the capacity does not exist in British Columbia to produce higher levels of middle distillates rather than motor gasoline. The question is one of making sure that we continue to receive the same supplies from United States refineries as we have received previously. That is what will be given priority. I cannot be sure that changing the refining mix will achieve an increase in production.

Mr. Douglas: Mr. Speaker, may I say to the minister that the technical people tell me it is possible to do this. I hope the minister will look into it; and also that he will remember that the price of the petroleum products, when they come back from the United States, is much higher than if they were refined in Canada. Also, has the minister received a telegram from the president of the Automotive Transport Association of Ontario in which he says that diesel and gasoline fuel prices in the province of Ontario have risen by as much as 50 per cent in many cases, and that this is seriously affecting goods transportation in the province? I ask the minister if these facts are correct and, if so, how this comes about and what action the government proposes to take to remedy the situation.

Mr. Macdonald (Rosedale): Mr. Speaker, such a telegram may have come in, but I have not seen it yet. I will certainly look for it because an increase in diesel and motor gasoline price, as opposed to home heating oil, except if it is done at the retail level, of course would be contrary to the restraint the companies intended to impose. If that is the case we would certainly refer back to the companies to see if this represents a breach of their undertaking and what they intend to do about it.

PIPELINE TO MONTREAL—REQUEST FOR REPORT ON PROGRESS

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I would like to ask the minister a question, first of all arising out of what was said by the Prime Minister in this House on November 23 in reference to a Montreal pipeline, as recorded at page 8082 of *Hansard*. I listened very carefully to the minister's statement tonight. I listened to the three spokesmen for the opposition parties.

Some hon. Members: Question.

Mr. Woolliams: I will ask the question. You wait. I listened very carefully to the three spokesmen for the opposition parties and I would like to put this question to the minister. Has the projected Montreal pipeline got off the tracing board, who is going to build it, is there enough steel to build it, and has it now gone from the idea and into the planning stage?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, it is indeed in the planning stage. However, there are a number of fundamental questions to be settled as to the responsibility for its financing, and particularly whether or not the public treasury would bear some part of the cost of the additional capacity for security of supply.

Mr. Woolliams: Mr. Speaker—

Mr. Speaker: Order, please. I will recognize the hon. member for Calgary North who is rising to ask a supplementary. All the questions asked this evening will be supplementaries, because the order of the House is that for the next six or seven minutes members will ask questions about the statement made by the minister. I will try to recognize as many members as possible. Perhaps we should now try to limit the number of supplementaries asked by each member.

Mr. Woolliams: Mr. Speaker, would the minister mind explaining to the country and to the House why the decision to go ahead was not made in 1969, when the industry met with the government and suggested that to guarantee security of supply of crude petroleum, particularly to the Montreal and eastern area, a pipeline should be built? I ask this question particularly in view of this government's knowledge of the national oil policy, which they like to point the finger at, dating back to 1961 but which they endorsed for ten years. Why are we waiting now, in the middle of a crisis, when there is no shortage of energy in Canada? Was it a matter of procrastination on the part of the government?

Mr. Macdonald (Rosedale): Mr. Speaker, as the hon. gentleman knows very well, at that time, and really up until the beginning of this year, there was a very substantial price penalty for consumers if western crude came into the Montreal market—

Mr. Bawden: How big? How much?

Mr. Macdonald (Rosedale): That price penalty would have been paid if their suggestion had been taken.

[*Translation*]

SUBSIDIES BY SOCIAL WELFARE DEPARTMENT TO MULTINATIONAL OIL COMPANIES

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

I should like to know if he intends to recommend to the Minister of National Health and Welfare subsidizing multi-national oil corporations in view of the loss they are going to suffer?

[*English*]

OIL—USE BY CANADIAN FORCES ABROAD

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, my question is directed either to the Minister of Energy, Mines and Resources or to the Minister of National Defence. Throughout his statement this afternoon the Minister of Energy, Mines and Resources was alluding to oil import curtailments and to the oil supply situation in Canada, but at page 6 of his statement he said that "to achieve substantial cutbacks in fuel requirements" the Department of National Defence is going to cut back "both at home and abroad." I was curious as to the validity of cutting down abroad in order to get more fuel at home. I would like an assurance that some of Canada's short supply of oil is not going out to such places as the Middle East.

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): I can give that assurance, Mr. Speaker.

PIPELINE TO MONTREAL—STATUS OF NEGOTIATIONS WITH INTERPROVINCIAL PIPE LINE—PURCHASES OF OIL BY CANADIAN COMMERCIAL CORPORATION

Mr. Harvie Andre (Calgary Centre): Mr. Speaker, regarding the Montreal pipe line, has the government reached any decision, agreement or understanding with Interprovincial Pipe Line?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Not as yet, Mr. Speaker, but as I have said there are a number of important questions being discussed at the moment, particularly with regard to financing.

Mr. Andre: As a further supplementary regarding the supply of crude oil through special purchases supposedly made by the government, to which the minister has alluded, how much oil has been purchased by the Canadian Commercial Corporation, at what prices, and when will it be delivered?

Mr. Macdonald (Rosedale): Mr. Speaker, this falls under the responsibility of my colleague, the Minister of Supply and Services. My recollection is that a very substantial quantity has been purchased, to be paid for at the dates of delivery as determined over the period of the winter. I am afraid the hon. member would have to address himself to the minister for the details.

● (2040)

TRUCK TRANSPORTATION OF OIL IN NORTHERN ONTARIO

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I have a question for the minister. With regard to utilizing commercial traffic on our highways, does he intend to have some of his officials give consideration to the difficulties in Ontario respecting PCV licences, and the fact that all transports travelling out of northern Ontario are loaded and return empty? There could be a saving of about 100 per cent with most of our traffic in and out of northern Ontario.

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I appreciate the suggestion and I shall be glad to look into it.

MEASURES TO ENSURE OIL SUPPLIES TO YUKON AND NORTHWEST TERRITORIES

Mr. Erik Nielsen (Yukon): Mr. Speaker, I have a question for the minister on behalf of the many thousands of Canadians who are perhaps a little more concerned with this matter than the average Canadian, and for a longer period of time. The Yukon and the Northwest Territories are in a different situation in regard to getting supplies of home heating and other fuels that are vital to survival in the north. What action is the government taking to ensure

continued supplies at current prices and levels in these northern areas?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I would have to check in detail to respond to that question. It depends on what the hon. gentleman means by current prices. Certainly, any offshore purchases would be subject to the escalation to which I have referred.

PIPELINE TO MONTREAL—EFFECT ON PROPOSED ST. LAWRENCE SUPERPORT

Mr. John A. Fraser (Vancouver South): Can the minister advise whether the province of Quebec has agreed to a pipeline to Montreal. If agreement exists, does this mean that plans for the proposed oil superport in the St. Lawrence will be abandoned?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, there is no agreement yet on this point, but the integration of a superport proposal is one of the matters for intense discussion.

Mr. Fraser: A supplementary question. Can the minister advise the House whether the delay from the time that the oil pipeline was announced until now is in whole or in part due to Quebec's objection to the abandonment plans for an oil superport?

Mr. Macdonald (Rosedale): Mr. Speaker, the fact that there was a rather robust response against the proposal means it is one that we would naturally try to achieve agreement on with the province if we could, and that is subject to discussion.

ATLANTIC PROVINCES—ACCESSIBILITY TO WESTERN CANADIAN OIL

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I should like to direct a question not only to the minister responsible for energy but to all Canadians, reminding them that eastern Canada does not necessarily include the Atlantic provinces. I ask the minister whether this constant suggestion of the construction of a pipeline through to Montreal embraces the concept that the St. Lawrence River is frozen for two or three months of the year and eastern Canada and the Atlantic provinces, particularly the maritime provinces, should enjoy accessibility to western Canadian oil rather than oil that comes through the Panama Canal?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, if the hon. gentleman is talking about the longer time frame to which a pipeline to Montreal is related, he would have to consider the additional cost involved by the Atlantic provinces if they were dependent upon Alberta oil rather than offshore oil.

[Mr. Nielsen.]

EXPORT TAX AND PRICE CONTROL ON OIL—GOVERNMENT POSITION AS TO CONTINUANCE AFTER JANUARY 31, 1974—EXPORTS TO U.S.A.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, in his statement the minister failed to refer to the export tax or price control on oil. Can he can tell the House tonight whether it is his intention to continue price controls after January 31, and whether the export tax will also continue?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I expect to have a further opportunity to discuss this question with the Alberta government, and I prefer to postpone further comment until that discussion has taken place.

Mr. Nystrom: A supplementary question, Mr. Speaker. Since we still export more than we import, can the minister assure the House that if a serious shortage develops in eastern Canada or British Columbia, we will cut back exports of oil to the United States?

Mr. Macdonald (Rosedale): Mr. Speaker, that is in fact what has happened in the last two months of this year. There has been a reduction from earlier this year of about 175,000 barrels a day. The difficulty is the lack of physical transportation facilities rather than the supply, which means that more cannot be taken from western Canada into the Canadian markets which are short.

* * *

TRADE

ENERGY SHORTAGE—IMPACT ON CANADA-UNITED STATES TRADE

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my question is for the Minister of Industry, Trade and Commerce. With predictions in the United States of zero growth in 1974, a 6 per cent reduction in industrial production and perhaps an unemployment rate of 6 per cent due to the energy crisis, has the minister's department made any study as to what may be the direct or indirect impact, economically, in Canada of the energy shortage?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, we are watching this very closely, as the hon. member may be aware. The recent investigation with respect to investment decisions indicate that Canadian businesses were planning to increase their investment in capital equipment and plant by over 20 per cent, and particularly heavily in the manufacturing industries. Obviously in light of the changes right now, reviews will be undertaken on a continuing basis.

Mr. Stevens: A supplementary question—

Mr. Speaker: Order, please. We have gone beyond the time allocated by the order of the House. The hon. member might ask a supplementary; then I would recognize the hon. member for Shefford and the hon. member for Qu'Appelle-Moose Mountain before calling orders of the day.

Mr. Stevens: Mr. Speaker, I was wondering if the minister could confirm that he sees no slowdown in 1974 in the Canadian economy in, say, the auto industry, the trucking industry or the tourist industry?

Mr. Gillespie: Mr. Speaker, I do not think that I am a seer in the sense that the hon. member may wish me to be, but present indications are that we ought to have a very good year next year. In fact, we had a very good year this year.

[*Translation*]

ENERGY

SUGGESTION OF JOINT FEDERAL-PROVINCIAL CONSTRUCTION OF PIPELINE FACILITIES

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, my question is for the hon. Minister of Energy, Mines and Resources.

Has the federal government already submitted or prepared a cost-sharing pipeline building project to be presented to provincial representatives at their next meeting in January 1974?

Hon. Donald S. Macdonald (Minister of Energy Mines and Resources): Mr. Speaker, as I said before, I intend to have further consultation with my Quebec counterpart regarding the pipeline. I repeat it for the fourth time.

Mr. Rondeau: I should like to put a supplementary question, Mr. Speaker.

Can the hon. minister tell us if he has presented or intends to submit a project to provincial representatives at their January meeting concerning the building of a Canadian pipeline?

Mr. Macdonald (Rosedale): Yes, Mr. Speaker, we already submitted such a proposal to my Quebec counterpart.

[*English*]

APPLICATION OF "FORCE MAJEURE" BY OIL COMPANIES

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, my question is a very simple one. Can the minister inform the House on what approximate date he learned that companies might apply *force majeure*?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, it is of fairly recent date; I would say the last week or ten days.

Mr. Speaker: Order, please. According to the special order of the House, we shall return to the consideration of government orders.

Mr. Baldwin: Mr. Speaker, I rise on a point of order. It will not have escaped Your Honour's keen eye that there is active interest in this subject. I wonder, under the guise of a point of order, if the minister would advise the House whether he will in fact be appearing before the Standing Committee on Miscellaneous Estimates, as has been tentatively arranged, so that this interesting subject may be pursued further?

Mr. Macdonald (Rosedale): Mr. Speaker, I believe it is Thursday afternoon next that I will appear before the committee.

GOVERNMENT ORDERS

[*English*]

NATIONAL PARKS ACT

AMENDMENT DELINEATING GOVERNMENT'S POWER IN DISPOSING OF PUBLIC LANDS

The House resumed consideration of the motion of Mr. Chrétien that Bill S-4, to amend the National Parks Act, be read the second time and referred to the Standing Committee on Indian Affairs and Northern development.

Mr. Bill Knight (Assiniboia): Mr. Speaker, the question of the establishment of national parks has been met in many parts of the country by a kind of complacent response like, "Yes, we all agree in principle with parks as long as in some ways they do not detrimentally affect our area". Like all others I suppose, I too have taken that line, namely, to agree in principle with national parks. They are nice things for people to visit. But the problem that arises when a national park is about to be established—as was the case in the last five years with the Grasslands national park in southern Saskatchewan—is lack of understanding of the general area and lack of communication with the people involved. There is not usually an in-depth study made about the practicalities of establishing that kind of park. That is what I am dealing with tonight, Mr. Speaker. It is what I was dealing with before my speech was interrupted by the non-statement of the Minister of Energy, Mines and Resources (Mr. Macdonald).

● (2050)

The question of the establishment of national parks is still covered by the National Parks Act. Even with this legislation, the establishment of a new national park will have to be undertaken by the Parliament of Canada.

I am pleased to see clause 2, which makes certain that individual members of parliament affected by a national park in their area will have the opportunity, and indeed the right, to express their views on the establishment of such a park. Since 1965 there have been agreements, disagreements, arguments and consultation between the federal and provincial governments. Earlier today I outlined the kind of partial agreements reached between the provincial Liberal governments and the Pearson and Trudeau governments. It pointed out there were some representations made such as in the Kaplan report, where a bunch of dudes from Montreal went to the Killdeer-Val Marie area for a few days. They then returned to Montreal. Maybe they were friends of the President of the Treasury Board (Mr. Drury).

On their return home they drew up a report. They compared it with Roosevelt park in the United States. They said it would attract the same number of people as Roosevelt park, which was fundamentally different from

the one they were attempting to establish in southern Saskatchewan. It turned out to be a ridiculous report. It pointed out the stupidity of hiring these consultants for this kind of work. The report was so ridiculous that everyone in the area who read it could not believe it was written for any government, federal or provincial.

The possibility of establishing a Grasslands national park in southern Saskatchewan is in a stalemate position. I would like to outline the problems that have arisen and the objections to it. One problem is the cost of buying-out or relocating the ranchers and the farmers. Another problem is the loss of income to the provincial economy. One problem is of a social nature. It involves the social aspects of evicting ranchers, many of them pioneers, from land which they have homesteaded and/or leased for many years. In fact, some families have been there for generations. The lifestyle on a social basis is good in terms of its economic basis. It is a remote and very significant minority in this country. The aspect of that region, in terms of lifestyle, can be found in very few parks in the Dominion of Canada. It is a kind of lifestyle that contributes to the very great interest in that area: it is the great attraction.

There would be a loss of some of the better mule deer and antelope hunting areas, along with complaints from disgruntled hunters—something to which I do not attach as much significance as the province. The Kaplan report suggests building a fence to protect the game. That is contrary to what in fact would happen. A large barrier or fence would keep the animals out of the area to which they migrate for protection during the winter. This is in the high mountains and hills. It allows them to get at short grass in the winter instead of trying to survive in the plains where there are snowdrifts of six, seven or more feet.

There is another very real problem to those who live in the area. There is the danger of prairie fires created by automobiles, locomotives and other mechanical apparatus. The sparks from these could catch the grass on fire and destroy it. Last summer there were two or three major fires in the area; they were put out by local people. Another problem is related to the very narrow outlook of the national parks department and the minister in terms of coming to grips with the fact that this is a large cattle-grazing area. The Kaplan report recommended removing cattle from 360 or 640 square miles and replacing them with a few buffalo. I do not know all the expertise of the environmentalists, but I do know that it is necessary to keep the grass grazed. It would take an awful lot of bison to keep the grass at the grazing level to which it is now kept by cattle. For years the cattle have neither overgrazed nor undergrazed. There is always the odd exception of a producer not being careful. Generally, grazing has been at a proper level.

Another problem related to the establishment of this park is the possible economic loss to towns in the area, such as Mankota where at least one million cattle are sold in the auction ring in any year. Other objections have been raised to this proposal. I have already mentioned the necessary removal of cattle from the park under the national parks policy. However—and this is pointed out in the Kaplan report—cattle-grazing at the present level is not detrimental to habitat or wildlife. They point out that cattle serve an important function in several respects and, if removed, could probably be replaced only by bison. Cattle do not compete with wildlife presently inhabiting the area.

Constant grazing prevents the long growth of grass which is a potential fire hazard. Most damage was done when people thought they could cultivate this land and use it for wheat or barley production. The land was not good enough for that. This lesson was learned during the depression. Since that time most of the land has been turned back into grazing land. If there is a large influx of tourists, there is the problem of garbage and destruction to the very habitat we are trying to preserve for future generations.

Another area of significance is mineral wealth. Crown reserves in the general area, and the possibility of development of an oil field, do not make the provincial government very excited about establishing a national park which will take away the right of the province to have control over the mineral wealth that may possibly be in that area. I hope the minister and the federal government will avoid areas where there may be mineral development—coal, and so on.

● (2100)

It is difficult at a time when more than 60 per cent of Canadians are living in large urban areas for a member from a rural area blessed with some very beautiful scenery to come to a reconciliation with people whose children are growing up in a society where all they see are cement sidewalks, paved streets and lamposts, maybe concrete, in places like the riding of the hon. member for York North (Mr. Danson) or other areas of this country like Toronto or Montreal, Regina or Saskatoon. How do we reconcile this with the preservation of a lifestyle, the preservation of wide open spaces that is needed in an area so attractive to people who have not the opportunity to view and to respect the kind of beauty one finds in this Killdeer-Valmarie area.

I believe that if the Minister of Indian Affairs and Northern Development (Mr. Chrétien) wishes to see development in this area there is much that he could accomplish. I, by the way, have respected many of the national parks he is attempting to set up and respected the moves made to preserve some of these areas for Canadians. I believe that if he took the opportunity of working with the Minister of Regional Economic Expansion (Mr. Jamieson) there is a possibility of tourist development in Southern Saskatchewan that is far more imaginative in terms of attracting people to viewing some parts of Saskatchewan I am sure they don't realize even exist. What I am suggesting is this. Saskatchewan was one of the first provinces, I believe, to co-operate in the development of No. 1 highway, which runs from the Manitoba border to the Alberta border and makes sure that people can get through Saskatchewan in a day and a half, if they really want to do so. Each summer, because of the high volume of traffic on that highway, increased by the traffic coming up from the United States and up through Estevan and Weyburn on to No. 1, conditions on that route are such that I never have, and never will travel that piece of highway during that July-August rush. As far as I am concerned,

and it is probably true from one end of the country to the other, it is a suicide run.

What I propose the Minister of Regional Economic Expansion could do if he has a broad enough view of what is needed in regions of this country which have not had the development of the golden horseshoe, is to develop an alternative route off the No. 1 highway down to what is called Highway No. 13 which traverses the southern part of Saskatchewan. I believe that if you bring people off No. 1 down through what is called the Moose Mountain national park, which surrounds Carlyle Lake and Kenosee Lake, which offers plentiful woodland and attractive fishing, where there is a considerable amount of development already; if you bring them in their campers and cars down off No. 1 and across Highway 13, you can take them down through the area of the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton), where they can see the beauty of Moose Mountain national park, and run them across the southern part of the province to the area of Weyburn where they are developing the Soo Line Historical Museum Society and the Soo Line Historical Museum.

The people here could, I am sure, put on many pageants showing the early life of the pioneers, illustrating the kind of life we went through in the depression and the lifestyles we have developed since. Visitors could move from there to what is called the Big Muddy country which is in the Bengough area of the Assiniboia constituency. In that area, Mr. Speaker, we often go south to see a place called Deadwood. Americans have taken this old, dilapidated town and put in a saloon where they say Wild Bill Hickok was shot. They found a graveyard where they say he is buried and where they say Calamity Jane is buried, and they attract more tourists with those two showpieces than probably any place in the United States with the little they have to show. And what we can do in the Bengough area is show people, if people from large urban areas are interested—and there are many right in Saskatchewan who have not seen it—one of the most beautiful valleys running through the province of Saskatchewan; show them in fact one of the favourite hideouts of some of the most notorious outlaws that ever roamed through Montana and the Dakotas in the latter part of the nineteenth century.

Two or three thousand people took the opportunity to make a tour of this whole area this summer. It could be developed in such a way that many thousands of Canadians could view what I believe to be some of the most interesting and beautiful country in Canada without disrupting the local way of life while allowing visitors an opportunity to see life in a rural community. They can go from there up through an area called Rockglen-Willow Bunch, which is hilly country. Willow Bunch is a bilingual community where they have preserved the French language. Its founders were settlers who came from the province of Quebec almost at the same time as the Northwest Mounted Police. They have established one of the most interesting museums that can be seen off the No. 1. It is bilingual museum. It outlines the whole history of the area. Those in charge of the museum conduct tours of the entire collection in both official languages.

The whole town centres around the work that went into the building of this museum. In this museum is what they called the giant, who travelled in all the fairs in North America because of his immense size. There is a display of the kind of bed he used to sleep in, the kind of clothes he had to wear and the kind of very frustrating life he had to lead because of his abnormal size which was, believe it or not, over seven feet.

Mr. Speaker, you can go from there into the Assiniboia area where, with a little government assistance, a man has got together one of the best selections outside the western Canadian museum in Saskatoon of antique automobiles, farm machinery and all kinds of antiques. Many people thought he was a little odd because he was collecting these things for years, but now they are worth a fortune. He is prepared to see them all go into a museum in the neighbourhood. He doesn't want to see what has been happening along that border country—Americans coming up and buying all these things in bulk for a high price and taking them back to the States.

Right on Highway 13 between the town of Lafleche and the town of Gravelbourg there is a small park and regional area that can be developed. To the south is the Wood Mountain regional park which is right along the Killdeer-Valmarie area, adjacent to the very grassland park the minister has been speaking of.

Then there is highway 395 to be developed in such a way that people can view the grassland, where they can view the lifestyle of the area, where they can go straight through to Valmarie and participate in the local rodeos, the local fairs that go on all summer in that country. Some of the best rodeo riding in Canada is done at the Wood Mountain park and across at Radville and other places in the general area. Facilities could be expanded so that visitors could view this area without interrupting the lifestyles of the local people. It would give a tremendous boost to that area economically. They can go from that area to a private entrepreneur in the Kincaid area who has developed a restaurant made out of an old railroad station which was built around the turn of the century. He has turned it into an interesting cocktail lounge and dining-facility and he is thinking of expanding his operation because of the increasing traffic on this southern route.

If that kind of entrepreneur was encouraged to expand that kind of operation into a motel, a few places for people to camp, it would be of tremendous benefit in taking the pressure off No. 1 Highway across the province of Saskatchewan and giving the people a real opportunity to see a part of the province which a lot of people assume is nothing more than flat ground—which is not true—and barren ground at that. They can see the community of Gravelbourg which is a bilingual community housing the College Mathieu, one of the few bilingual colleges left in Canada. It has taken a lot of ingenuity and a lot of work on the part of the local population and their local representative to keep that college going.

• (2110)

Sitting on the prairies are the two communities of Gravelbourg and Ponteiux, both bilingual communities. These are communities in Saskatchewan where the cathedrals are higher than the elevators. If people who practice religion by attending church travel along No. 13 Highway through Assiniboia constituency, they will never be lost

for a church to attend. In these two communities there is a kind of cultural development that is not often seen in other parts of the country. Their language and religion have been maintained and have survived, and these communities would attract a great deal of attention.

Once you leave this area you travel through some more beautiful country in the constituency of the hon. member for Swift Current-Maple Creek (Mr. Hamilton), which extends to the Alberta border.

Mr. Fairweather: Are you going to send out 15,000 copies of this speech?

Mr. Knight: Then you can travel across the southern range and up through the provincial Cypress Hills park, a park long established by the provincial government. Parks are established by both levels of government. Furthermore, there are two major highways connecting the area to United States markets. The hon. member says I should send out a lot of copies. I hope that the Conservative member for Qu'Appelle-Moose Mountain and the hon. member for Swift Current-Maple Creek will join me in supporting the principle of park development, because southern Saskatchewan is a very interesting tourist route which in my view shows great promise.

I remember listening to the right hon. member for Prince Albert (Mr. Diefenbaker) speak about vision. If I may say so, this little project has been one of my personal visions. I do not care who carries out the work, but I do think it has a great deal of merit. I realize a lot of rumours have been circulating about the national government setting up a national park, and this was not all the minister's fault. A lot of political conniving was taking place—but I will not go into that. People were told they would lose their leases. They replied that the land had been in their family for five generations, that they had always preserved it in their own way, and now it was going to be taken over, and so on and so forth.

With the alternative method through the Department of Regional Economic Expansion, the whole of southern Saskatchewan can be developed and made attractive to the tourist trade. People who unfortunately are stuck with living in large urban areas, young people who have to look at the concrete world of Toronto and elsewhere, will come to realize there still is beauty in Saskatchewan and in many other areas of the country that have not yet been explored.

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I want to join with others who have entered into this debate of a bill that has come to us from the Senate, Bill S-4, which purports to make some minor changes to the existing act. I want to make one or two observations that I trust will be national in scope, as well as some remarks at a later stage that will be directed to what is at the moment a somewhat tentative proposal.

It was only a very short time ago that the present government saw fit to introduce legislation to set up an independent authority which, had the bill passed instead of being withdrawn by the government after debate in the House, would have had the power to expand and contract lands which were believed to be held, for whatever purpose, in right of the Crown and in the person of the minister responsible.

It was with some pleasure that I recall we moved from that concept to yet another concept, which I gather the government supports, namely, the principle that the government believes it has jurisdiction to expand or contract public lands held by people in the right of Canada. I welcome this because it seems to me to be an advancement over the concept enunciated in this chamber a couple of years ago. The government does learn; there is no question of that. Unfortunately, it learns slowly and in most instances much too slowly. Nevertheless, it does learn, and hopefully the comments that will be made in the course of this debate will convince the government that it can learn something not only from the people in this chamber but from the people of Canada.

What I am suggesting is that if a government can move within the space of a couple of years from a concept that removes from political control the right to buy and sell, or to expand or contract parklands to a concept of the kind espoused in this bill, which provides that notice of intention to issue a proclamation shall be published in the *Canada Gazette* 90 days prior thereto, together with a description of the lands that it intends to buy or sell—because it is a two-way street—surely it should not be too hard to get the minister, honourable, distinguished Canadian that he is, to consult the people affected.

It does not matter whether the bill provides for 30 days, 60 days, 90 days, or even ten years' notice; let the minister talk to the people of Canada. They will not hurt him. He does not have to be afraid, because they will not bite him. If he feels he can convince them, let him also listen to what they have to say. But do not attempt to legislate control over their land.

As a responsible Canadian viewing national parks policy over recent years, it would be irresponsible of me to conclude other than that the provinces should retain unto themselves, leasing to the federal authority on a short or long term basis, lands for any national park. I suggest this simply because there has been no clear evidence in recent years on which Canadians generally can base their trust or confidence in the federal authority in which they have vested certain lands. These are lands held in trust and which they for legalistic reasons the federal authority takes unto itself to purchase or sell, which in itself, to say the least, is a little presumptuous. This is a magnificently arrogant and presumptuous analysis in the absence of a clearcut national parks policy.

● (2120)

I have just pointed out how the policy of this government moves from one direction in principle very quickly to another direction. I could elaborate in respect of a second reason Canadians do not with alacrity have confidence or trust in this government which has no substantive national parks policy. Let me refer to the method proceeded with in the establishment of the last five national parks in Canada. I have referred to the principle involved in the Gros Morne national park where the government negotiated a 99-year lease with certain riders attached. I will not go into detail, but I am sure hon. members know of the principle involved.

Let me refer to a statement in respect of the Gros Morne national park made by the Minister of Indian Affairs and Northern Development (Mr. Chrétien) at the joint signing of the agreement establishing this national park, dated August 13, 1973. That was just a few months ago. I quote from page 3 of that document:

Rights of inheritance are undisturbed. Residents who wish to relocate will have specially prepared options available.

Surely that is not compatible with the agreement negotiated by the province of Quebec for the 99-year lease. Somewhere along the line the federal authority has obviously decided that any agreement entered into by the province of Quebec in respect of a lease for 99 years is none of its business. I suggest that at some point in the future there will be difficulties as a result of this attitude. Let me repeat the very clear words of this statement:

Right of inheritance are undisturbed.

There is nothing like this in Nova Scotia; I suggest there is nothing remotely comparable in terms of national parks. There are three entirely different concepts involved. How can the people of Canada have confidence in the Government of Canada when it is not consistent in its decisions in respect of national parks? I am not denigrating for one moment the very sincere desire of the present minister to carry out his responsibilities in setting aside national lands for the future generations of Canada. I do not attack that concept.

What I am suggesting is that it is not fair and right for the Government of Canada to deal obliquely and vaguely with one province in relation to land for the purpose of developing national parks while at the same time not dealing with another province on the same basis. In the past it seems that one province has been dealt with ideally and equitably because of previous negotiation in respect of provincial rights, while another province is dealt with inequitably with little or no notice. This may be a very simple and minor point but it goes very much to the root of the unhappiness of concerned people in various provinces. People who pretend to lead Canadians must have respect for them, and where there is a demonstrated absence of respect there is a tangible concern on the part of the people involved. As a result, frustrations and indignations occur. People become angered by the actions of governments that have this lack of concern.

The proposed amendment to the act does nothing to change this situation but seems to perpetuate the direction in which this government is moving. This direction does not take into account the views of the people who are directly concerned with the development of national parks. I suggest this is bad government and the type of government that the people in this country have had for ten years too long. This is the type of government which does not foster good will among our residents. Whenever there is inequity on the part of the government, there is frustration on the part of the people. When there is inadequacy in terms of a national concept, there is frustration and distortion of meaningful national unity.

Without going into detail as to the background of our national parks policy, I should like to give an example of the direction in which this government is moving with particular reference to the development of national parks in Nova Scotia. I refer to a communiqué issued by the Department of Indian Affairs and Northern Development on August 25, 1972, in which it is stated:

Canada is to have a new national park in Nova Scotia according to an agreement signed today in Halifax by Jean Chrétien, Minister of Indian Affairs and Northern Development and Benoit Comeau, Minister of Lands and Forests, province of Nova Scotia.

Prior to that date there was not one public meeting, not one public discussion, not one opportunity for anybody in that province to talk to this government about the establishment of this national park. I am referring to the fostering of distrust and the creation of anger in the minds of the people involved. This is something that should be brought to an end in this country, because it destroys confidence and leads to mistrust.

There are several ways we can approach this situation, but we do not approach it by threatening hundreds of people in a 125 square miles area without talking to them. We do not do this without holding public meetings. There have been two public meetings following this announcement, and during the second meeting the people appointed by the federal authority withdrew. That was over a year ago, and we have not heard one public word since about the government's intentions. Not one public meeting has been held or any contact made with the hundreds of people involved in Nova Scotia.

● (2130)

In spite of the lowest form of political opportunism by both the federal and provincial authorities in respect of parks, there has been not one word spoken nor one public forum held, or one response. Not one letter even has been forthcoming from a member of parliament in response to a simple request for basic information in which questions are asked, such as is the project going ahead and what is the form of it to be? When we do things which would intimately affect the lives of people and families, why do we not go to them and speak to them? Why can we not find the time to do this? Why can we not listen to them when they try to explain to us that although what is being done seems to be good, possibly it may affect them? Why do we withdraw and act in secrecy? Why do we do these things? Why do we not have a national parks policy? Why does the government not speak to these people?

The government has a moral responsibility to place in front of these people a clear and definitive statement about the course of action the government intends to follow. This should be done in the form of a written parks policy. I have been looking for a parks policy in Canada for eight or nine years. I tell you that is eight or nine years too long. This is simply inadequate. This is not the way to embrace what essentially is a very good concept on the part of this institution. I refer to the desire to make additional land available. It is a good concept in principle and philosophy, but the act which supports it is lousy and stupid, and the people who continue to support it without amendment and without bringing it up to date are equally stupid because they do a disservice not only to the people they are attempting to serve but also to the institution which the people believe serves them. The fishermen in my community do not blame the Liberals for what has been done; they blame the federal authority.

As one member of this chamber, I plead with hon. members opposite to be aware of this as we enter a most expansive phase in the development of the national parks of Canada. They must recognize that whatever is done, the people concerned have a right to be involved in the decision-making process. They have that right especially when what we are talking about is their home, their right to fish and their right to hunt. I am not speaking of a bamboo rod at the water's edge; I am speaking of the salt water fishermen and the inshore fishermen. I might tell hon. members opposite that if Canada had not had the wealth from these inshore fisheries between the years 1735 and 1860 in what is called central or Upper Canada, if we had kept this at home, the story of Canada's development might have been a little different. Eighty per cent of the development capital came from that region of Canada, the rural areas of Canada, in this period and up to about 1923 or 1924. It came out of rural Canada.

This is where the parks are built, apart from the abortive efforts of the Secretary of State for External Affairs (Mr. Sharp) and his park in Toronto. All the national parks that are of value to Canada came out of the rural areas, the wilderness areas, wherein live Canadians of substance and concern who are willing to trust. I counsel them not to trust institutions which fail to keep abreast of changing times, the needs and the necessity to offer to one part of Canada exactly what is offered to another part of Canada.

I should like to ask the minister if he has browbeaten the province of Nova Scotia or whether he has let Jerry Regan browbeat him into anything in respect of Gros Morne. The minister does not answer. He looks blandly. Why should he not look blandly when Garnet Brown has not taken the time to tell the people in eastern Halifax county what is proposed to be done by the distinguished minister and himself? I hope that whatever is done, is done in parallel. I hope that whatever is done in respect of parks in Canada is done on a common base.

The distinguished Minister of Veterans Affairs (Mr. MacDonald) is here. He knows about my love and affection for his end of Prince Edward Island. He knows of my love and affection for one of the most beautiful spots in the world, not to mention the tuna in the waters off that shore. He knows the difficulties there are when the people concerned are not told what is going on. I say to the minister he should make the decisions after consultation with the people concerned. He should not present them with a *fait accompli*. He should invite the people into his confidence. He should seek their counsel and guidance in respect of simple things such as amendments to the existing National Parks Act.

The policy in respect of the act should be the same in respect of all portions of Canada. He should not say to Halifax or to Nova Scotia that they can have things the way they want them, or say to Quebec it can have things the way it wants them, and say to Newfoundland it can have the world. One cannot live like that. This does not make good political sense. It does not do anything to encourage trust and confidence in the leadership of this institution. Hopefully, the minister will be able to do something about this, but whatever he does he should be very aware of the frustrations, doubts and concerns that

are raised in the minds of people when he acts from four or five different pedestals.

The minister should not be afraid to call public meetings. As I mentioned earlier he called off some public meetings simply because someone had said to him that he should not go down there because all the people would do would be to scream and holler. Of course they would scream and holler because nothing has been said to them in which they could believe. Everything that had been said to them has been withdrawn. All they receive is little snippets in the press telling them that everything is fine, that there will be no deprivation and that no one will suffer the loss of his home. That may be good for one provincial politician, but unless and until the federal government, in the person of the minister responsible, gets up and says that not only is nothing planned but that he is determined to allow the people to participate in discussions, the minister will continue to do a disservice to the institution he pretends to serve.

When he does a disservice, he does it to the entire House, not only to his own colleagues on the treasury benches or his government supporters in the backbenches. He does it to the people in Assiniboia. He also does a disservice to the people in adjacent communities and ridings. He does a disservice to the people in Dartmouth-Halifax or in any other constituency in Canada where he might wish to establish a national park.

● (2140)

Amend your act by all means; there is nothing wrong with that. You are changing your mind every day, anyway. But this is not really important. What the Canadian people find to be important is the total inability of the government department to devise a national parks policy which is clear to one and clear to all. Until that is done, there will be confusion. Seeds of doubt and ad hoc approaches will remain in what is a vital and important aspect of Canadian life, that is, the preservation of wilderness and semi-wilderness areas, areas that are attached and adjacent to large and growing urban centres, the total concept of open space for people. There will be doubt and there will be no ready acceptance.

I suggest to the minister that rather than play around with ad hoc arrangements, he would be well advised to put on the order paper at the earliest possible opportunity in the next session some meaningful researches and a well thought-out new national parks policies. I appreciate the attention which hon. members have given me in this matter which is important to the people. I believe very sincerely, as I hope everyone in this chamber does, that governments exist to help people, not themselves.

Mr. Barnett J. Danson (York North): Mr. Speaker, it is interesting to follow two distinguished speakers tonight, the hon. member for Dartmouth-Halifax East (Mr. Forrestall), who spoke of the national parks policy and the way in which he feels it should be applied, particularly as it relates to his beautiful part of the country, and the hon. member for Assiniboia (Mr. Knight) who took us on a travelogue through Saskatchewan and through beautiful parks, which we all appreciated. But we each speak from the context of the part of the country from which we come

and about the needs of each part of the country and the people whom we represent.

I wish to present a different view, not one that is contradictory in any sense of the word because I think those views which have been expressed are valid. None of us here who has travelled to other provinces can deny the beauty that exists in this country from coast to coast right up to the Arctic ocean. I think all of us applaud the efforts of the minister in doing what he has done for national parks in this country. I think that could be said on all sides of the House, and we support him with enthusiasm. More progress has been made in his ministry than in all of our history. We can be grateful to him for that and for his foresight with respect to generations to come.

I represent an urban area, or the fringes of an urban area where recreation is needed, not necessarily tourism. I think that tourism is an important part of it, but we should think in terms of the leisure time that is becoming increasingly available to people. They all want recreation and recreational land so that people today can buy easily a waterfront lot without spending a great deal of money for a place in the country. Because we are a mobile society we have the opportunity to move to all parts of the country, but th person in the city appreciates the country in a different way and in some ways needs it even more than those who are brought up in rural areas. They are confined in the cities, and if we believe in the projections that are given to us, by the end of this century some 70 per cent to 90 per cent of our people will be in urban areas. I do not think that is necessarily a good trend but it may be an inevitable one. The fact is that if it occurs, the need for recreation outside the city will become much greater.

In the province of Ontario we have a range of provincial parks which are doing a most effective job but which cannot meet the demands placed on them. Any time I have a holiday in the summer I spend it way up in Georgian Bay where there is a major provincial park, Kilbare, which is a huge park but which is usually crowded by four or five o'clock on Friday afternoon and filled up for the weekend. A high percentage of the people who take advantage of these parks is made up of Canadians who are not born in this country, who are new to Canada. They appreciate our outdoors and the opportunity they have to enjoy it.

But the people in the cities will increase in number and will require greater chances to spend their leisure time. They will have less opportunity to acquire their own land, if indeed that is desirable, and they will have more opportunity to travel to different parts of the country. So in that sense I welcome the expansion of national parks, not for tourists from other countries but for the recreation and leisure time of present and future generations of Canadians.

When there are people in urban communities who do not have the opportunity or the wherewithal to travel very far in their desire to escape from the pressures of our major urban centres, I think it is necessary for us to create an increasing number of large urban parks or recreation areas, and I welcome and applaud the provision and preservation of a major part of the waterfront in Toronto for recreational purposes. That is one type of park and I think it is one of the most valuable things that has been done by a federal government, a new initiative that has been taken that has not even been thought of by previous governments or previous ministers.

The Minister of State for Urban Affairs (Mr. Basford) is here tonight and I applaud him for his initiative in this respect. However, we will also be in need of recreational lands on the periphery of our cities or within easy access to them, and I suggest that we have some unique opportunities here. However, here we are within the jurisdiction of the provincial governments. I think this is an area for co-operation that we should not overlook. To make certain that there are sufficient lands provided is something that has the support of all people.

People today appreciate the need for such facilities. As a matter of fact, part of my constituency has been expropriated for the proposed new airport, and in speaking to the people about land use—some of them are very upset, as you know—and the need for parks, one finds that they say, "If we were expropriated for the purpose of creating a park, we could understand and appreciate it; but the pressures that are being put upon us by the technological society is something to which we object."

There are many areas where we can take initiatives, areas of environmental control where there are major works for the containment of shore erosion, for instance, for the cleaning up of ravines, which should not only be cleaned up and set aside for further development by the municipalities, in conjunction with the provinces and if necessary with the federal government, but should be held and preserved as parkland in these urban areas.

● (2150)

One of the classic examples of the value of an urban national park is the Gatineau national park on the doorstep of Ottawa-Hull. Those of us who spend a great deal of time here have learned a little about that park. On the odd weekend we have been able to go there with our families, and to get out during the winter and ski. We appreciate how great it is having something as beautiful as the Gatineau national park accessible to us.

When we think of airports let us think in terms of Mirabel, where there are about 80,000 acres involved. My guess is that something like 5,000 acres would be adequate for the actual airport facilities, with probably another 15,000 acres necessary for the surrounding noise area. These lands are coming within, or are already within public ownership. Here, again, in trying to preserve the land, because of the noise disruptive zone near an airport we have an opportunity to develop that surrounding area as an urban park for the greater Montreal region.

If we think about it in this way it may not be necessary to dislocate the people living there. There would be no urgency about moving them. There may be urgency to start the project. However, once we commit ourselves to it in this manner we can tell the people that they can stay there for a generation, or indeed that if their children want to stay there for another generation that would not be too bad, but that within a period of one or two generations all this land must revert to the use of the public, particularly for the use of those locked into the city.

If indeed the proposed airport at Pickering does go ahead, again we are talking of something in the area of

17,000 to 18,000 acres, of which only 5,000 or 6,000 acres would be used for the airport facilities. Further, of course, if it is not developed as a major airport but is simply used as a STOL airport, then it is only a matter of 1,000 acres that would be needed for the actual facilities. This would leave 16,000 or 17,000 acres available on the doorstep of Toronto to be used for parkland, for walkways, for trails, in the winter as a ski area, where streams could be cleaned up, dams and small lakes created, all providing magnificent facilities for a major metropolis that desperately needs them.

I can think, too, of our great hydroelectric projects, of the James Bay project and others. Here I am not making a judgment on the James Bay project, but if it were to go ahead, particularly on a limited scale, and if the amount of land it opened up were developed not only as a hydroelectric project site but as a park site, with great thought and care put into its development, its potential is tremendous.

There are other properties that belong to the Department of National Defence that could be developed in this way. Here I think of the Meaford range on Georgian Bay. It has been used as a tank firing range, an artillery firing range. We are told that the cost of clearing it and getting the unexploded bombs out of it is considered excessive. One of my hon. friends says prohibitive. I do not believe it is prohibitive. It may appear prohibitive at the present time, but I point out that the price of gasoline was considered excessive six months ago, yet today it is not considered prohibitive. This land would be invaluable as a park. The sooner we get on with the job of clearing it, the less expensive it will be. Perhaps we could commit ourselves to a ten-year program or a 20-year program to clean it up, and at the end of that time we will have a great facility available for the enjoyment of the people of southern Ontario.

Another area which we have to consider with respect to the development of park land near a city is in British Columbia, where Vancouver will become the third largest metropolis in Canada by 1980. I think without doubt it is the most beautiful city in Canada. I only hope my constituents will forgive me for saying that. But it is locked in by mountains, with beautiful homes still being built right up to the feet of those mountains. It may be inappropriate for a Torontonian to say that a degree of irresponsibility was shown in allowing such development to take place. It is unforgiveable, but now things are changing. As I say, the people of Vancouver are living in the midst of some of the greatest beauty in the world, but within a short few years they will not be able to enjoy it unless we go ahead with urban park planning.

I have spoken in this House on previous occasions about what I believe would be a worth-while program, a national youth service which could perform non-military service in areas such as parks. Think what such a group could do over a period of years. Young people devoting one year to the service of their country could help develop parks and youth hostels. The time thus occupied would be absolutely unlimited and young people would undertake this sort of thing with enthusiasm. It is the sort of thing that is attractive to them. They would realize the worth of it.

True, there are programs such as the Local Initiatives Program that can be used in this way. But I am thinking on a broader scale, with tens of thousands of young men and women committed to a year of service to their country. There are many things they could do, but one of the most important would involve them in the work of developing recreational areas and national parks. These we need desperately, I do not say to the exclusion of other projects, but urban recreational areas are equally needed with national parks. They must be within access of our major urban areas.

I could go on for quite some time on this subject, as could all hon. members. I conclude by saying the bill envisages a worth-while approach and I commend it to hon. members.

The Acting Speaker (Mr. Boulanger): Is the House ready for the question?

Mr. Peters: Ten o'clock, Mr. Speaker.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

CANADA DEVELOPMENT CORPORATION—REPORTED STATEMENT BY OFFICIAL THAT HEAD OFFICE WILL NOT BE LOCATED IN VANCOUVER

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, tonight I want to talk about the Canada Development Corporation. As you know, when the Prime Minister (Mr. Trudeau) announced the establishment of this corporation in this House he said it would have its head office in Vancouver, British Columbia. When the directors of the Canada Development Corporation were appointed, the federal government expressed the wish that this publicly-funded corporation should have its head office in Vancouver. This was, among other things, to be evidence of Ottawa's interest in western Canada and a determination that the financial importance of western Canada should be upgraded by the government. Now that the two-year deadline is approaching and the CDC claims to have complied with the letter of that undertaking, let us see how things really look.

Item 1. Anthony Hampson, president and chief executive of the CDC, is married. Mrs. Hampson has a good job in Toronto. She has children in school there. It is only natural that family ties might make it difficult for a senior executive to move where his job must take him. But that normally should be a problem for him, not for the city of Vancouver.

Item 2. A Vancouver executive seeking career advancement recently wrote to the CDC concerning employment in the new Vancouver head office. He was told that it was only going to be a small operation and that no staff was being hired.

Item 3. The square footage of the premises rented for the Vancouver head office can be imagined if you will step out into the street, looking both ways for traffic, and pace off a 14-step square. That is 1,700 square feet. Does that look like the head office of a billion dollar company?

Item 4. Hampson will be working out of the Toronto "operations office." As befits a subsidiary location, it has 6,000 square feet, a little under four times the space of the office in Vancouver. Maybe the extra space is to store the money they hope to make.

● (2200)

Item 5. Early in September, Vancouver was graced with its first CDC board meeting. Until scuppered by the western directors, there was a plan to start the meeting at 7 a.m. because that was a convenient ten o'clock in the time zone that the eastern directors were operating on. When it did start, the meeting was speeded up so that officers and directors could catch a 2 p.m. flight back to Toronto.

Item 6. The CDC for a time looked at a group of western investment opportunities which, for example, would have kept another 26 per cent of Bethlehem Copper Canadian and would have led to the investment of some Canadian money in Canada instead of simply buying out the U.S. shareholders of Texasgulf. They backed off, in part one suspects because the portfolio that would have shaped up would have made a real western head office inevitable. Texasgulf, on the other hand, has had its major asset conveniently located in Ontario which of course requires a Toronto listening post, close to the amenities of central Canada.

The officers of the CDC are leading us down the garden path. They take offices in Vancouver that are not big enough for the firm of "Wynken, Blynken and Nod" and pretend that it is a head office. They put up a smokescreen that it does not matter where they live—they will divide their time. There can be no question what they are up to. The president of the Bank of Montreal is from Toronto via Vancouver but his head office is in Montreal. The president of the Canadian Labour Congress is from Nova Scotia and the vice-président is from British Columbia, but they live, with their head offices, in Ottawa.

The head office of the Hudson's Bay Company used to be in Winnipeg—and still is in theory. But now the chief executive officer is in Toronto and that is where the real head office is by definition. When the head offices of Cominco and the Teck Corporation moved to Vancouver from Montreal and Toronto respectively, their chief executives came with them.

In this day of sophisticated communications, the CDC can do business with eastern interests from a Vancouver base. It can better serve western development potential from a western base. And we should remember that CDC is not selling, it is buying. People who want money will gladly come from all over the continent if the officers do not feel like travelling.

The sham "head office" ploy did not work and the ball is back with the government. The first step is to call an extraordinary shareholders meeting and fire Hampson as chief executive officer. The second step is for the government and the board of directors to find a truly outstanding Canadian to take over this job, move the head office to Vancouver as intended and get on with what has to be one of the most exciting challenges in Canada today. The CDC has had the opportunity to meet so many challenges for one two years, but we still have not seen anything at all in the way of selling shares.

I see my time is just about up, Mr. Speaker. Some hon. members on the Liberal side have been smiling. Maybe they think that I have been cruel to the government, but I should like to tell them that the speech I made tonight is just about a replica of one made by Gordon Gibson in Vancouver. He was with the Liberal government in recent years. He knows the people of Canada and, like them, he knows why this government has few seats in that part of the country and will have even less after the next election.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. J.-Roland Comtois (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I understand that the intervention of the hon. member for Burnaby-Richmond-Delta (Mr. Reynolds) with respect to the Canada Development Corporation was that the head office of that corporation would be located elsewhere than Vancouver. We know now that such is not the case but I would like to take this opportunity to inform the House about the developments that led to that decision by the government to set up the head office of that corporation in Vancouver.

The whole thing goes back to a statement made in the House of Commons on November 27, 1971, when the Board of Directors of the CDC held its first meeting. The right hon. Prime Minister (Mr. Trudeau) announced at that time in the House that the government had informed the Board of Directors of the CDC of its wish to see the head office transferred to Vancouver within two years. Section 10 of the CDC Act provides as follows and I quote:

> The head office of the company shall initially be at such place within Canada as may be designated by the Governor in Council and thereafter at such place in Canada as the Board of Directors may determine subject to section 21 of the Canada Corporations Act.

The Governor in Council had already decided that the head office would originally be located in the National Capital area. So the decision to later transfer the head office rested under the act with the Board of Directors of the CDC.

Although the time said by the Prime Minister in his statement on November 29, 1971, expired only at the end of 1973 the Minister of Finance (Mr. Turner) was in a position to announce in Calgary on July 26, 1973, at the Conference on Western Economic Opportunities that the CDC Board of Directors had decided at its meeting on July 24 to transfer the head office of the corporation to Vancouver. Surely, it was normal that a reasonable period of time be necessary to make such a transfer. The minister indicated that everything could be done in October.

On September 25, 1973, the CDC directors met in Vancouver for their regular meeting and the president was then in a position to announce officially the closing of the Ottawa office and the opening of the new headquarters in Vancouver, at Grandville Square. On that same occasion, the president announced also the opening of an office in Toronto. The senior officials of the corporation are expect-

ed to share their time between the headquarters in Vancouver and the Toronto office,

Unfortunately, the opening of the headquarters in Vancouver was somewhat delayed by strikes that affected the installation of elevators in the building where the CDC had rented its office space. However, Mr. Speaker, I note in conclusion that the headquarters of the CDC have in fact been transfered to Vancouver within the time limits announced by the right hon. Prime Minister.

[*English*]

Mr. Paproski: That was a political speech.

NATIONAL DEFENCE—DAMAGE TO HMCS "RESTIGOUCHE"—REASON FOR ESTABLISHMENT OF LEGAL INQUIRY FOLLOWING INITIAL INQUIRY REPORT—COST OF REPAIRS

Mr. Doug Rowland (Selkirk): Mr. Speaker, out of deference to the hon. member for Edmonton Centre (Mr. Paproski), I will try to keep this speech non-political. A little better than three years ago, HMCS *Restigouche*, a destroyer escort in service with the Canadian armed forces, was sent in for its half-life refit, which put it out of service for about two years. When it was built about 15 years ago it cost in the neighbourhood of$26 million. The refit involved an expenditure of an additional $6 million to bring it up to current service requirements.

Just before going back into service, the normal sea trials were conducted by the Canadian armed forces to determine whether the refit had been carried out to their expectations and requirements. During those sea trials it was discovered, and I quote from issue No. 13 of the Standing Committee on External Affairs and National Defence, page 51:

> A formal inquiry into corrosive damage to the propulsion system of HMCS *Restigouche* has revealed that the damage was caused by hydrochloric acid which produced general corrosion and pitting through much of the steam system resulting in the seizing some valves and turbines.

That damage resulted from taking the ship to sea. It resulted from the normal checks on the feed water system not being carried out before the ship went to sea. Hydrochloric acid very quickly damages propulsion systems in ships if it is found in feed water. There was a board of inquiry. The board produced a 400-page report of the reasons for the damage. That report has never been made public. Numerous attempts were made to obtain the information. On March 1, March 2, April 2 and May 9 I asked questions in the House and placed questions on the order paper to discover what happened and when we might expect a statement. The hon. member for Dartmouth-Halifax East (Mr. Forrestall) asked questions. The sum total of our efforts is the following statement by the Minister of National Defence (Mr. Richardson) which appears on page 46 of the same committee report:

> *Restigouche* had also been accepted from the contractor by DND on 12 May 1972 but before the ship was placed into operation, extensive corrosion was discovered in the main propulsion and auxiliary systems.
>
> It is normal practice, whenever significant damage to DND facilities or equipment occurs, for a board of inquiry to be convened, and this was done on 4 August, 1972. The board's purpose was to determine the most probable cause of the damage, to identify any administrative procedures which may have contributed to the damage, and to identify what repairs were necessary. Hearings of the board took place from 21 August to 14 September, 1972, and its report was delivered on 18 September. On 29 September 1972, the department made a press release . . .
>
> The Department of Supply and Services is assessing the legal aspects of any claim which the Crown may have for the recovery of compensation, resulting from the corrosion damage. The board's report is one of the documents being studied by DSS in this regard. Consequently, I will not go into detail on the report of the inquiry at this time.

We have heard nothing more. I have had this question slated for months for debate on the adjournment motion, but I was requested by the Department of Supply and Services to delay bringing the matter to the floor of the House because those concerned were expecting the report of the legal inquiry which, I understand, was designed to determine whether there was any legal liability and whether any action could be taken for the recovery of the cost of the damage which amounted to $750,000, plus the lengthy period which the ship was out of service. I was asked to delay until such time as the report had been received, and I agreed to do so.

● (2210)

I have waited six months, during which time I have not heard again from the department. I still do not know whether the legal inquiry has been completed, whether a report has been received by the minister or, should he have received it, what recommendations it contains. I do not know whether there is ground for legal action against the shipyard. It is certain that no action is to be taken against the navy, because I know that a court martial is not contemplated. I think it is time, considering the large amount of money involved, that the people of Canada, through this House, found out what happened and why. It is time we were told whether the government intends to take action against those responsible for the treasury incurring this additional expenditure of $750,000. I believe we should be given this information now.

Mr. Herb Breau (Parliamentary Secretary to Minister of Industry, Trade and Commerce): In May, 1970, as a result of a competitive tender, Hawker Siddeley Canada Limited, Halifax shipyards division, was awarded a contract for the half-life conversion and refit of two Restigouche class escorts, HMCS *Kootenay* and HMCS *Restigouche*. The value of the contract for known work was $5,174,259. In addition, Treasury Board authorized an allowance of $1,505,790 for design changes, thereby creating a total authorized budget of $6,680,049 for both vessels.

After the contractor had completed performance trials, the Department of National Defence accepted *Restigouche* in January, 1972, and moved the vessel to the DND dockyard, Halifax, to undergo further planned alterations. During the course of the work, extensive corrosion was discovered in the turbo-driven, forced lubrication pumps as well as in the main engines, main boilers, superheater tubes and some auxiliary machinery. The preliminary investigation indicated the corrosion appeared to be related to the chemical cleaning of main boilers performed by Chemi-Solv, a sub-contractor of Halifax shipyards, during the conversion work.

Mr. Paproski: Where are you going to sell it after you have put another $12 million into it? China?

Mr. Breau: We are not going to sell it. In consultation with the Department of National Defence, the Department of Supply and Services determined that it would be both imperative and cost-effective to proceed immediately to arrest the persistent erosion and repair the known damage. A contract was negotiated and placed with Halifax Shipyards in October, 1972, at an estimated cost of $583,000.

Mr. Paproski: Shame!

Mr. Breau: The work was completed in May, 1973, at an approximate price of $400,000. In accordance with normal practice in cases of this nature, the Department of Supply and Services initiated a legal investigation by the Department of Justice to determine the responsibility and liability for rectifying the cost of corrosion damage to the *Restigouche*, and related costs. This investigation, which included an examination of the DND report of the board of inquiry convened in 1972, has now been completed as far as it is presently possible to do so and a provisional recommendation on the liability aspect has been made by the Department of Justice.

The recommendation was qualified to the extent that at no time has the corrosion damage or liability question been discussed with Halifax Shipyards or Chemi-Solv. It is always possible that the disclosure of additional facts from these sources would alter the recommendation, and thus it would be premature to reveal its nature at this time.

Some hon. Members: Oh, oh!

Mr. Paproski: Who wrote that stuff?

TRADE—PULP—DISCUSSION OF POSSIBLE PURCHASES BY CHINESE WITH PRIME MINISTER DURING VISIT

Mr. Don Blenkarn (Peel South): Mr. Speaker, some of the things that come out from the ministry are really rather humorous. I address you tonight in connection with a question I asked the Prime Minister (Mr. Trudeau) on October 19 in regard to his trip to China, and particularly about the possibility of exporting pulp to that country. I raised the question with the Prime Minister because of a report I had from the media which suggested that one of the things we might export to China was wood pulp.

In his answer to me the Prime Minister suggested that there had been no definite commitment to export pulp, and that there would be an investigation of the forest industry when Chinese representatives came here to determine which forest industry products we might export to that country.

We have for too long exported from the forests of this country, from our mines and from our wells, job opportunities that belong to Canadians. We have for too long sold commodities that supply the industries of other countries. Pulp is one of those items, like zinc, copper and benzine, that we ship out of this country in vast amounts. With them we ship out our jobs, our future, our hopes and our aspirations.

I draw your attention to the fact that in the forest industries in the province of Ontario, prior to the coming into power of George Drew, we used to ship out pulp logs to Michigan and Ohio so they could make their own paper and paper-oriented products. Those exports were stopped. Then under Leslie Frost as premier we stopped the export of pulp. But we never seemed to learn in the rest of Canada. Going over the export figures for 1972, I note that we exported from Canada some 6,200,000 tons of pulp out of a total production of 19,100,000 tons, or close to one-third. The rest of our production was turned into paper or paper-oriented products, but none the less we still exported more pulp last year than the year before, and more the year before than the year before that.

We never seem to learn that you cannot do a thing with pulp. You cannot eat it, you cannot sleep in it, you cannot wear it, you cannot burn it. All you can make from it is paper-oriented products. You can make J-Cloths with it, you can make toilet tissue with it, you can make newspaper with it, and you can make other kinds of fibres that you can wear. But you cannot do a damn thing with pulp except process it further into other manufactures.

If a nation like China, which has no huge timber resources, needs wood fibres, surely it can buy from this country wood fibres manufactured to the highest degree possible. Any suggestion by this government or any other government that we should sell wood fibres in unprocessed form is a stupid suggestion. Indeed, what this government should do now is to lay out a new industrial policy for Canada. As far as wood fibres are concerned, it should say clearly that while last year we exported some 6,100,000 tons of pulp, next year we will export less, and the year after that even less, until we reach the stage where we no longer export pulp. We will retain this commodity for further manufacture in Canada.

I draw your attention, Mr. Speaker, to the fact that pulp in many cases is produced in areas of Canada that are short of work and work opportunities, areas where industry remains undeveloped. Because it may be convenient and profitable for a corporation to sell pulp rather than to set up industry to manufacture paper or paper-oriented products is no excuse for exporting economic growth and the development of economic enterprise. This government has had before it this possibility for a number of years, yet it has refused to take any positive action to cut down the export of the raw lifeblood of this nation.

● (2220)

At no time has this government said to any industry, "You will export no more of our raw products: You must export these products in the most highly-finished state." It is high time we had this kind of industrial policy and leadership in Canada. Canada should no longer be considered as hewers of wood. That is what we are asked to be and that is what we have become as a result of exporting pulp. I would ask the parliamentary secretary tonight to give a commitment to the people of Canada that this government will introduce legislation that will over a short period of time eliminate the export of wood pulp from this country.

Mr. Herb Breau (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Mr. Speaker, Canada

is developing its trade in pulp and paper with China steadily. In 1970 no pulp was exported to that country by Canada. In the following year almost 23,000 metric tons were sent; and in 1972, 16,000 metric tons. During the first eight months of this year some 7,000 metric tons have been exported.

Naturally, Canada is interested in developing trade with the greatest possible Canadian value added. As the Prime Minister (Mr. Trudeau) indicated on October 19, there is to be a visiting delegation which will look at the total subject of the forest industries. At that time there will be an opportunity to make the Chinese aware of the vast range of paper grades available from Canada. It will also be possible to impress upon them the necessity, if they wish to develop export trade in world markets, of being able to provide adequate packaging for such goods. Canada will thus have an opportunity to foster trade with China, not only in papers rather than in pulp but also in our expertise in such fields as paper manufacture and packaging.

The Canadian government had already taken initiatives in developing trade with the People's Republic of China through the mechanism of the Peking Solo Fair which took place in August, 1972. At that time Canadian businessmen and Canadian government officials were afforded an opportunity to show to officials of the Chinese government and to discuss with them Canadian goods and Canada's capability as a supplier.

Motion agreed to and the House adjourned at 10.25 p.m.

APPENDIX "A"

DEPARTMENT OF PUBLIC WORKS GUIDELINES FOR THE CONSERVATION OF ENERGY IN FEDERAL BUILDINGS

Introduction

The Department has investigated possibilities for reducing the consumption of energy in its buildings on a short term basis. Typical buildings and their systems were simulated, taking into consideration design standards, a number of possible operating conditions and the pick-up capacity of plants and systems. Theoretically, recommended conditions could produce BTU savings of the order of 40%. Further savings can be achieved by improving plant efficiencies and power factors. Additional emphasis is to be placed on maintenance procedures which have a direct bearing on efficiency of energy usage. Subsequent paragraphs outline in more detail guidelines to be followed in reaching the objectives.

Plant Efficiency

Improved efficiency of fuel utilization is to be accomplished by tuning up all of the boilers in the Department's heating plants and/or boiler rooms.

Three main aspects are involved. These are:

(a) adjusting burners for the optimum fuel/air ratio;

(b) calibrating and adjusting combustion instrumentation and controls to maintain this ratio over the full firing range and

(c) cleaning heat transfer surfaces.

Load Reduction
General

For most office type buildings, the greatest energy requirements in descending order are for lights, ventilation (outside) air, heat loss through walls, roofs, windows, doors, etc., and the electrical requirements for the operation of mechanical systems and equipment. Conservation resolves itself around reducing requirements in these four areas. Generally, the major reductions in energy consumption can be obtained by shutting off all lights and electrical equipment when not required and only using that which is absolutely necessary; reducing the quantity of outside air brought into the building for ventilation purposes and only bringing this air into the building when the building is occupied; reducing the temperature inside the building to 68°F—70°F and lowering the temperature another 5°F during the time that the building is unoccupied. Each building has its own characteristics because of design, construction, location, and schedule of operation, consequently there may be limitations to the things that can be done immediately to reduce energy needs. For this reason the following guidelines have been developed defining the objectives to be reached wherever possible.

Larger Buildings (more than 25,000 square feet).

(a) *Perimeter Areas:* (outside wall office space)

Ventilation

—Set rate at 0.1 CFM/sq. ft. maximum between 8:00 a.m. and 5:00 p.m. weekdays. (CFM—cubic feet of air per minute)

—Shut off outside air dampers completely from 5:00 p.m. to 8:00 weekdays and during weekends and holidays.

Thermostats

—Reduce thermostat setting to maintain a maximum of 70°F between 8:00 a.m. and 5:00 p.m. weekdays.

—Set back the temperature to 65°F between 6:00 p.m. and 5:00 a.m. weekdays and during weekends and holidays.

Air systems

—Shut off all air systems from 6:00 p.m. to 7:00 a.m. weekdays except for air heating systems (dual duct type). Also shut off the primary air system of induction systems.

—Shut off all air systems including primary air of induction systems during weekends and holidays except for air heating systems (dual duct type) which have to remain in operation but set back thermostats to maintain 65°F as stated above.

(b) *Core Areas:* (interior office space)

Ventilation

—Operate same as the perimeter areas except where these areas are served by a separate system in which case outside air is to be allowed to meet cooling requirements as detailed below under air systems.

Thermostats

—No reduction is required in thermostat setting for these areas. Reheat coils should not be allowed to function by completely cutting off their energy source.

Air Systems

—Shut off air systems from 6:00 p.m. to 7:00 a.m. weekdays and during the weekends and holidays.

—Reset supply air temperature not lower than 68°F. This also applies to the cold deck of dual duct systems.

—Set return air and outside air dampers to maintain supply air at 68°F without using any additional heat. This also applies to the cold deck of dual duct systems serving core areas.

—Shut off all energy sources to all terminal reheat coils and central reheat coils except for the reheat coils of the hot deck in single fan dual duct systems where reheat should not exceed return air conditions.

Smaller Buildings

—Set thermostat to maintain 68°F—70°F between 8:00 and 5:00 p.m. weekdays in office type accommodation. For all other times, set back the temperature to 63°F—65°F.

—Clean humidifier and replace elements, if necessary. Maintain 30% relative humidity and reduce this to a

level that will prevent excessive condensation from occurring on window surfaces as outside temperatures decrease.

—Ensure that furnace filters are serviced or replaced as required.

—Keep the furnace fan in warm air heated buildings "on" all the time, if possible, to distribute the internal and solar heat to all parts of the building.

—Check ceiling insulation under the roof and add more insulation and fill voids, if necessary (4″ is minimum but 6″ is better).

—Look for cracks where infiltration occurs and tape them.

—Install weather stripping at all outside doors and on all opening sash, and restrict door and window opening as much as practicable.

CONSERVATION OF ENERGY IN THE USE OF MOTOR VEHICLES

The successful application of voluntary conservation measures to motor gasoline could result in savings of anywhere from 15%-25%. A 20% saving would result in a saving to the nation of up to 3.75 million gallons of gasoline per day over the next year. For the individual motorist this might mean a saving of $100. I am including here a checklist of practices that motorists can observe to reduce gasoline consumption.

1. DRIVING TECHNIQUES

(a) Reduce highway driving speeds. Gasoline consumption increases significantly at speeds in excess of 50 mph. Reducing speeds from 70 mph to 50 mph will reduce gasoline consumption by 20%-40%.

(b) Drive smoothly, with gentle starts and stops. Press the accelerator down only as far as necessary to reach normal driving speeds and avoid pumping the accelerator or racing the engine when the car is not in motion.

(c) Prolonged idling wastes gasoline; if the motor idles for more than a minute it uses more gasoline than it would take to restart it.

2. MAINTENANCE

(a) Check your gasoline mileage regularly; a sudden drop in miles per gallon may indicate mechanical problems.

(b) Keep your car tuned to the specifications in the owner's manual.

(c) Use the proper grade of lubricants and the most economical grade of gasoline.

(d) Buy slightly less than a full tank of gasoline. This will prevent wasteful overflow and leave room for expansion in warm weather.

(e) Check tire pressures regularly; underinflated tires put a drag on the engine and require more fuel.

(f) Remove bugs and foreign matter from your radiator to prevent overheating.

(g) Use a block heater in winter; this minimizes idling time and can increase mileage for short distance urban trips by 2 to 4 miles per gallon.

3. CAR USE

(a) Try to curtail or consolidate the number of trips by:

—using public transportation where possible

—forming car pools

—planning your driving route to combine many short trips into one efficient trip.

(b) If you have more than one car in your family; use the one that is more energy efficient whenever possible.

(c) Eliminate unnecessary weight in the car; check your trunk and storage compartment.

(d) Remove unnecessary attachments which might increase wind resistance such as roof racks.

(e) Car pools are an important source of saving. Talk to your employer about setting up car pool bulletin boards or taking other steps to encourage the formation of car pools.

4. EMISSION CONTROL STANDARDS

Many 1973 and 1974 model cars contain emission control equipment that reduces the efficiency of gasoline use. Estimates of the fuel savings that deactivation of emission control equipment would provide, at the most, amount to no more than 2%. And this would be at the expense of environmental damage. The savings from the measures I have outlined above are much more significant, and consistent with environmental objectives, and I would urge that motorists do *not* consider deactivating emission control equipment.

CONSERVATION OF ENERGY IN THE HOME

In the text of my statement, I mentioned an estimate of 2-5% reduction in fuel requirements for each degree of temperature reduction in space heating. Maximum savings will result if steps are taken to increase the efficiency of heating equipment and to decrease the heat lost from buildings. There are a number of simple and relatively costless measures that consumers can take in this regard:

1. To increase the efficiency of heating equipment—

(a) Ensure that equipment is inspected and cleaned at least once a year by an expert.

(b) Remove dust from registers and ducts.

(c) Replace or clean filters regularly (at least once a month).

(d) Close registers in rooms that are not being used and close inside doors to these rooms to prevent heat leakage from the rest of the house.

(e) Insulate heating ducts that pass through areas of the dwelling where heat is not required.

If heating equipment is well maintained, a potential energy saving of 10% or more can be realized. A layer of one half millimeter of soot on the inside of an oil fired furnace can reduce efficiency by as much as 50%.

2. To reduce heat loss from buildings—

(a) Lock windows to achieve a better seal.

(b) Ensure that interior doors are closed if windows are open.

(c) Open and close doors only when essential and for shortest possible time; use doors away from prevailing winds.

(d) Close drapes at night and leave them open on sunny days.

(e) Add weatherstripping around loosely fitting strom windows and doors.

(f) Cover cracks in the fit of interior windows or in attic areas.

(g) Add storm windows and doors where necessary.

(h) Add insulation, especially in attic spaces and floors over unheated crawl spaces.

(i) Use kitchen exhaust fans as little as possible (one hour of running time is capable of removing all the air from an average sized home).

(j) Ensure that the fireplace damper is closed, and fits tightly, when the fireplace is not in use.

In many houses, as much as 30% of the fuel consumed for space heating is used to warm cold draughts that can be easily eliminated. Spots where cold air is leaking in may be located with the help of a candle flame, and should be covered. Storm windows or insulating glass will reduce heat lost through window areas by as much as 50%, while reducing or eliminating draughts and increasing comfort. It has been estimated that an investment in storm window will pay for itself in less than seven years and thereafter return an annual dividend of 13%-18% in terms of savings of fuel bills.

3. To increase comfort at lower temperatures investigate the possibility of:

(a) Moving chairs and sofas away from walls and windows.

(b) Making greater use of humidifiers; the same degree of comfort can be achieved with lower temperatures and higher humidity.

It is estimated that about 2.5 billion gallons of heating oil will be required in Canada this winter. If consumers can reduce their requirements by 15% we will save about 375 million gallons of heating oil. This might amount to a national saving of as much as $125 million and a saving to individual consumers of about $50 or four weeks supply of oil over this heating season.

HOUSE OF COMMONS

Tuesday, November 27, 1973

The House met at 2 p.m.

[*English*]

PARLIAMENT BUILDINGS

LOWERING OF TEMPERATURE TO CONSERVE FUEL

Mr. Speaker: Hon. members might want to allow me to refer quickly to the statement made yesterday by the hon. Minister of Energy, Mines and Resources with reference particularly to the temperature in public buildings. It was felt that hon. members would want to comply with the suggestion made by the minister at the time, and agreed to by hon. members, that perhaps we might make our contribution by having the temperature in the building reduced. My understanding is that the temperature in the parliament buildings' offices and this chamber will be in the 68 to 70 degree range. I am informed it is now down to 70 and dropping. I am sure this temperature will assist hon. members to keep their tempers cool, as usual, and assist them with their cold logic.

Some hon. Members: Hear, hear!

ROUTINE PROCEEDINGS

[*English*]

TRANSPORT

PROPOSED BOXCAR CONTROLLER—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I rise under the provisions of Standing Order 43 to seek the unanimous consent of the House to a motion, which is seconded by the hon. member for Crowfoot (Mr. Horner), of urgent and pressing necessity, namely, the serious situation created economically and to the export trade because wheat is not being moved as fairly and expeditiously as it should be, the railway companies preferring transport of more lucrative commodities and products and continuing to deny a fair and reasonable share of freight cars for wheat transport.

To secure action beneficial to the wheat farmer and to the Canadian economy, the government is urged to bring before the House at once legislation to provide for a boxcar controller with authority to allocate the needed boxcars for wheat, and to include therein substantial penalties for failure to provide such cars as shall be directed by the said controller.

Mr. Speaker: I am not sure that I recognize the actual motion but I will inquire whether there is unanimous consent to the motion proposed by the right hon. member for Prince Albert under the terms of Standing Order 43. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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

* * *

EXTERNAL AFFAIRS

GARRISON WATER DIVERSION PROJECT, NORTH DAKOTA—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Bill Knight (Assiniboia): Mr. Speaker, I rise on a matter of urgent and pressing necessity pursuant to Standing Order 43. In view of the fact that Canada, through a diplomatic note to the United States, urgently requests the United States to establish a moratorium on all further construction on the North Dakota project known as the Garrison Diversion Unit until Ottawa is assured "that Canadian rights and interests have been fully protected" under the Boundary Waters Treaty, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That the House of Commons approves and supports in principle the diplomatic note defending Canadian rights and interests under the Boundary Waters Treaty in order to avoid the needless polluting of two major Canadian river systems.

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

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: I am not sure whether there were nays. I will inquire again. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Speaker: I think I heard some nays but they were faint. The Chair is placed in a difficult situation. I will inquire again, and if any member has a serious objection and wishes to so indicate I will recognize that hon. member. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Speaker: I think there is unanimity.

Some hon. Members: Hear, hear!

Motion agreed to.

George Derby Hospital Site

● (1410)

[*Translation*]

FOOD PRICES

STEPS TO MAKE REVIEW BOARD MORE EFFICIENT—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Eudore Allard (Rimouski): Mr. Speaker, pursuant to Standing Order 43, I request the unanimous consent of the House to move a motion on a matter of urgent and pressing necessity.

In view of the recent price increases of 10 to 50 per cent on more than 700 food products and since this is obviously taking unfair advantage of consumers, especially low and medium income families, I move, seconded by the hon. member for Bellechasse (Mr. Lambert):

That the House request the Special Committee on Trends in Food Prices to examine as soon as possible why the Food Prices Review Board is not more effective and to report to the House giving appropriate suggestions to control these increases more effectively.

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

Some hon. Members: Yes.

Some hon. Members: No.

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

* * *

[*English*]

VETERANS AFFAIRS

NEGOTIATIONS FOR RETURN OF UNUSED PORTION OF GEORGE DERBY HOSPITAL SITE, BURNABY—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, I also rise on a matter of urgent and pressing necessity pursuant to Standing Order 43. In view of the fact that the federal government expropriated approximately 200 acres of property belonging to the municipality of Burnaby during the second world war on the basis of wartime need, and in view of the fact the federal government has ignored the municipality of Burnaby throughout negotiations with the provincial government in respect of the transfer of the said property, I move, seconded by the hon. member for Burnaby-Seymour (Mr. Nelson):

That this House direct the Minister of Veterans Affairs to forthwith invite the municipality to full participation in negotiations with a view to returning the unused portion of the George Derby Hospital site to the municipality of Burnaby for the original purchase price.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity.

[Mr. Speaker.]

CANADA PENSION PLAN

On the order: Introduction of Bills:

November 21, 1973—Mr. Horner (Crowfoot)—Bill intituled: "An Act to amend the Canada Pension Plan".

Mr. Speaker: Order, please. I am informed that the hon. member for Elgin has given notice of a bill also dealing with contributions and benefits payable to farmers and fishermen under the Canada Pension Plan. The Chair has reservations about some aspects of the bills, particularly in relation to the provisions of Standing Order 62. I have no intention of making a ruling at this point, but perhaps we might wait until both bills are before the House, at which time the hon. members might be given the opportunity to present their views on the procedural point, following which, again in due course, the Chair might give a ruling on the basis of the advice given by hon. members.

Mr. Horner (Crowfoot): With the reservation you have expressed, Mr. Speaker, I am quite willing to allow the matter to stand.

* * *

FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS ACT

AMENDMENTS RESPECTING EQUALIZATION FORMULA, ELIGIBILITY FOR PAYMENT, POST-SECONDARY EDUCATION

Hon. John N. Turner (Minister of Finance) moved for leave to introduce Bill C-233, to amend the Federal-Provincial Fiscal Arrangements Act, 1972, the Federal-Provincial Fiscal Revision Act, 1964 and the Income Tax Act.

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

Mr. Speaker: Orders the day.

* * *

UNEMPLOYMENT INSURANCE

TABLING OF FINAL REPORT OF ADVISORY COMMITTEE ON REVIEW OF BENEFIT CONTROL PROGRAM

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I rise on a point of order. I wonder if I might have the permission of the House to revert to motions. I thought you had been given notice of my desire to table a document.

Mr. Speaker: Is this agreed?

Some hon. Members: Agreed.

Mr. Andras: Mr. Speaker, pursuant to Standing Order 41(2) I wish to table in both official languages the final report of the Unemployment Insurance Advisory Committee on the review of the benefit control program and my letter of acknowledgement to Mr. Anatole Lesyk, chairman of the advisory committee.

EXTERNAL AFFAIRS

GARRISON WATER DIVERSION PROJECT, NORTH DAKOTA—TABLING OF NOTE TO UNITED STATES

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, while on motions, and inasmuch as a resolution just presented on the subject has been approved unanimously by the House, I should like to table a copy of Note No. 432 addressed to the United States State Department concerning the effect on water quality in the Souris River of the proposed Garrison Diversion Project in the State of North Dakota.

ORAL QUESTION PERIOD

[*English*]

ENERGY

RIGHT OF FOREIGN COMPANIES SUPPLYING OIL TO CANADA TO REDUCE DELIVERIES UNDER "FORCE MAJEURE" CLAUSE IN CONTRACTS—GOVERNMENT POSITION

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources who said last evening he had heard, for the first time about a week ago that companies supplying Canada with oil from sources other than Arab countries were invoking a *force majeure* clause which might reduce deliveries to Canada by some 125,000 barrels a day. Is the minister accepting the right of these companies to invoke this clause or is he registering any protest or disputing in any way the right of the companies concerned to invoke this clause and thus reduce contractual deliveries to Canada?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, perhaps the hon. gentleman did not understand me. I was referring to the decision of the supplying company, which is not a company under Canadian jurisdiction, to invoke the *force majeure* clause. In other words, the Canadian company is entitled by contract to receive the supply of these quantities of oil but subject to the condition of the contract which has been invoked by the other contracting party that there would be a pro-rationing.

Mr. Stanfield: I should like to ask the minister whether the government of Canada is accepting that the supplying companies are acting within the terms of their contracts in so reducing the daily deliveries of oil to Canada? When the minister was asked a few weeks ago in the House if he was making any representations with regard to the multinational corporations, he then said he preferred to deal with the Canadian companies. I still ask the minister whether he accepts the position taken by the supplying companies and whether he intends to accept without dispute their right under these contracts to cut deliveries to Canada by 125,000 barrels a day?

Mr. Macdonald (Rosedale): Mr. Speaker, it seems to me we do not have any choice in this regard but to accept

what is the contractual arrangement. We have a right to receive oil but this is subject to certain conditions. We find, unlike the situation several weeks ago, that the suppliers of the oil are now making reference to the *force majeure*. I am not sure whether they have done so specifically so far or merely indicated their intention to do so. In either event, this is a condition upon which we receive that oil, and I am not sure that we have any other choice but to accept it.

Mr. Stanfield: Is the minister or anybody else in the government of Canada making inquiries to satisfy themselves that this reduction in deliveries is valid or whether it is not? Is anybody making any examination to determine whether rights contracted to Canada are being lived up to or is the minister simply accepting somebody else's word that this is okay?

Mr. Macdonald (Rosedale): Mr. Speaker, I am advised by my officials that this is the contractual basis and I have taken their advice.

JUSTIFICATION FOR INCREASES IN PRICES OF GASOLINE AND HOME HEATING OIL

Mr. David Lewis (York South): Mr. Speaker, I want to ask the Minister of Energy, Mines and Resources a question based on his statement last night in which he announced he had agreed to increases of four cents to five cents a gallon for motor gasoline in the eastern market as of December 1. Would the minister inform the House whether he was requested to agree to an increase in the price of home heating fuel as well and what the price situation in respect of home heating oil will be as of December 1?

● (1420)

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): My understanding is that because both products are manufactured from the same imported crude it would apply to both products and it would apply equally in terms of cost, that is to say, about the same increase.

Mr. Lewis: Will the minister explain to the House, if the price increase was to apply to home fuel oil as well as to motor gasoline, what caused him to refer only to motor gasoline in his statement last night?

Mr. Macdonald (Rosedale): I gave that as an example of the increase.

Mr. Lewis: Can the minister also inform the House as to what the price increase in crude oil has been since mid-October on which this increase in motor gasoline and home fuel oil prices is justified since, as he announced on November 1, there has already been a two cents a gallon increase based on the increase on crude up to mid-October?

Mr. Macdonald (Rosedale): The hon. member will recall that not only was there an increase in the early fall but there was an increase in the Arab tax reference price of about 70 per cent and an increase in the Venezuelan price of about 56 per cent after the two cents increase to which he referred had taken place. The figures for each individu-

al company vary, but in effect what is now being passed through is the cost increase related to the very substantial increases that occurred as the result of the 70 per cent and 56 per cent increases.

Mr. Speaker: I shall recognize the hon. member for York South for another supplementary, followed by the hon. member for Témiscamingue.

Mr. Lewis: I should like to ask the Minister of Energy, Mines and Resources whether he has examined the profits of the corporations concerned which increased between 40 per cent and 50 per cent during the first three quarters of 1973 over the same period in 1972 and whether, if he made such an examination, he asked the companies to absorb at least part of the increase in the price of crude oil before handing it on to the consumers of Canada?

Mr. Macdonald (Rosedale): The hon. gentleman will recall that the condition upon which we obtained the agreement for restraint in September was that identified international cost increases could be passed on. So we were carrying out our side of that particular undertaking.

[*Translation*]

POSSIBLE SALE OF OIL BY ARAB COUNTRIES TO PROVINCE OF QUEBEC—GOVERNMENT POSITION

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I should like to put a supplementary question to the Minister of Energy, Mines and Resources.

A few days ago an official of one Arab country whose name I have forgotten stated during a visit in Quebec that his country was ready to sell oil to Quebec after agreement with that province, but that it was not ready to negotiate with Ottawa. Is the minister aware of that visit in Quebec and would the federal government object if Quebec transacted with one of the Arab countries?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): We do not approve such an arrangement between an Arab government and the Quebec government. Quebec does not really enjoy an international status, but it is quite possible that agreements could be negotiated between Quebec and Arab companies.

I will point out to the Quebec companies that such an arrangement with Arab countries is perhaps not so effective, given the experience of the past days.

[*English*]

NAMES OF FOREIGN COMPANIES SUPPLYING OIL TO CANADA INTENDING TO USE "FORCE MAJEURE" CLAUSE IN CONTRACTS

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, my supplementary follows the line taken by the Official Leader of the Opposition—

Some hon. Members: Oh, oh!

Some hon. Members: Explain.

Mr. Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, following the questions by the Leader of the Official Opposition—

An hon. Member: Which one?

[Mr. Macdonald (Rosedale).]

Mr. Hamilton (Qu'Appelle-Moose Mountain): —would the Minister of Energy, Mines and Resources give parliament the name or names of the supplying companies that have threatened to apply *force majeure*?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I would certainly have to check on that. I think that the suppliers of the Canadian companies are probably well known, for example, Creole in Venezuela and Aramco in Saudi Arabia.

ADVANCE DELIVERY TO PROVINCES OF STATEMENT MADE BY MINISTER

Mr. Joe Clark (Rocky Mountain): Mr. Speaker, I have a new question for the Secretary of State for External Affairs. In light of the fact that for reasons best known to itself the government entrusted to the Department of External Affairs the advance delivery to the provinces of last night's energy statement, can the minister explain why advance copies of that statement were not received by several provinces, including New Brunswick and Manitoba?

An hon. Member: They are not recognized.

Some hon. Members: Oh, oh!

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I doubt very much whether it is part of my responsibilities to deliver messages to the provinces of Canada.

Mr. Clark (Rocky Mountain): Since this was the practice followed last night and it is apparently a new practice and therefore a new policy of the government of Canada, based on this precedent can the minister advise if the government, as a result of its various dealings with the provincial governments, now feels it is necessary to establish embassies in all the provinces?

Some hon. Members: Oh, oh!

REASON FOR USE OF "FORCE MAJEURE" CLAUSE IN CONTRACTS BY FOREIGN COMPANIES SUPPLYING OIL TO CANADA

Mr. Peter C. Bawden (Calgary South): Mr. Speaker, I wish to direct a question to the Minister of Energy, Mines and Resources. Would the minister say whether the *force majeure* which is being suggested by the oil supplying companies is as a result of their being cut off at the source by the producing countries and therefore they do not have the oil, or is it because the supplying companies have decided arbitrarily to deliver that oil to some other country?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, my understanding is that it has been a decision of the supplying companies, and it may be related under the conditions of the contracts they have with other countries to other supply obligations.

QUANTITY OF OIL TO BE MOVED FROM ONTARIO INTO QUEBEC THIS WINTER—SUPPLIES PURCHASED BY GOVERNMENT

Mr. Peter C. Bawden (Calgary South): I suggest that the minister might look into that because I believe he will find he is incorrect. I have one further question. Has the minister now had an opportunity to determine what quantities of oil during this winter will be moving from Ontario into Quebec, and also what supplies have been purchased abroad so that he can try to determine from these areas what supplies will be available to overcome the deficiency?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I would have to ask that the second part of the question be referred to the Minister of Supply and Services—

Mr. Bawden: Well, speak to him.

Mr. Macdonald (Rosedale): —whose departmental responsibility it is to make acquisitions. With respect to the first part, I regret I cannot answer this afternoon. I will have to get the answer later.

Mr. Bawden: Mr. Speaker—

Mr. Speaker: Order, please. The hon. member for Calgary South will be recognized for a further supplementary and then I will recognize the hon. member for Malpeque.

Mr. Bawden: I am sorry, Mr. Speaker, but these ministers keep playing pingpong. Would the Minister of Supply and Services tell us what quantities he has now purchased abroad, when these will be available to Canada, and perhaps say what the price is going to be?

[*Translation*]

Hon. Jean-Pierre Goyer (Minister of Supply and Services): Mr. Speaker, the figures remain the same: we have bought 40 million gallons in the Caribbean and in Roumania. A first shipment has been unloaded in St. John's, Newfoundland, and a second will probably be unloaded at Quebec City into Caloil tanks. A third has also left on November 24. We have thus scheduled oil shipments from the Caribbean until the month of December. With regards to Roumanian oil, a first shipment is expected for early December. As for the price we paid, since we are still studying the markets, as I have said previously, and we intend to negotiate with all those who can supply us with extra oil, I would prefer not to reveal it.

* * *

[*English*]

AIR TRANSPORT

AMOUNT OF FUEL TAKEN ON BY FOREIGN PLANES AT CANADIAN AIRPORTS—SUPPLY FOR CANADIAN CHARTER CARRIERS AT SOUTHERN DESTINATIONS

Hon. J. A. MacLean (Malpeque): Mr. Speaker, in the absence of the Minister of Transport I will direct my question to the Minister of Energy, Mines and Resources. Are non-Canadian airlines taking on an abnormal amount of fuel at Canadian airports for trans-Atlantic and other international flights? Whether or not this is true, what action is the government taking to guarantee that Canadian charter flight activities this winter will have a suitable supply of fuel in Florida and other southern destinations so that this important industry, the small airlines and charter carriers, will not be eliminated?

• (1430)

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I shall be glad to inquire into that question.

* * *

CANADIAN BROADCASTING CORPORATION

QUALITY OF TELEVISION SERVICE TO NORTHERN VIEWERS SINCE USE OF ANIK SATELLITE BEGAN

Mr. Wally Firth (Northwest Territories): Mr. Speaker, my question is for the Secretary of State. What measures are being envisaged to protect northern television viewers from the numerous foul-ups and program repetitions which they have had to suffer since the Canadian Broadcasting Corporation began to use the Anik satellite to transmit feed from Toronto to Vancouver using the north as a relay point instead of treating it as an audience?

Hon. James Hugh Faulkner (Secretary of State): Mr. Speaker, I think the hon. member has a very valid complaint.

Some hon. Members: Hear, hear!

Mr. Faulkner: It has been the subject of a petition received from people in the Northwest Territories. I only wish I could offer the hon. member a short or quick solution to the problem but I cannot. Maybe we might meet later and I will point out to the hon. member some of the difficulties.

Mr. Firth: Mr. Speaker, I have a supplementary question for the same minister and I am sure that some southerners would be interested in it as well. When can the Northwest Territories expect to have its own television production centre?

Mr. Faulkner: Mr. Speaker, I am not in a position to answer that.

Mr. Speaker: The hon. member for Halton.

Mr. O'Connor: Mr. Speaker, my question was for the Minister of Energy, Mines and Resources who seems to have vacated the House temporarily.

Oral Questions

EXTERNAL AFFAIRS

GOVERNMENT VIEW ON PARTICIPATION OF REPRESENTATIVES OF PALESTINIAN PEOPLE IN MIDDLE EAST PEACE CONFERENCE

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I should like to direct a question to the Secretary of State for External Affairs fresh from his waits and welcomes in the Soviet Union. Can he advise if it is the view of the Canadian government that representatives of the Palestinian people should participate in the Middle East peace conference, a view held, *inter alia,* by Mr. Gromyko and the Canadian Council of Churches?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, when Mr. Gromyko said to me it was the view of the Soviet government that there should be some representation from the Palestinian people, I said that the Canadian government was generally in sympathy with this point of view.

* * *

[*Translation*]

FOOD PRICES

INCREASE IN RETAIL PRICES—GOVERNMENT ACTION

Mr. Eudore Allard (Rimouski): Mr. Speaker, I would like to ask a question of the Minister of Consumer and Corporate Affairs.

Is he aware of the 10 per cent increase in the retail price of at least 768 food products and, if so, what will he do to correct such a situation? It is proper to point out that such an increase took place during the week of November 19, 1973.

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, I am taking this question as notice and shall reply to it later.

* * *

[*English*]

FINANCE

MEETING OF MINISTERS IN FRANCE THIS PAST WEEKEND—INQUIRY AS TO INVITATION TO CANADA TO PARTICIPATE

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, my question is for the Minister of Finance. Would the minister inform the House whether Canada was asked to take part in a meeting of finance ministers in France this past weekend, and does he know if the deteriorating economic situation and continuing fall of the stock market was discussed?

Hon. John N. Turner (Minister of Finance): No, Mr. Speaker, Canada was not invited to participate in that meeting.

[Mr. O'Connor.]

ENVIRONMENTAL AFFAIRS

PROPOSED NORTH VANCOUVER SITE FOR NEW PACIFIC ENVIRONMENT CENTRE—IN-DEPTH REVIEW

Mr. John A. Fraser (Vancouver South): Mr. Speaker, my question is for the Minister of the Environment. In view of the fact that employees of the Atmospheric Environment Service at Vancouver have protested against the feasibility of moving that service to the proposed new Pacific Environment Centre in North Vancouver and because this site was chosen based on a proposed third crossing of Burrard Inlet which is now in doubt, can the minister advise when the new in-depth study, which was referred to in answers to questions on July 25 that appear in *Hansard,* will take place, reviewing the site selection?

Hon. Jack Davis (Minister of the Environment): Mr. Speaker, the hon. member is incorrect in assuming that the site in North Vancouver was chosen conditional upon the construction of another crossing over Vancouver Harbour. In answer to the second part of his question, we hope that the in-depth study will be made public in a month or so.

Mr. Fraser: Mr. Speaker, I have a supplementary question. Can the minister assure the House that no final decision will be taken without hearing the views of the employees and municipal planning officials?

Mr. Davis: Mr. Speaker, the views of the employees have already been sought.

* * *

NATIONAL REVENUE

ALLEGED INCREASE IN EXPORTS OF PETROLEUM PRODUCTS TO UNITED STATES THROUGH EASTERN CANADA CUSTOMS POINTS

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, my question is directed to the Minister of National Revenue. Have his officials informed him that petroleum products are going across customs points in eastern Canada into the United States at an unprecedented rate in the past few days and, if not, will the minister make an inquiry and report to the House immediately?

Hon. Robert Stanbury (Minister of National Revenue): Mr. Speaker, I do not suppose the rate would be the problem. The problem would be whether or not there are export permits for the shipments being made. Customs officials have instructions, and have had for some time, to require permits for petroleum exports. I am not aware of any shipments crossing from Canada to the United States without such permits.

UNEMPLOYMENT INSURANCE

REPAYMENT OF OVERPAYMENTS—POSSIBILITY OF CEILING ON AMOUNT IF ERROR MADE BY COMMISSION

Mr. Derek Blackburn (Brant): Mr. Speaker, my question is for the Minister of Manpower and Immigration. Owing to the fact that many unemployment insurance overpayments are the result of errors made by the Unemployment Insurance Commission and also due to the fact that these overpayments are often in excess of $1,000, is the minister considering putting a ceiling on the amount of the benefits a recipient must repay if the error is entirely the fault of the Unemployment Insurance Commission?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, by far the bulk of the so-called overpayments are the result of control action taken after the payment, not as a result of error on the part of the commission. However, even in the case where there may have been a clerical error the act requires us to collect these overpayments. We try to arrange with the claimant subject to the repayment the most reasonable method of repayment spread over a period of time.

FINAL REPORT OF ADVISORY COMMITTEE ON BENEFIT CONTROL PROGRAM

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I have a supplementary question. I should like to ask the minister how long he has had the second report from the advisory committee to the Unemployment Insurance Commission and why it has not yet been tabled?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I think I personnally received it last Tuesday or Wednesday. I met with the advisory committee yesterday and I tabled the report just a few minutes ago.

* * *

[*Translation*]

REGIONAL ECONOMIC EXPANSION

ASSISTANCE TO SMALL BUSINESSES—INDUSTRIAL DECENTRALIZATION

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I have a question for the Minister of Regional Economic Expansion.

Since statistics show that small enterprises employ 60 per cent of wage earners in Canada, can the minister tell the House whether his department's policy will better favour small industry development by giving special consideration to the allocation of grants as well as to the industrial decentralization in order to bring closer together the small industry and the abundant manpower to be found in rural community?

[*English*]

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Mr. Speaker, basically the hon. gentleman has outlined what I have said on several occasions is one of the objectives of the reorganization. I am still primarily concerned with manufacturing and processing and to that extent I hope to change the ground rules through which small business can participate. Whether we can extend that form of assistance to service industries is something that is still being discussed with the provinces.

[*Translation*]

AMOUNT OF INVESTMENT FOR COMPANIES TO QUALIFY FOR ASSISTANCE

Mr. André Fortin (Lotbinière): Mr. Speaker, I wish to ask a supplementary question.

Would the minister tell the House whether in the legislation he intends to introduce he is considering softening the rules and lowering the minimum amount to be invested before anyone may benefit from this legislation?

[*English*]

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Mr. Speaker, if in using the word "softening" it is meant that we would reduce, for instance, the amount of fixed capital costs that would be required for assistance, the answer is that this is precisely the course that is now being considered.

* * *

EXTERNAL AFFAIRS

DISCUSSION BY MINISTER WITH SOVIET GOVERNMENT OF ARAB OIL EMBARGO AGAINST NATIONS SUPPORTING ISRAEL—SHIPMENT OF ARMS TO ARAB NATIONS BY RUSSIA

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, normally I would not have to ask this question of the Secretary of State for External Affairs but yesterday, instead of giving a report to the House concerning his discussions with Gromyko, he simply tabled a communiqué. I would ask the minister whether, during his discussions with Gromyko, he had anything to say concerning the oil embargoes that were then threatened if not actually imposed by the Arab nations against those countries that show any affinity for Israel? Was that subject discussed and, if so, did the minister call upon the U.S.S.R., apparently the custodian of the thinking of the Arab nations, to have these nations refrain from this type of international blackmail?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I did have some discussions with the representatives of the Soviet government when I was in Russia last week. At that time I repeated to the Soviet authorities the same argument that I had given here in the House of Commons and which I believe are supported on all sides, namely, that it is dangerous to use economic weapons as an instrument of political pressure.

● (1440)

Mr. Diefenbaker: Mr. Speaker, again I dislike to ask this question, but we should have had a report. What was the reaction of the representatives of the U.S.S.R. to whom he spoke, and did he at the same time point out the serious

danger to peace in that the U.S.S.R. is shipping tremendous amounts of munitions to Egypt today, particularly increased since the ceasefire?

Mr. Sharp: Mr. Speaker, I was not aware whether or not the Soviet Union had been shipping armaments to the Arab nations or to any particular one of them since the ceasefire, so I was not in a position to raise this question. I did repeat to the Soviet authorities Canadian policy which is not to ship arms to any area of conflict.

Mr. Diefenbaker: Apparently the minister does not read the New York *Times*.

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ENERGY

MOVEMENT OF OIL THROUGH PORTLAND-MONTREAL PIPELINE—STATEMENTS BY MINISTERS RESPECTING CUT-OFFS

Mr. Ian Arrol (York East): Mr. Speaker, may I direct a question to the Prime Minister. Can the Prime Minister resolve the discrepancies between statements made by several ministers with regard to shipment of oil via the Portland-Montreal pipeline inasmuch as two ministers have stated that there will be no oil cut-offs and another has stated that there will be a cut-off of refined oil shipments?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, if the hon. member will give me the details of these statements I will look into them and ask the ministers if there was any conflict in fact.

Mr. Speaker: Order, please. The Chair will recognize the Leader of the Opposition for a supplementary and then the hon. member for Spadina.

Hon. Robert L. Stanfield (Leader of the Opposition): Can the Prime Minister reconcile the statement of the Minister of Energy, Mines and Resources a few days ago that Saudi Arabia and Abu Dhabi had said they were banning any shipments to Portland, to be transported by the pipeline to Canada, and the statement of the Secretary of State for External Affairs yesterday that to his knowledge no such ban existed?

Mr. Trudeau: Mr. Speaker, I think the distinction is that there is no boycott of the shipping of oil to Canada by any of those states, but two of them have chosen not to ship oil to Canada by way of landing it in the United States at Portland.

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EXTERNAL AFFAIRS

ASSISTANCE TO VICTIMS OF EARTHQUAKE IN AZORES

Mr. Peter Stollery (Spadina): Mr. Speaker, my question is addressed to the Secretary of State for External Affairs. In view of the fact an estimated 3,000 families were made homeless over the weekend by an earthquake in the Azores which levelled some 80 per cent of the houses on the island of Pico and on the north side of the island of Faial, and as the local authorities are removing people from the small villages of these two islands because of safety hazards, may I ask the minister what the government of Canada is doing to assist in this emergency affecting relatives of many Portuguese Canadians?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, this tragedy has been under consideration in the department and I can say that we will be making a decision within the next few days on a proper response in the way that I know the Canadian people would wish us to make it.

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ENERGY

EXTENSION OF OIL PIPELINE TO MONTREAL—REQUEST FOR CLARIFICATION OF STATEMENT ON SEPTEMBER 4

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, my question is for the Prime Minister. Last Friday, in the question period, I referred to the Prime Minister's statement on page 6184 of *Hansard* for September 4, which did not indicate that the Prime Minister had announced a decision to build a pipeline to Montreal. The Prime Minister said he would have to check what other words were used. Can the Prime Minister now inform us if he or his staff have located anything to substantiate his claim that he announced on September 4 the decision to build the pipeline?

Right Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker, and I did not want to convey the impression that on that day I had suggested anything different from what was quoted by the hon. member. What I did indicate on September 4 was that we had indicated the direction in which our policy was to proceed. Subsequent statements by various ministers of the government and myself have put that September 4 statement in a much clearer context, which is one of a firm determination that the pipeline should proceed.

[*Later:*]

Mr. McKinnon: Mr. Speaker, my supplementary question is also for the Prime Minister. It has to do with the decision-making process. Last night the Minister of Energy, Mines and Resources indicated, in reply to a question from the hon. member for Regina East as recorded in *Hansard*, page 8149, that discussions with the province of Quebec have not reached an agreement in principle for the construction of the pipeline. Is it the government's decision to construct such a pipeline whether the government of Quebec agrees or not?

Mr. Trudeau: Mr. Speaker, I believe the minister did answer this question quite firmly, that we have a responsibility for assuring security of supply, but at this stage we have no doubt that the province of Quebec will see the validity of that position.

ROYAL CANADIAN MOUNTED POLICE

PURCHASE OF PROPERTY ADJACENT TO BUILDING, JARVIS STREET, TORONTO—CITY'S REQUEST FOR LEASE ARRANGEMENT TO CONTINUE HOUSING UNTIL NEXT SEPTEMBER

Mr. John Harney (Scarborough West): Mr. Speaker, my question is for the Solicitor General or the Minister of Public Works, whichever is the more competent in the matter. It relates to the purchase by the Department of Public Works of property adjacent to the RCMP building on Jarvis Street, Toronto. As the property in question now provides housing for over 120 persons and as the City of Toronto has offered to arrange accommodation for these persons in that property until September 1, 1974, will the minister state whether his department intends to accede to the city's request for a lease arrangement to September 1, 1974?

Hon. Jean-Eudes Dubé (Minister of Public Works): Mr. Speaker, on behalf of both ministers I will look into the matter and reply to the hon. member.

Mr. Speaker: Order, please. Perhaps I should remind hon. members that we will be running short of time and we should try to limit supplementaries as much as possible. The Chair will recognize the hon. member for Scarborough West on a last supplementary.

Mr. Harney: Mr. Speaker, while the ministers are looking into the matter, could I address a supplementary to the Minister of State for Urban Affairs. Considering that the minister has expended considerable effort to be in touch with the municipalities of Canada in a general way at tri-level conferences, and in view of the fact the Department of Public Works acquired the Jarvis Street—Shuter Street property in Toronto without prior consultation with the city or its planning agencies, will the minister undertake to urge his colleagues at least to inform the city or other Canadian cities as to what plans they have in store for properties in municipalities, and whether in this particular case the plan will involve use of the property for surface parking or a horse pasture?

Mr. Speaker: Order, please.

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ENERGY

SURVEY OF PUBLIC INSTITUTIONS AND INDUSTRIES TO DETERMINE WHICH STILL RETAIN COAL BURNING CAPABILITY

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I wish to direct my question to the Minister of Energy, Mines and Resources. Has he undertaken a comprehensive survey to determine what public institutions or industries in Canada still retain coal burning capability? If this has been done, can he state whether or not the government has any program for encouraging them to take the pressure off petroleum products by switching back to coal where that is practical?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I must confess I have not myself undertaken such a survey, but it is a useful suggestion by the hon. member.

POSSIBLE STEPS TO CURTAIL SALE OF OIL AND LUBRICANTS TO FOREIGN FISHING FLEETS

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I wish to direct my question to the Minister of Energy, Mines and Resources. In light of the energy crisis, is the government taking any steps to limit or prohibit the sale of oil and lubricants from Canadian sources to the foreign fishing fleet presently operating on Canada's continental shelf?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, as I recall, these products are not under National Energy Board control and I think the correct answer to that would be no.

CONSIDERATION OF SHORTAGE OF OIL IN ATLANTIC CANADA IN STUDY OF EFFECTS IF SALES TO FOREIGN FISHING FLEETS PROHIBITED

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, may I direct a supplementary question to the Minister of the Environment. Will the shortage of oil in Atlantic Canada be taken into consideration by Dr. Weeks during his present studies of the over-all effects on industries in Atlantic Canada and the operations of foreign fishing fleets off our coasts if sales to these fleets are prohibited?

Hon. Jack Davis (Minister of the Environment): Definitely, Mr. Speaker.

ACTION TO ENSURE NEW ELECTRIC UTILITIES WILL USE NUCLEAR POWER SOURCES RATHER THAN OIL

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. In view of the shortages of petroleum products in eastern Canada and the adequate supplies of uranium, does the government plan to take any action to ensure that new electrical utilities coming on stream will use nuclear power sources rather than petroleum as a source of energy, so that we may avoid the situation such as that at the Lennox Generating Station of Ontario Hydro where, as I understand it, some consideration is now being given to converting this petroleum burning plant to coal even before it goes into production?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, in general terms, yes, we do have a program such as that now in operation at Gentilly, Quebec, to encourage wider Canadian use of the CANDU reactor. We are pleased that Ontario Hydro, despite the Lennox decision, is going ahead with 8,000 megawatts of nuclear capacity in the next 15 years.

● (1450)

HEALTH

RESEARCH INTO TREATMENT OF DRUG ADDICTS BY ACUPUNCTURE

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, I wish to address a question to the Minister of National Health and Welfare. In view of the great difficulties that arise in successfully treating drug addicts, and the success reported in the use of acupuncture in detoxifying drug addicts as well as in the treatment of drug addiction, is any similar work being carried on through research or otherwise in Canada?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I am not aware that research is being carried out just now on this subject, but this is an area in which research should be done. Funds are available either through the Medical Research Council of Canada or through the Non-medical Use of Drugs Research Program for such research, provided suitable projects are submitted.

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ENERGY

CLOSING OF CERTAIN REFINERIES BY IMPERIAL OIL

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, I have a supplementary question for the Minister of Energy, Mines and Resources. Having regard to the shortage of refining capacity in Canada and the intention of Imperial Oil to close its refinery in Regina and also, I believe, refineries in Calgary and Winnipeg, has the minister consulted with this company to urge it either not to close these refineries or to delay this action? Has he made a similar approach to any other companies which might have intentions of closing down existing refinery capacity?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): As the hon. gentleman knows, the shortage of refining capacity really arises in the Great Lakes area, and it is in this area that refinery expansion is planned. At the moment it does not appear there would be much to be gained in terms of dealing with the shortage of supply in the east by opening or re-opening refineries in western Canada. My impression is that the time frame of those closings extends beyond the winter, but I shall be glad to check further to see whether the suggestion the hon. member has made could contribute in any way to alleviating the problem.

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IMMIGRATION

OBTAINING OF DEPARTMENTAL DOCUMENTS CONCERNING JOHN MEIER BY UNITED STATES ATTORNEY'S OFFICE

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, I have a question for the Minister of Manpower and Immigration, of which I gave him notice yesterday. In view of the fact internal government documents from the hon. gentleman's department concerning Mr. John Meier, who is a key witness before the Watergate hearings in the United States, have ended up in the hands of the United States Attorney's office, can the minister advise the House who transmitted these documents and what action has been taken?

[Mr. Macdonald (Rosedale).]

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, Mr. Meier has made an application for landed immigrant status in Canada. In the course of investigating his application there was a confidential exchange of information between the United States internal revenue service and the Canadian immigration intelligence service, which is a fairly routine matter. The documents provided to the U.S. internal revenue service were clearly marked "not to be reproduced under any circumstances without the prior approval of the Canadian immigration intelligence service". However, they were passed in error by the internal revenue people to a lawyer acting for Mr. Meier. A written apology has been sent to us by the U.S. internal revenue service with an assurance that such a thing will not happen again.

Mr. Reynolds: Is the government, in co-operation with the Nixon administration, retaining the private investigation agency Intertel to keep tabs on Mr. Meier's movements in Canada?

Mr. Andras: Not to my knowledge, Mr. Speaker.

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ENERGY

INVOKING OF "FORCE MAJEURE" CLAUSE BY VENEZUELAN COMPANIES SUPPLYING OIL TO CANADA—GOVERNMENT ACTION

Hon. Robert L. Stanfield (Leader of the Opposition): I have a further question to the Minister of Energy, Mines and Resources, Mr. Speaker, with respect to the *force majeure* clause invoked by companies supplying oil to Canada from Venezuela. In view of the serious consequences for Canada, particularly eastern Canada, can the minister tell us what steps he has taken to ascertain whether this action in cutting down Canadian supplies is justified? What action has he taken? I say to him in all fairness he has given the impression to the House this afternoon that he has done nothing, really, to inquire into this situation and to satisfy himself that this diversion of oil contracted for delivery to Canada is in fact justifiable under international law.

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): As I pointed out to the hon. gentleman, the contracts in this regard are made with the Canadian purchaser. We have been in continuous touch with the industry through a liaison committee with regard to supply interruption and the demand situation in Canada, as the hon. gentleman knows, and the action we have taken, through this close liaison, is to identify what the supply situation will be. Perhaps I could remind the hon. gentleman of the actual words I used last night: "We may,

therefore, suffer a loss, if world shortfalls are shared equally, of up to 200,000 barrels a day." My understanding at the moment is that this redistribution has not taken place but the companies have indicated there is a prospective interruption under the *force majeure* provision of the supplying contracts. I repeat, our right to receive the oil is subject to contracts between a Canadian party and a foreign party, and I am advised that one of the terms of the contract is this *force majeure* provision which could result in a pro rata reduction of the deliveries of oil under contract. We, therefore, as a recipient of the oil, are subject to the conditions of that contract.

Mr. Stanfield: I apologize for pursuing this matter, Mr. Speaker, but it is one of vital importance. Is the minister doing anything to look after the interests of the people of this country or is he simply taking the view that a multinational oil company is invoking the *force majeure* clause and shipping the oil somewhere else? What is the minister doing to look after the interests of Canadians either with respect to cuts which have already taken place or cuts which he says are anticipated?

Mr. Macdonald (Rosedale): Mr. Speaker, I think we are governed by the law in this situation. The government, like an individual party, has to be governed by the law covering this particular transaction. It is on this basis we have been dealing with the Canadian recipients of this oil. This, as I understand it, is the international practice and one by which, because of the legal obligation, we are bound.

Mr. Speaker: Perhaps the Chair might recognize the hon. member for Peace River on a supplementary, although we have gone beyond the time allotted to the question period.

Mr. G. W. Baldwin (Peace River): I should like to ask the minister, before he meekly accepts this interpretation of a contract by an international company in relation to its own subsidiary, whether he has examined the contract in question and determined whether that interpretation so conveniently made is in accord with Canadian or Venezuelan law, and will he take competent legal advice—I emphasize the word "competent"—as to the application of the conflict of laws principle to this contract?

Mr. Macdonald (Rosedale): I have no hesitation in accepting the competence of my advisers on this particular question.

Mr. Speaker: Orders of the day.

Mr. Danson: On a point of order, Mr. Speaker, at the time of the adjournment last night I was speaking in the debate on Bill S-4 and I called it ten o'clock. I notice, looking at *Hansard,* that the hon. member for Timiskaming is recorded as calling it ten o'clock. Obviously the reporter did not hear me. I believe the hon. member for Timiskaming will appreciate the fact I was speaking at the time and had not completed my remarks.

Mr. Speaker: The hon. member's point is hypothetical since we are dealing with another order of business this afternoon.

Mr. Danson: I wanted to clear the record before that debate resumes.

Mr. Speaker: I have noted the hon. member's point and when we return to that item we shall take into account his suggestion that he had called it ten o'clock and would have a claim to the first call from the Chair.

GOVERNMENT ORDERS

[*English*]

PROTECTION OF PRIVACY BILL

CREATION OF OFFENCES RELATED TO INTERCEPTION OF PRIVATE COMMUNICATIONS BY CERTAIN DEVICES

The House resumed, from Friday, November 23, consideration of Bill C-176, to amend the Criminal Code, the Crown Liability Act and the Official Secrets Act, as reported (with amendments) from the Standing Committee on Justice and Legal Affairs, and Motion No. 3.

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, when the debate was interrupted on November 23, I was calling attention to the principle which in my view lay behind the amendment proposed by the right hon. member for Prince Albert (Mr. Diefenbaker). I think it might be restated as follows: no person, no organization, no police force, no agency whether public or private, shall have the right, in the event of an emergency whether real or imagined, to interfere with the privacy of any citizen unless that interference is sanctioned by the courts and is conducted under the due process of law.

● (1500)

I think that is an extremely important and fundamental provision in British justice, one that no person in this House or indeed no member of the government ought to interfere with lightly. But the government has seen fit to bring before parliament a bill which, if it is passed, will be a giant step forward in that, for the first time in this country, it will legalize the right of a public body, the police forces of this country, to invade the privacy of individuals who, in accordance with our system of justice, are construed to be innocent until they are proven guilty.

This is an important principle that has been made necessary because it is recognized by the community that those forces that would tear down our institutions now have the technological skill in the field of wiretapping, bugging and use of electronic devices to achieve their ends. This is why it is felt—I believe everyone supports this view—that the police forces of this country should have that same power. Although that is true, that is not to say that Canadians ought to be placed in the position where this right can be used, even for a short period of time, in an untrammeled fashion, without control and without reason. I think it is a sound principle, if we are going to take this step, to ensure at the same time that if the evidence that is going to be gathered is to be used, then it ought to be used only when its use has been sanctioned by the courts, which are the ultimate protectors of the rights of all Canadians.

We have had to balance, and we will have to balance in this debate, the importance of the protection of society and the importance of operating our police forces in an efficient manner with the very important, fundamental, human rights that all of us regard as sacred. We are not just talking about the use of electronic devices as this use may apply to some third party; we sometimes forget that we are talking about use of these devices in many cases as they apply to each of us. I think all of us agree with the principle that our police forces should be given all legitimate help. But I do not believe that any reasonable member of the House or of any other place, and I dare to say any member of a police force in this country, would take the position that there ought not to be some recognition of those rights before evidence is used against a person in a courtroom.

I read with great interest the speech of the hon. member for Sarnia-Lambton (Mr. Cullen) who spoke on Friday afternoon. In the course of his speech he said it is immoral to wiretap. Then he outlined a number of other ways in which immorality could exist in police work—for example, the policeman who must hit someone, the policeman who must use a billy, as he put it. Then, in defending the Minister of Justice (Mr. Lang) in this matter, he went on to say this, as reported at page 8099 of *Hansard*:

> —if our experience shows that attorneys general across the country report that this particular section is being abused, it will be a very simple matter to bring in an amendment to have the law changed.

I think that is exactly the same as advocating that we ought to change the burden of proof in the majority of criminal cases, that we ought to put the burden upon the accused person; that a person who is caught in the talons of the law ought to prove himself innocent. There would be an unfairness with respect to the shifting of the burden. I think there would be an unfairness with respect to the preservation of individual rights and the right to privacy of any citizen, which is a very fundamental right, indeed I would dare say an inalienable right, if we were to reverse the principle that is inherent in our legal system and not couple it with the amendment put forward by the right hon. member for Prince Albert (Mr. Diefenbaker).

With great respect to the hon. member for Sarnia-Lambton, with whose judgment as a lawyer I agree most of the time, I think he has turned his principles around in an effort to support a Minister of Justice who seems determined to bull this bill through the House in its present form without those protections to which I have referred. I, for one, am not prepared to support a Minister of Justice who does not include those protections in the bill.

It is easy for us to think of examples. The minister gave some examples in his speech on Friday of situations where it would be useful, where it could be helpful, where it might be expedient in a particular case, to have access to the emergency provisions, access to that faceless agent in some particular case at some future time. I suppose I could think of other examples where these emergency provisions might be useful. But if we adopt the argument of the Minister of Justice and say that in all cases involving the prosecution of criminals, persons who are innocent until they are proven guilty, the ends will always justify the means, we are getting dangerously close to doing something we have always avoided under the criminal law of this country. With some few exceptions, the public has always been entitled to the protection of reasonable doubt. As far as this bill is concerned, the public ought to be entitled to the protection that would be built into the bill if the amendment of the right hon. member for Prince Albert were accepted. I urge the members of the House to accept the amendment for this reason.

A lot has been said during this debate about the maintenance of "law and order". One part of law and order is the protection offered by the courts. The hon. member for St. Paul's (Mr. Atkey) referred to the difficulties of prolongation, but as I understand it no such mechanism has received sanction as being part of our criminal processes. I think it will be a sad day for this country when we decide that in the name of so-called law and order we must deny the basic meaning of that very important phrase. However, in some of the speeches of the Minister of Justice, and I regret to say in some of the speeches of members who support him, we are coming very close to doing exactly that.

● (1510)

We are moving into a new area of deep, untested waters in terms of the administration of criminal justice in this country. When we take that kind of step it is my respectful submission to you, Mr. Speaker, and through you to my colleagues in this House, that we ought to tread lightly, and ought not to move with the full force of the law until we see how this operates. We ought not to do, as the hon. member for Sarnia-Lambton suggests: Try it and if we do not like it, get rid of it, because in the process of trying it there could be abuses that even that hon. member could not comprehend at this time.

I have had experience on both sides of the counsel table. I have worked with the police in the prosecution of cases, and I have also defended those who have been charged. I would rather our attitude be that the rights of citizens in our society be preserved as long as we can preserve them, while at the same time maintaining law and order. Surely, that is not unreasonable when, as the right hon. member for Prince Albert suggests, there are 600 judges in this country—actually there are 900—who could make that order authorizing a wiretap within the law. I cannot conceive of any emergency situation in which a police force acting reasonably and within the present laws would find its hands tied unless that police force intended to act improperly. I do not think we should demean the names of the police forces of this country by suggesting that they would act in such fashion. I also think we should preserve the principle that has run through our British law that an individual is innocent before the law until proven guilty. Merely because somebody is being investigated does not mean we should cast aside this principle which protects the individual even though he may be charged. We would be doing this in terms of invasion of privacy if the bill passes unamended.

We are being asked in this bill to take a great step in respect of investigation. By adopting this bill we are giving a licence to the police forces of this country to do what they could not do before while holding up their heads. We would be saying that which was once immoral is now moral and legal. When we take such a step I do not think it is unreasonable for us at the same time to ask

these police forces, which I hold in high regard, to observe the very simple request that they protect our citizens by going to the courts, as the protectors of the public right in this matter, for permission to take that giant step in respect of investigation.

I do not think it is too much for this parliament to suggest to the government that without that kind of protection in the bill we will not support it, but with that protection we will support it. I do not think our efforts to protect society are opposed in any way or involve a lessening of the powers or the rights of the police to investigate. I do not believe that in order to maintain law and order we should consider society to the exclusion of individual rights. I believe these two concepts are intertwined. It is to the credit of this House of Commons that the dean of this House, who served in the courts of this country longer than many of us will live, and in the highest office here, was the one to bring forward this very good amendment which will make this new bill, adopting a new concept of investigation, palatable, reasonable and equitable.

Let me ask my friends, wherever they sit in this House in terms of the centre aisle, to support the principle that has so appropriately been brought forward by the right hon. member for Prince Albert. This principle is in essence the protection of the community from excesses and to ensure that when police forces in this country use the device this parliament is giving for the first time, they produce evidence which is admissible without question and not subject to the usual requirements of proof, and that such evidence will be produced under the sanction and the protection provided by the courts. That is our duty.

Mr. Cullen: Mr. Speaker, I rise on a question of privilege. I have always found the hon. member to be fair, and I do not object to the way in which he has presented his case, but I do take strong exception to one of his comments. I know that he did not intend offence when he suggested that in talking in favour of this bill I was abrogating my principles in order to support the minister. First of all, it is not appropriate to impute motives to an hon. member. I do not think he meant to do that. In the second place, and I know the right hon. gentleman would support me in this principle, I would not deviate from my principles in the interest of simply supporting a piece of legislation, and if I did so I would resign my seat tomorrow.

Mrs. Albanie Morin (Louis-Hébert): Mr. Speaker, of all the 10 provinces, Quebec is the province that has seen a lot of disturbance, violence and unrest in the last 10 years. So, it will not come as a surprise to you when I say that we in the province of Quebec crave law and order. Were I to consult the population today on this government's proposal to permit wiretapping by the police in emergencies for up to 36 hours without a permit I would probably get an 85 per cent affirmative reply. Some of the people I have consulted have suggested that the police should not ask for permission at all.

Of course, there will be some people who are against this bill. Even in my own riding I would probably find some "godfathers", and you know the meaning I give to that phrase, some extremists, some criminals and others who have something to hide who would oppose this measure, but the great majority would not be in favour of removing from the police the only tool which enables them to detect and prevent 80 per cent of crime. Why should the police be put in an inferior position to criminals who have no qualms about using bugging devices of any kind? I hope the right hon. member for Prince Albert does not believe that if his amendment were to pass it would prevent any criminal from using wiretapping. Negative laws result in criminals adopting more astute ways of avoiding the law. The hon. member should read about what happened in Montreal two weeks ago to see how criminals react to the law. For instance, the underworld did not hesitate to eliminate three members of the same family and burn to death the one responsible for the three murders. I suggest that voting for the amendment of the right hon. member for Prince Albert would be voting for the removal from the police of a tool criminals would not hesitate to use.

The right hon. member for Prince Albert mentioned that wiretapping by police in emergency cases without a permit was "the essence of tyranny". It is very odd that the right hon. gentleman should react in such a manner, especially since he has as a colleague the hon. member for Saint-Hyacinthe (Mr. Wagner) who, up until very recently, was the symbol of law and order in the province of Quebec. I need not remind the right hon. gentleman that the hon. member for Saint-Hyacinthe once upon a time was a semi-god in our province. The different parties respected him, his colleagues listened to him, labour unions feared him and the general public hailed him as a public leader. That hon. member stood for law and order.

Permit me, Mr. Speaker, to quote some excerpts taken from that hon. member's speeches when he ran in the leadership campaign some years ago.

• (1520)

[*Translation*]

They say that I personify law and order.

[*English*]

I will translate this: "They say that I personify law and order and why not. I declare myself in favour of law and order. Please give us the tools to decide and act." A little later he said:

[*Translation*]

We have to establish a climate of stability by law and order.

[*English*]

Then, he condemned the work of the Quebec government because it prevented the work of the police corps. So, again was he in favour of tying the hands of the police? Not at all. Let me quote what the hon. member for Saint-Hyacinthe had to say before the Committee on Justice and Legal Affairs on June 7:

I believe that it is a good thing to declare openly that revelations which nowadays are made by the Commission of Inquiry into organized crime in Montreal represent but a tiny portion of the whole set-up. What is unknown about the Mafia—

In Montreal.

—is much more considerable and is much more to fear.

This is the hon. member for Saint-Hyacinthe speaking. He continues:

I remember a case which I will give you as an example:—There was rivalry between the two groups in the east end of Montreal

and, in the course of rivalry, one member of the opposite groups was violently beaten and injured. It was decided to gain revenge that they should kill the chief of the other group. They put a bomb in a car a few feet from the school. The bomb was supposed to explode at 8.30 a.m., at a time when we were told there would be more than 1,000 school children. Because of the wiretapping, we were able—

The police were able.

—to discover this project, to stop the individual and prevent not only the murder of the chief of the opposite group but also the killing of innocent children.

I shall relate another case which was told to me very recently. In Quebec City a woman bank manager was advised by the police that because of wiretapping they were aware that there would be a bank holdup in her bank. As a result they were able to deal with this attempted robbery of the bank and arrest the bank robbers. Again, through wiretapping they were able to prevent a bank robbery. The hon. member for Prince Albert is up in arms because the proposed bill jeopardizes the individual's right to privacy. I wonder whether the fact that school children's lives were saved because of wiretapping is not sufficient proof that public good should supersede the right of citizens. Mr. Justice Tremblay last week rendered a decision along this line when he said:

[*Translation*]

It is the public and general interest of the people of Quebec which is opposed to the interest of 2,000 of its inhabitants.

[*English*]

Should we not conclude from this very famous decision that where public safety and public good demands it, the right of the individual should be put aside, that is, that the police should have the right to wiretap when public safety demands it.

Again I refer to the minutes of the Committee on Justice and Legal Affairs at page 14:22 where the hon. member for Saint Hyacinthe is reported as having said:

. . . we worry and we say that this might go too far . . .

Then, he said that he feels the examples are very numerous which lead to the conclusion that it would be impossible to protect society adequately against professional criminals if the activities of the police were restricted.

Again I ask the hon. member for Prince Albert how he can qualify this bill as being the essence of tyranny when the hon. member for Saint-Hyacinthe says that we cannot protect society against professional criminals if we restrict the activities of the police. Police should be able to wiretap at all times and without any permit when the public good and public safety demand it. I doubt that the hon. member for Saint-Hyacinthe thought any differently when he held the position of Attorney General of Quebec. We in the province of Quebec long for law and order. As I said, the reason the hon. member for Saint-Hyacinthe once upon a time was very popular is that he was for law and order.

We have seen a lot of unrest and disorder in our province, particularly during such riots as the student's march upon Parliament Hill to protest Bill 63, a march which was infiltrated by such radicals as Lemieux, Bourgault, Chartrand, Laliberté and Charbonneau, and again the St. John the Baptiste uprising in Montreal when police cars were overturned and set afire, when private property was ransacked and looted, when horses had their sides slashed because they were mounted by policemen and when rocks and Molotov cocktails were thrown at our Prime Minister while the Quebec leader and the Montreal mayor ran for shelter. The hon. member for Saint-Hyacinthe sided with the police during this critical period and even condemned the acts of the Quebec government which sabotaged the police work. But the hon. member had no doubt at that time that the citizen's right had to be put aside for the public good.

It is impossible to protect a society against professional criminals if we restrict police activities, said the hon. member for Saint-Hyacinthe. He said that if we were to restrict police activities it would be like removing the tools from the police; it would be like cutting off their arms and asking them to dig their own graves. This is the hon. member for Saint-Hyacinthe speaking. It appears now that the hon. member for Saint-Hyacinthe has changed his mind about wiretapping. It is not the first time he has flip-flopped. You know, the population of Saint-Hyacinthe may also change its mind in the next election.

An hon. Member: They will give him a bigger majority.

Mrs. Morin: I would be in favour of letting the police wiretap whenever necessary. Of course, Bill C-176 does not go that far unfortunately. It includes very stiff penalties for those who disobey the law. For instance, section 178.11 states that anyone who wilfully intercepts a private communication by means of an electromagnetic, accoustic or mechanical device, is guilty of an indictable offence and liable to imprisonment for five years. This is quite a stiff penalty for the offence of listening to one's conversation compared to the penalty for armed robbery.

Section 178.18 states that anyone selling or purchasing any electromagnetic, accoustic or mechanical device for the interception of private communications is guilty of an indictable offence and liable to imprisonment for two years. Compare that to other offences in respect of a person selling stolen goods. Section 178.20 states that anyone who uses or discloses such private communication in a way other than as stipulated by the bill is guilty of an indictable offence and liable to imprisonment for two years. Finally, section 178.21 stipulates punitive damages up to $5,000. This is a very stiff penalty. So there are restrictions or stipulations limiting or preventing excesses in wiretapping activity.

Many of the amendments introduced by hon. members across the Chamber would be more beneficial to the criminals than to society. What they do not seem to realize is that even if this bill tries to impose a certain control on electronic devices, it does not necessarily mean the use of such devices by criminals would be controlled. They would only find more astute ways to avoid the law. So, the two parties across the Chamber should not be surprised if they do not find any support in the province of Quebec. They do not stand for law and order. No one will deny that the crime rate is constantly increasing.

• (1530)

Some hon. Members: Oh, oh!

Mrs. Morin: Nobody can deny that the crime rate is constantly increasing. Criminals are becoming more and more specialized, and yet the methods used for fighting this increase in crime are constantly being eroded. Quebec has not hesitated to prove that it wants law and order. For instance, the October 29 election was a vote against separatism, but it was also a vote for law and order. René Lévesque himself admitted that a week or so ago when he stated publicly that the population still associated his party with the FLQ. It is true that the Parti Québécois is a political party and the FLQ is a subversive group, but the people who see such persons as Chartrand, Lemieux and Charbonneau within the Parti Québécois cannot be blamed for thinking as they do.

Another proof that Quebeckers want law and order was demonstrated during the common front crisis in 1972 when three labour union leaders were incarcerated. First of all, they defied the government. The population cheered when the union leaders were incarcerated. And again, after the last election—

Some hon. Members: Oh, oh!

Mrs. Morin: Laugh all you want.

Mr. Atkey: No, I cry.

Mrs. Morin: Again, after the last election, when the same union leaders asked the population to bring down the Bourassa government, how did the population react? By an overwhelming majority, a sweep of 102 seats for the Liberals. So the NDP must not forget that the unions in our province have been a source of unrest, disorder and trouble. The NDP and the Conservative party should keep this in mind when this bill comes up for the vote.

Some hon. Members: Hear, hear!

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I have not taken part in this debate until now for two reasons: First of all, because I was not a member of the committee which studied the provisions of the bill in detail, and second because I admit that like many members I am perturbed about the decisions which we as members of parliament are being asked to make. On the one hand, I am absolutely opposed to the invasion of privacy of any person in Canada by private individuals or by representatives of the government for any reason. On the other hand, I recognize the difficulties which exist in this country.

I cannot ignore the fact that in a recent case in Toronto some people who were very deeply involved in trafficking heroin—a very dangerous drug—were convicted and sentenced to life to a large extent on the basis of evidence obtained by wiretapping. So I find it difficult to join my colleague, the hon. member for New Westminster (Mr. Leggatt), in supporting laws which would totally prohibit wiretapping. I want to say to the hon. member for Louis-Hébert (Mrs. Morin) that the doubts which I have about voting against any kind of wiretapping are removed to a large extent when I hear the kind of impassioned bigotry which she exhibited in her speech during the last few moments.

Some hon. Members: Hear, hear!

Mr. Orlikow: The position of our party on the question of federalism is clear to every person in Canada. We oppose separatism, we oppose violence under any circumstances. We oppose separatism even when it is put forward by people who may agree with us on certain other matters. I have no use politically or personally for a person like Michel Chartrand, but he has a right to express his point of view as much as I, the hon. member for Louis-Hébert or the hon. member for Saint-Hyacinthe (Mr. Wagner), as long as it is done in a legal way. I want to tell the hon. member for Louis-Hébert that it will be a sad day for this country when, because she or I or the Minister of Justice (Mr. Lang) disagree with Mr. Chartrand, Mr. LaLiberté or Mr. Lévesque, somebody can begin to listen in to their private conversations.

I want to say to the hon. member for Louis-Hébert that the police are not always right. A few weeks ago I finished reading a couple of books dealing with certain incidents in Canadian history. They deal with the general strike which took place in Winnipeg in 1919, and in the course of dealing with that strike one of the books relates what the role of the police was. It was not a very good role for the simple reason that the police believed, as is obvious to anybody who looks at the history of the time and of the strike, that that was an attempt to create a revolution. The police were wrong and they did things which they should not have done. I also read a book which recounted the events surrounding the trek of the unemployed, which began in Vancouver, to Ottawa to make representations to the then Conservative government headed by R. B. Bennett. That book recounts the activities of the police and the RCMP. Again, things were done which should not have been done because the police and the government of the day believed that it was the beginning of a Communist revolution in Canada, which it was not.

Let us look at the province of Quebec. A few years ago there was a strike of the copper workers at Murdochville and the then provincial government of Quebec headed by Mr. Duplessis, who was also the attorney general, used the Quebec police to break that strike. The labour leaders, not just the Quebec labour leaders but the then president of the Canadian Labour Congress, participated in a protest march against the handling of that strike. Let me tell the hon. member for Louis-Hébert—and I wish she would listen for a few moments—that one of the people who participated in that march protesting the actions of the police was a professor at the University of Montreal law school whose name happened to be Pierre Elliott Trudeau. Mr. Trudeau was not saying at that time in the 1960's that because the government of Quebec had said that the strike at Murdochville was illegal, because the police of Quebec were taking violent action to break that strike—

Mr. Caouette (Témiscamingue): The Asbestos strike.

Mr. Orlikow: That is a separate matter and I do not have the time to tell the hon. member for Louis-Hébert about the Asbestos strike and how the present Minister of Transport (Mr. Marchand) was involved in it.

Mrs. Morin: That was 25 years ago.

Mr. Orlikow: That interjection by the hon. member for Louis-Hébert indicates her views on this kind of matter,

her view, I suppose, that because it happened 25 years ago it does not matter. Maybe she thinks that the Minister of Transport would not do in 1973 what he did 25 years ago when he was the leader of CNTU. Maybe she thinks that the Prime Minister of Canada (Mr. Trudeau) would not do in 1973 what he did at the time of the strike at Murdochville. I am not prepared to go along with the supposition of the hon. member for Louis-Hébert. If the Minister of Transport thinks what he did in Asbestos was wrong, and that the police should have had more right to bop him over the head, he ought to come in here and tell us so. And if the Prime Minister thinks that what he did at Murdochville was wrong, he ought to come in here and tell us.

● (1540)

Mr. Prud'homme: It was right then.

Mr. Orlikow: The hon. member says it was right then.

Mr. Prud'homme: And it is still the right thing today.

Mr. Orlikow: The hon. member does not have to tell me that. I agree that it was the right thing then, and it is the right thing now. But the hon. member ought to tell that to the hon. member for Louis-Hébert who said, and I tried to take it down exactly—I am sure she will correct me if I am wrong—that in her view whatever the police want to do in order to protect the public safety or in order to protect the public good is permissible. I want to say that I am not prepared to give anybody the right to do anything he or she wants. I am, however, prepared to let people, including the police, Crown prosecutors, the attorney general and the Minister of Justice (Mr. Lang), do everything which the law permits them to do.

The hon. member for Louis-Hébert gave an account of crimes which have taken place in the province of Quebec. Mr. Speaker, crimes take place in other parts of Canada. Those crimes in Quebec took place when we had no wiretapping laws. Those crimes took place when the police were permitted to wiretap because there was no law. Evidence was presented to the committee that in one year the RCMP were involved in over 600 wiretaps. There is no question that the Quebec Provincial Police and the Ontario Provincial Police are involved in wiretapping. I know that the Ontario Provincial Police have published some figures showing how many times they have been involved in wiretapping. I have no doubt in my mind that municipal police forces, including the city of Montreal police, have been involved in wiretapping. If wiretapping without any kind of controls would prevent crimes, as the hon. member for Louis-Hébert seemed to argue and in fact did argue then why have we had all the crimes? Why have we had all the robberies, the murders and all the rest? If there is organized crime in Montreal, if there is organized murder in Montreal, if there is organized gambling in Montreal, and if wiretapping could have prevented it, why has it not been prevented?

I want to pose a question which the hon. member for Louis-Hébert should think about. Why is it that in Quebec, which has more wiretapping than any other province, where the courts are the toughest in the sentences which they impose on people who are found guilty of murder, bank robberies, and that kind of crime, there is more crime than in other provinces? The law enforcement agencies and the courts have been very tough in Quebec. I suggest to the hon. member that rather than come here and rant about the need for unlimited wiretapping she address herself to the very serious question of why these things are taking place in Quebec more than in other provinces.

Mrs. Morin: The criminals are better organized.

Mr. Orlikow: I suggest to the hon. member that if these things take place in Quebec more than in other provinces, it is not because criminals are better organized but because of the social conditions in Quebec, because of the poverty in Quebec.

Some hon. Members: Oh, oh!

Mr. Orlikow: This is not a criticism, it is a statement of fact. The poverty and social conditions in Quebec have led to that kind of atmosphere.

Mr. Prud'homme: It is because Montreal is a big centre. You cannot have much crime in the rural districts of Saskatchewan.

Mr. Orlikow: Mr. Speaker, I am not raising this point because I am critical of the people of Quebec or the governments of Quebec. I am simply saying to the hon. member that if she is concerned, as she should be, about the matters which she has raised she ought not to bring forth what purports to be a solution but in fact is a red herring. She ought not to bring forth simplistic, and what I consider to be stupid arguments which can have only one effect, to dissuade members like myself, who are inclined to vote for the bill in respect of many of its provisions, from voting for it if we gave her exaggerated arguments the attention she would like us to give them.

Mrs. Morin: I wonder if the hon. member would permit a question?

Mr. Orlikow: Certainly. Go Ahead.

Mrs. Morin: He just mentioned that there were exaggerations in my speech. I would like him to specify what those exaggerations were.

Mr. Orlikow: Mr. Speaker, if the hon. member wants to know what those exaggerations were, I refer her to that part of her speech in which she inferred that the only people who are concerned about the possibility that the police will be given authority which they can misuse, or which they might misuse, are people who are somehow sympathetic to the desires of criminals, or separatists, or revolutionaries, and so on. I suggest to her that the hon. member for Matane (De Bané), and others on the government side who have expressed reservations about the bill, could take the same exception that I have taken to the hon. member's exaggerations.

I want to try to look at this question in a rational, objective way. I admit that for me it is difficult to be objective. As a person who has always been concerned about civil liberties, the easiest thing for me to do would be to vote against the bill because in principle I am opposed to permitting wiretapping in any circumstances. But I am trying to face up to a situation as it exists in the 1970's. I am trying to face up to the fact we do have

increasing sale and distribution of hard drugs, with terrible consequences for young people. I am trying to face up to the fact that we do have organized crime which is involved not only in drug trafficking but in gambling and other serious offences. Although the claims with respect to the number of cases of subversion and espionage are exaggerated one hundredfold, I am trying to face up to the situation in that respect, to see how far I can go, if any distance at all, in voting for a bill which will give the police the right to wiretap under certain conditions because the needs of the people as a whole in certain cases are more important than the right to privacy of individuals.

If the speech by the hon. member for Louis-Hébert were the only one made on behalf of the bill I feel that under no circumstances could I vote for the bill. Yet I am prepared to vote for the bill under certain conditions. What are those conditions? They are that the police can only wiretap given the fact that they know or suspect that certain types of very serious offences are being committed or are likely to be committed. I believe that we have to specify because I think we have to take responsibility for the types of criminal offences on which we would permit wiretapping to take place. Mr. Speaker, I did not hear the interjection of the hon. member just now, but if it had no more validity than her speech or earlier interjections I think I can quite legitimately ignore it.

● (1550)

I do not believe—and it is not because I have anything against the RCMP or the provincial police of Quebec or the city of Winnipeg police or any other police force—that we should give any person an unrestricted right to do anything he wants to do. If we are going to permit wiretapping, and I for one am prepared to accept that wiretapping under very limited conditions is necessary, then I want the police to be required to appear before somebody with responsibility in order to ask for permission. I am not sure whether there are 600 judges as the right hon. member for Prince Albert (Mr. Diefenbaker) said or whether there are 800 as I think the hon. member for Grenville-Carleton (Mr. Baker) said, but surely if there are between 600 and 800 judges in this country it ought not to be too difficult for the police in any area to get permission fairly quickly, on an emergency basis, from one of them. I do not think it is too much to ask of Canadian judges, through the passage of this bill, that maybe once a year one of them would be awakened in the middle of the night to deal with a request for permission from the police to proceed with wiretapping. I do not think that is too serious, Mr. Speaker. I am not enthused, and that is putting it mildly, by any suggestion that the power to grant this permission should be extended, however. I am not enthused with the suggestion that the Attorneys General should have this right.

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member but the 20 minutes allotted to him under the rules of the House have expired. However, he may continue if there is unanimous consent. Is it agreed?

Some hon. Members: Agreed.

Mr. Deputy Speaker: It is agreed.

Mr. Orlikow: Mr. Speaker, as I said a moment ago I am not enthused by the idea that we give that right to the Attorneys General, even though there are now three provincial governments which are NDP and in which there are NDP Attorneys General. I am even less enthused that it be extended to an agent or agents. It seems to me that when we give such people the right to permit the police to wiretap without a hearing, that we are extending the right so broadly that in fact it vitiates the whole purpose of this bill.

I want to conclude by saying one word to the Minister of Justice (Mr. Lang), Mr. Speaker. I want a bill which will prohibit wiretapping by people who are not government officials, that is, police or other Crown officials. I want a bill which will regulate the way in which the law enforcements agents can use wiretapping. I think it is a disgrace that up until now we have not had such a law. I want to tell the minister that I am not prepared to vote for a law which will permit the minister, the Liberal government and the Liberal Party, to tell the people who are concerned about civil liberties that we are fighting for a law which prohibits or regulates or limits wiretapping and, on the other hand, find that the bill has so many exemptions and exceptions that anybody who wants to wiretap can do it. If that is the choice, Mr. Speaker, I, for one, am not prepared to let the minister get the political credit for a bill which in fact does not control wiretapping.

● (1600)

[*Translation*]

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, Bill C-176 concerning wiretaping is very important and serious for all Canadians, whom we must protect in every way we can.

A few minutes ago, I listened carefully to the speech of the hon. member for Louis-Hébert (Mrs. Morin); I congratulate her for such a frank explanation of the situation existing not only in Quebec but also in all other provinces. We know better the Quebec situation than the one in other provinces because Quebec is the province we live in. As to what the member for Louis-Hébert says about subversion in the province of Quebec, it is not partly true, it is perfectly true; besides, she dares calling a spade a spade.

Mr. Speaker, for some people wiretaping is a touchy issue. As for me, I say very frankly that I am not afraid at all of bugging devices. Besides, I think my Parliament office phone has already been bugged. It makes no difference to me that everybody should know that I never intended to overthrow established order or justice by violence or revolution.

Therefore Mr. Speaker, one is much less afraid of bugging devices if he has nothing to fear about his behaviour. That does not mean we recommend the use of bugging devices in all Canadian homes, no, but as far as suspects are concerned, people making divisive statements, wishing to overthrow all that exists in Canada and to break down the system—as we hear them say—I believe that for the protection of people, we should take the necessary action to know where those people are going. We do not want to intercept conversations of honest people, who live normally, but those who want to destroy society, Mr. Speaker. It

seems to me that we should not object to the use of bugging devices.

Reference was made a while ago to organized crime. It does exist. We have proof of that. It exists, not only in Montreal but in Toronto, in Winnipeg and in Vancouver. Yesterday or the day before, I was told that American criminals were already at work in Vancouver, they are firmly established there as the Mafia is in Montreal, or so they say. If some people push drugs, for instance, thus impairing the future of our young people, Mr. Speaker, it seems to me that it is logical for the RCMP to take measures to expose those who want to destroy the foundations of society and family. They do not hesitate to destroy family.

A few moments ago the hon. member for Louis-Hébert mentioned union leaders Chartrand, Laberge, Charbonneau and Pépin. She was right. During the provincial election, where I did not vote Liberal, 102 ridings out of 110 voted for this party. Those people appealed to defeat Mr. Bourassa, to crush the government; they said they were talking on behalf of one million union members. I shall not talk against unions, but against union leaders who think that all union members will follow them in their revolutionary actions; they got a rather bitter answer on October 29 last in the province of Quebec. If they have not understood, and I think they have not yet, the answer will come later. However, those people try by all means to create disorder to serve their own ends.

For instance, Laberge from the FTQ, standing on a car in Montreal in 1971, said to all the people around him: beat policemen, get through the cordons of police, do not give a dam about the law. Can we call him a man who is respectful of authority? In his capacity as president of the FTQ, he wants to be respected, but let us look at the doings within the union. In the construction area in Montreal, for example, the Laberge boys, his organizers, the bouncers as they are called, received an order to go and break the faces of those who did not want to participate in a strike. What about the freedom for which they say they are fighting? Strikes are held in the name of freedom but those who question a strike are not entitled to that same freedom. Bouncers are hired to go and break their faces, to injure them, to break some of their bones and keep them away from work.

I saw Pepin's CNTU organization at work in the construction dispute in my own area of Rouyn-Noranda and Val d'Or where the guys did not want to participate in a construction strike and reported for work. Those union leaders sent three carloads with six bouncers in each of them from Montreal to Val d'Or and Rouyn to go and break the faces of workers in my area. I am not talking through my hat here. One would be frightened at hearing the members of those organizations.

Mr. Speaker, when the hon. member for Louis-Hébert talked about the presence of FLQ members within the organization of the Parti Québécois she did not say, nor did I, that René Lévesque was an FLQ member. No. I believe René Lévesque is a sensitive man, a man who wants reforms through law and order. But the fact remains that all revolutionnary elements in the province of Quebec were part of the organization of the Parti Québécois. That is not lying, that is telling the truth.

[Mr. Caouette (Témiscamingue).]

Today's paper talks about the arrival in this country of Mrs. Allende. I welcome her, she is a visitor. But let us look at who takes care of it. Let us look at this. I quote from an article by Louis Delorimier:

Big demonstration at the Forum

Who is going to be there? Let us listen:

At the Forum—

—It will be on December 1, I think—

—a public meeting to stress international solidarity and to be attended by the widow of the late president of Chile. In addition of the events in Chile it will be centered on the struggle of the grape pickers in California—

—They have grapes in California, we have cabbage-heads in the province of Quebec—

—represented by trade unionist César Chavez, the struggle of the Greek, of the coffee workers in Angola, and Africa, of the swindled immigrants, of the Portuguese and betrayed Palestinians.

—I should also mention the workers swindled by people like Laberge, Pépin, Chartrand and Charbonneau. They are a bunch of cheats. They lie to the workers, they order strikes because it serves their own interest. It is the workers that pay the price of strikes and not their labour leaders. Then after five or six months of strike they are asked to go back to work while the labour leaders did not lose a day's wage. Family men and women have been obliged to do without essentials to give a decent living to their children. Who cares?

Mr. Peter Reilly (Ottawa West): What has that got to do with wiretapping?

Mr. Caouette (Témiscamingue): For the hon. member's information it has something to do with wiretapping because they use them to get information about the organization of those people. The hon. member certainly knows that because when he was a newsman he used to eavesdrop. He was a real walking bugging device.

[*English*]

Put it through your hat. The hon. member only has a hat holder; that's all he has.

[*Translation*]

Mr. Raynald Guay (Lévis): That is good.

Mr. Caouette (Témiscamingue): Mr. Speaker, I think it is good and moreover, it is true.

Mr. Speaker, let us see who will be in the Montreal Forum: Marcel Pépin from the CNTU, Louis Laberge from the QFL, Micheline Sicotte from the CEQ; all of them will take the opportunity to praise the merit of their own union. A number of strikers from Firestone Co. Ltd., from Canadian Gypsum Co. Ltd., from Price Brothers Co. Ltd. and from other places will be there. Passing through Ottawa on her way to Montreal, Mrs. Allende will meet the hon. member for York South (Mr. Lewis) and the Prime Minister of Canada, the right hon. Pierre Elliott Trudeau, and in this order: first the leader of the New Democratic Party, second, the Prime Minister of Canada.

Mr. Speaker, I have no objection to Mrs. Allende being welcomed courteously because Canadians are polite people. But why do Pépin, Charbonneau and the others not talk about people expropriated in Cuba by leftists and

communists? Why is it that only communists are always right? When the leaders are communists, they talk about the revolution and when the leaders are from private industry, they talk about reactionary attitude and repression. Then, in the countries where people are fighting for their freedom, they call that a repression.

But, when a government takes over the whole country, they call that a popular revolution for liberation. Let us try to understand something. Let us have a look at the People's Republic of China to see what kind of freedom people have. Let us have a look at the USSR to see what kind of freedom they have. Even scientists are put in prison in Moscow because there is no freedom in that country. If Chartrand, Pépin and Laberge were to act in Cuba as they do in Montreal, they would be sent before the firing squad within 12 hours, everybody knows that. But in this country, they are free to talk. I have no objection to their voicing their opinion. But, Mr. Speaker, those people who call for freedom want to be free to take our freedom from us. You understand what I mean. This is the kind of freedom they want. Once we have lost our freedom, we will be unhappy.

We saw some years ago young students in Czechoslovakia, in Prague, ask for permission to write what they thought. The government said: No. The young people rebelled and they wanted to recover a part of the freedom their parents had abandoned some 30 years earlier. These are the sons of those who made the revolution who ask today for the freedom to write what they want in Czechoslovakia. What was done about it? Russian tanks were sent to crush those who talked about the conquest of freedom.

Mr. Speaker, why does the New Democratic Party always take the defence of communists, socialists, those who reduce the freedom of the worker, of the human being, of industries? We allow them to organize themselves, we have enabled unions to come into existence. Here in Canada, we still have a right to have a different opinion and to tell frankly, bluntly and even stupidly that we do not agree with someone. We have a right to fight. And we would lose this right? They would like to take it from us? If ever people like Messrs. Pépin, Laberge, Chartrand and Charbonneau have the power in a province like Quebec, we could give up our individual freedom as lost. We will no longer have the right to express ourselves freely as we have at present, this sacred right that we wish to preserve and maintain.

Mr. Speaker, once more I will be asked: What has this to do with wiretapping? This has a lot to do. I suggest that these people should be continuously watched. This is why we are surely going to support Bill C-176, because we are neither ashamed nor afraid of our acts, even less afraid to express our views. We will not prevent Mr. Chartrand and others from expressing their views but we will prevent them from organizing indictable offences, killings, like disputes between workmen who are doing the same job. Some people even said that organized crime has infiltrated the QFL. A few politicians said so, and I even think it was Mr. Jérôme Choquette.

Mr. Speaker, we must protect society and in order to trace criminals, even the New Democratic Party agrees that wiretapping must be used. But once they are traced, they are given too much freedom. Yesterday or the day before the Solicitor General was speaking to students at Vanier College. He was referring to the rights of inmates and he admitted that the latter had not enough freedom. Everyday a few of them escape. Two more escaped yesterday from a penitentiary. Others will do the same. He also referred to capital punishment for notorious criminals who are undoubtedly guilty, but who, he said, would not be hanged. The minister said that he blames first prison guards who are too strict. We should be more liberal, more human, more tolerant in other words, to enable inmates to escape. He is now referring to the death penalty. He says: "I have yet to sign the death warrant of a convict. If I had to as he confided to the Vanier College students, I wonder if I could continue as solicitor general. This means that he would resign if he had to sign a death warrant.

[*English*]

Mr. Allmand: On a question of privilege, Mr. Speaker. I stated my position on this question to the House of Commons, and I do not think the newspaper report correctly states what I said yesterday at Vanier College. If the hon. member wants to know my position on this matter I shall be pleased to convey it to him.

Mr. Caouette (Témiscamingue): I take the minister's word. But this appeared in another newspaper this morning, *Le Devoir*. It says:

[*Translation*]

The restoration of a punitive system would be a backward step." This was stated by the solicitor general. Is it not true?

Mr. Allmand: True.

Mr. Caouette (Témiscamingue): Is that right?

Mr. Allmand: Yes.

Mr. Caouette (Témiscamingue): Fine, it is true. In the next column, the following can be read: "An increasing number of abortions are performed in Canada." On the same page, that is on page 7, it says in one column that we must be more lenient for gangsters and prisoners and in the next one: "An increasing number of abortions are performed in Canada." We are increasingly ready to approve that.

Mr. Speaker, this has not much to do with wiretapping, but still then we could probably—

Mr. Prud'homme: Such is not the government's policy.

Mr. Caouette (Témiscamingue): Indeed no. The minister is entitled to his opinions, but I know that some of his Liberal colleagues entirely disagree with him, especially as far as the death penalty and criminals are concerned. In fact, we saw it when a vote was held on the matter.

However, Mr. Speaker, this is all to say that subversive activities exist and must be controlled. Unless one is a revolutionary, one has clearly nothing to fear from wiretapping, the police, or anything else. I have never been roughed up by the police, yet I have met some. If I made

errors, went astray, broke the law, then I would be arrested like anybody else. But we live in a country where people are free, and as long as they respect law and order and justice, there is no reason to fear wiretaps. On the other hand, those that want to overthrow the government by force, by violence, with arms, with bloodshed, those people must be watched closely by the RCMP, by the provincial and municipal police, is short by all those whose duty is to maintain law, order, and peace.

[*English*]

Mr. Peter Reilly (Ottawa West): I notice that the Minister of Justice (Mr. Lang), in whose name this bill stands, was on this side of the House during most of the remarks made by the hon. member for Louis-Hébert (Mrs. Morin) and that during most of the remarks of the hon. member for Témiscamingue (Mr. Caouette) he was out in the lobby. Frankly, with friends like that, I don't blame him one bit for getting out of his seat. The leader of the Creditiste party calls me a journalist who listens at doors. Certainly, I never listened at his door. I doubt very much whether anything of any value would emerge, judging from the remarks the hon. member made this afternoon.

I cannot recall having sat in one place and listened to as big and bubbling a pot of disconnected, irrelevant hysterical hyperbole in all my life since the heyday of Senator McCarthy—and I don't mean Eugene. We have heard speeches this afternoon which have been highly entertaining, I grant you, but they have all had one thing in common, and it is this: they had absolutely nothing to do with the motion before us. We heard from the hon. member for Louis-Hébert an indictment of union leaders and of union members, and of the hon. member for Saint-Hyacinthe (Mr. Wagner) and more of the same from the leader of the Creditiste party. But we have really heard no argument addressed to the amendment which stands in the name of the right hon. member for Prince Albert (Mr. Diefenbaker). No one advanced any reasons why it should not pass. I want to rise to support that amendment and to say that unless it becomes part of the bill I cannot support the bill.

I have profound reservations about this bill, and I am not at all sure that I like it even with the amendment proposed by the right hon. gentleman. I am not a lawyer and I am not qualified to speak on the legal ramifications of the bill, particularly as they apply to evidence in a court of law. But I do know one thing. The right of the individual to his or her privacy, the right of the individual in this society to be protected from the police—and I use those words advisedly—is the most important area in which we can legislate in this parliament. It is for that reason that I have decided to speak on this bill, and it is for that reason that I feel very strongly about the matter at hand.

● (1620)

For the very first time we are granting permission to people to transmit electronically, and to record, the private conversations of other people. In some cases we are going a step further and, for the first time, allowing proceedings thus transmitted and transcribed to be admitted as evidence in a court of law, and allowing secondary evidence that is obtained by virtue of that mechanical transmission to be used as evidence against an accused. That is a very serious step to take.

All of the remarks of the hon. member for Louis-Hébert notwithstanding, this is not a step that we should take lightly. I would prefer a simple one paragraph bill dealing with this whole matter which would provide that it shall be an indictable offence punishable by up to five years in prison for any person to transmit or to record the private conversations of another person or persons without their consent. I think that would be a fine bill, but I know it would not get support from a majority of members in this House. To suggest, as the Minister of Justice (Mr. Lang) has—and this is the heart of the matter that we are discussing here—that there should be a 36-hour more or less free fire zone during which the police, without any kind of authority from a judge, can bug someone's telephone or plant transmitting devices on their person, in their luggage or in their clothing, is to vacate a very important area of his responsibility.

Not only the Royal Canadian Mounted Police are involved in this matter, as we keep hearing. The minister seems to be intent on trying to persuade us that only the RCMP will be using these devices. I suggest to you that we should look at the kind of people who will be using these devices, and using them free from any kind of supervision of a judicial nature if this bill passes without amendment. Not only will there be the provincial police forces of Ontario and Quebec; not only will there be the notorious anti-subversive squad of the Montreal police force, whom I would not trust two feet never mind with a wiretapping device for 36 hours, as would be the case if the bill passes as the minister wants, but there will be a multiplicity of departmental agents who will be running around looking for bugging equipment and for permission to use it.

If history tells us one thing, Mr. Speaker, it is that if you give people a licence to do something they will go ahead and do it just as quickly as they can. We will have people from the income tax branch, the national revenue department, the labour department and all departments under whose jurisdiction lie statutes with any kind of sanctions in them at all in regard to offences wanting to wiretap and bug people's conversations in the interest of preserving the security of the state. I suggest to hon. members that we are embarking upon a very serious step if we allow such people to move one inch without the approval of the last bulwark that we have against the invasion of privacy of the individual, namely the judiciary.

I think it is nonsense to suggest that judges cannot be found. Judges have always been found to sign search warrants. It was not too long ago that a woman arrested for picketing the United States embassy was arraigned in her jail cell. A judge came down from the courts to No. 1 station in his robes and arraigned her right in the jail, and I will have more to say about that to the minister at another time. But judges are available. Judges have always been available and they are paid to be available. I do not believe for one moment that the minister can sell any reasonable person the argument that the police need 36 hours of untrammeled, free fire time to plant these bugs.

The minister says that we must help the police. I do not want to bind the hands of the police, but where do we

draw the line when we help the police? It would help the police, I suppose, if you gave every policeman a *lettre de cachet* so that he could imprison anyone for any reason at all and keep them there for the rest of their lives. If the minister thinks that that is far fetched, let me refer him to an incident which happened well within his lifetime.

The minister says to us that we should trust the Attorneys General. Why should we? What mystical quality have Attorneys General that we should repose our confidence in them? Ten years ago or a little better an Attorney General in the legislature of Ontario seriously presented to that house a bill that would have allowed the police commission to imprison people for the rest of their natural lives if they refused to give evidence, without habeas corpus, without the right to counsel, without even the right to a phone call to their families.

An hon. Member: That was a Tory government.

Mr. Reilly: I do not care who it was, it was a wrong bill. This was an Attorney General and he had to resign. Of course, this "hat holder" here, as the leader of the Creditiste party calls me, had the honour of being able to expose that bill for the rampant invasion of civil liberties that it was. The bill was withdrawn and the Attorney General subsequently resigned, and frankly I am very proud to have had a part to play in that. But there is an Attorney General for you.

It was an Attorney General in the province of Newfoundland who, not too many years ago, wanted to bring in the RCMP as strikebreakers. It was an Attorney General and premier of the province of Quebec, as the hon. member for Winnipeg North (Mr. Orlikow) told us, who brought in the infamous padlock law. Lastly, it was a minister of justice of that government, and a former minister of justice, now Prime Minister (Mr. Trudeau), who suspended the civil liberties of every person in this country three years ago, a very unhappy period in our history. Hundreds of people were thrust into prison in Montreal without right to civil liberty, without the right to call a lawyer, without habeas corpus. They had no rights at all. No charges were laid, no charges were withdrawn. People were released from jail under a cloud, and there is no telling how many careers have been damaged or wrecked because of that careless act. So, we have no cause to trust Attorneys General, and I do not think we have any cause to give untrammeled license to police forces either.

Let me give the Minister of Justice another example of a case in which the RCMP almost ruined a man's career, doubtless with the aid of wiretapping. This was at a time when I was with the Canadian Broadcasting Corporation and was the volunteer and unpaid president of one of those "vile, disgusting international trade unions" that so offend the hon. member for Louis-Hébert and her spiritual colleague in the Creditiste party. One of my associates in the city of Montreal applied for a job to which he was entitled under the terms of the collective agreement but which the corporation refused to give him. Upon examination I was told in secret by a senior official of the CBC that the reason he was not going to get the job was that the RCMP had informed the CBC that he was a security risk. Moreover, if I even told him the real reason, then I would be prosecuted under the Official Secrets Act.

I am pleased to say that I did tell him. I went straight to the hon. member for York South (Mr. Lewis) who was our lawyer. We went to arbitration and the arbitration board went to the then minister of justice, the Hon. Davie Fulton. He appointed a judicial inquiry which found that there was no colour of right at all for the RCMP to have branded this man a security risk. Yet unless this kind of vigorous action on his behalf had been taken, this man's career would have been frozen at a very junior level, and he was a married man with children. The RCMP, this famous agency that the minister wants to let loose with wiretapping equipment for 36 hours at a crack without judicial approval, this finest police force in Canada, made a grievous mistake that very nearly ruined the life of one man and his family, and I dare say this has been repeated many, many times. Certainly it has been repeated at other levels and by various police forces in this country. Certainly, the hon. member for Louis-Hébert and her spiritual leader are not the only ones who would move against organized crime. Many people have suggested how badly we need a policy in respect of wiretapping. As I have said before, what this represents is provision to police forces of a *lettre de cachet*. With this power the police force will not have to bug anyone. If they suspect someone they can put him in the clink until he confesses.

• (1630)

I have had some experience with organized crime. I lived in Montreal for a couple of years during which time I was employed by one of those international labour unions, and I happened to begin by organizing the wrong group of hacks. One night on the way home a long, high-powered, low-slung, black car pulled up alongside. Three men jumped out and beat me within an inch of my life. They told me before they left precisely why they had done it. My leader found out they were operating on a contract from a Mafia person in Montreal who is well-known to my grinning colleagues over there. If someone offered me the chance to have these men apprehended and sent to jail by means of an illegal or unauthorized wiretap, although I bear the scars of the encounter with me to this very day, I would still say "no". I would rather that these men go free, and I mean this, than to have the privacy of individual liberties in Canada interfered with by the police or anybody else.

Let me return to the subject matter at hand. We are discussing whether the bill should be amended to provide that at no time should the police or any other agency be able to interfere with, intercept, transmit or record the private conversation of an individual without the approval of a judge. I suggest to you that I have demonstrated here cases in which both the police and politicians, be they Attorneys General or not, have proven massively fallible, and we have one bulwark in this country against abuse by police power, and that is the judiciary. In my experience this is a fairly reliable bulwark. I think the voluntary giving to police forces a hunting licence to snoop and to pry into people's conversations, and later use that evidence in court, is to limit our civil liberties to an unacceptable extent. I urge all hon. members to vote for the amendment proposed by the right hon. member for Prince Albert.

Protection of Privacy

Mr. Terry O'Connor (Halton): Mr. Speaker, the subject before the House is one of essential and fundamental importance to all Canadians. It is one which has become associated, both symbolically and in actuality, with the freedom of each individual to be left alone. Privacy at the option of the individual must be protected, as it is one of the essential personal rights of a free and democratic society. This premise is recognized by most members of this House, with the one or two notable exceptions we have heard from this afternoon, and also by a large majority of Canadians. It is, therefore, astonishing to the general public to learn that it is only now, in 1973, decades after the capability to eavesdrop by electronic methods became possible, that we are finally taking steps to control its use. That the potential, and in some cases the actual abuse of such gadgetry, has been allowed to exist unchecked and uncontrolled for so long is a sad commentary on past parliaments and past ministers of justice.

One of the subjects under discussion in this bill which interests me the most is what has become known as "the indirect evidence principle". This concerns whether evidence resulting from an illegal wiretap as opposed to the tape or the transcript of the tape itself may be used in evidence against an accused at a trial. The minister, having had this right deleted by the Committee on Justice and Legal Affairs, has made vigorous efforts to persuade public opinion that indirect evidence should be admissible in spite of the illegality of the wiretap. The minister has been singularly unsuccessful in his attempts to change public opinion. A cursory examination of editorial and other comment, including letters to the editor and so forth, from across the country has been almost uniformly against such attempts. The minister has even been criticized for attempting to reverse the will of this committee which proposed the amendment unsatisfactorily to him.

I suggest it is somewhat unfair to criticize the minister at this stage of the proceedings. Surely, each of the parliamentary steps toward final enactment has a substantive purpose and can be used by any member of this House to make what changes he deems necessary. If any single stage is merely a rubberstamp of initial stages, then we are wasting our time and such a step should be eliminated. Nor can I agree with the somewhat alarmist view of the Montreal *Gazette* which headlined its lead editorial last Thursday with the words "Lang Must Be Stoped". I suggest the minister is not a mad scientist out to destroy the world with his amendment. I feel, rather, that he probably falls into the category of ministers described by the hon. member for Verdun (Mr. Mackasey) on television last week when he referred to some ministers as being under the control of their senior officials.

As to the substantive aspects of his position in respect of this amendment, I suggest he is dead wrong. He will not have my support nor, I hope, the support of the majority of the members of this House. The assumption has generally been that the rule permitting indirect evidence would apply only to the police: That is, the police only may make use of the exceptions to the general prohibition in the statute against wiretapping. As the hon. member for Ottawa West (Mr. Reilly) pointed out, a closer examination of the wording of the statute would indicate this is not the case.

[Mr. Reilly.]

The bill permits applications for electronic surveillance permits to be made by peace officers and public officers. Under the Interpretation Act "public officer" includes:

—any person in the public service of Canada

(i) who is authorized by or under an enactment to do or enforce the doing of an act or thing or to exercise a power, or

(ii) upon whom a duty is imposed by or under an enactment;

By giving the very broad meaning enunciated by this Interpretation Act to the words "public officer" we can see that they could include customs and excise tax officers, enforcement people, income tax investigators, and even prison guards or game wardens. Those are all people who, under the broad definition of the section, should be included as "public officers". Thus, with this extremely wide variety of persons permitted under the statute to avail themselves of the permits, providing they make the appropriate application through an agent or the Attorney General, it is encumbent upon us to devise rules and strictures which are onerous and which provide every protection to the indivual from the abuse of the exemption allowed under this bill.

● (1640)

It has been said that in Canada we enjoy outstanding police forces which would be little inclined to disobey the law and that there would be little to fear from abuse of the indirect evidence privilege if the minister's amendment were to carry. Police forces and other public officers are, for the most part, no doubt well-intentioned public servants. Thus, I would suggest that if this is the case they would have no hesitation whatsoever in accepting an amendment which does nothing more than require them to follow a simple procedure designed to guarantee protection of the civil rights of each and every Canadian. This simple procedure involves making an application through one of the many agents, which the Attorney General or the Minister of Justice will be able to appoint, who in turn will sign the application so that it may be taken before a judge ex parte. Then, upon completion of a simple affidavit, the elements of which are clearly set out in the statute, the public officer or peace officer will be granted the permission to wiretap within the restrictions of the order set out by the court.

I suggest that this procedure could be carried out quickly with a minimum of red tape and a minimum of delay. The attitude and actions of the minister and others against the elimination of the provision permitting indirect evidence from an illegal tap makes me, and I believe many others, suspicious because we feel the incidence of illegal taps will be high. If this were not the case, they would see no substantial hindrance to justice in requiring this simple procedure to be followed. Proponents of the use of indirect evidence cite the recent Ansano case in Toronto where the electronic eavesdropping devices led to the conviction of a group of heroin importers. They cite this case as though it would not have been solved if the amendments before the House were, in fact the law. This is a lot of nonsense. The police had more than sufficient time to apply for the necessary authorization had this step been required by law. Having done so, the full evidence, both direct and indirect, resulting from the use of these

bugs, would have been equally admissible had this bill with the indirect amendment been the law.

Why the great outcry at ensuring that police and others must obey the law? To leave the fine and/or jail sentence as the only deterrent is no assurance. Who will investigate and charge the police? The police? The same practice that has developed with statements will develop with electronic eavesdropping devices. As those of us who are lawyers involved in defence work will know, as often as not a statement is disallowed at the *voir dire*, but the accused is convicted nevertheless on evidence turned up by the police after the so-called confession has been extracted from him by one means or another. The argument has been made that to automatically exclude indirect evidence from an illegal wiretap would serve to hamper and handcuff police investigations of serious crimes, again as though there need be some trade-off between the protection of civil rights and the vigorous investigation and enforcement of the law by police agencies. I think this is a point that the hon. member for Louis-Hébert attempted to make. I think she missed the point entirely. I think her argument perhaps was well refuted by the hon. member for Winnipeg North (Mr. Orlikow) when he referred to it as a red herring.

The exclusion of indirect evidence would not hamper any honest and hard working police officer or force acting in good faith. Such officers and forces would regularly adhere to the law in obtaining the necessary authorizations and permits prior to carrying out any electronic surveillance. The real benefit derived is the protection of each and every one of us from overzealous police officers and other public servants who would know that to obtain any information, other than with proper authority, would be a fruitless task. Clearly there does not necessarily exist a trade-off between civil rights and law enforcement, as the investigative powers of the law enforcement agencies can be maintained but under authority and with permission. The greater good to society would be to ensure the protection of the individual's right to privacy rather than open the door to abuse by allowing indirect evidence to be admissible. Members of this House and this parliament have the opportunity to substantially improve the quality of criminal justice in this country. This House should take this opportunity by rejecting the minister's indirect evidence amendment and by allowing the amendment that was passed by the Committee on Justice and Legal Affairs to stand as it is.

Mr. Lang: On a point of order, Mr. Speaker, may I say that there have been some informal discussions and there might be agreement to stand motion No. 3, because some further discussions are taking place. Perhaps we could consider the group of amendments standing in the name of the hon. member for New Westminster (Mr. Leggatt) with which we had begun to deal previously.

Mr. Fairweather: Mr. Speaker, I am glad to agree on behalf of our party. Discussions are taking place and I hope we can arrange an accommodation.

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

Mr. Gilbert: No, Mr. Speaker. I was about to participate in the debate.

Mr. Deputy Speaker: Then, the Chair will call upon the hon. member for Broadview.

Mr. John Gilbert (Broadview): Mr. Speaker, my comments in respect of this amendment will be very brief. I think the amendment was fully explained when it was presented by the right hon. member for Prince Albert (Mr. Diefenbaker). It was attacked by the Minister of Justice (Mr. Lang). My comments are prompted because of the speech this afternoon by the hon. member for Louis-Hébert (Mrs. Morin). The hon. member for New Westminster (Mr. Leggatt) set forth our position in regards to this particular amendment on second reading. I happen to set forth the position of the New Democratic Party with regard to our support for the principle of this bill. I said we supported the bill in principle and that we would try to obtain amendments in committee that would further strengthen it. We did that. We are now at the report stage and the hon. member for Prince Albert is bringing forward another amendment which he thinks will further strengthen the bill. But even after having said we would support the bill, after hearing the speech of the hon. member for Louis-Hébert and the speech of the Leader of the Social Credit Party I am almost inclined to say that we will not support the principle of the bill.

Were it not for members such as the hon. member for Windsor-Walkerville (Mr. MacGuigan) and the hon. member for Matane (Mr. De Bané) who gave some really accurate assessments of the principles of this bill, I would strongly recommend to my colleagues that we not support the bill. When I heard the hon. member for Louis-Hébert speak I thought she was announcing principles which would be applicable to a totalitarian country. When she attacked the hon. member for Saint-Hyacinthe (Mr. Wagner), she failed to mention that the hon. member for Saint-Hyacinthe was present at those committee hearings. He heard Ramsey Clark speak, and I think he has changed his position. I am rather proud of the hon. member for Saint-Hyacinthe for having changed his position. His change of position was brought about by the tremendous experience in Quebec, and especially the recent experience there.

● (1650)

One can never be proud of some of the activities of the metropolitan police in Montreal with regard to wiretaps. Most of the wiretaps that they have used would be illegal under the present bill. They would not only put wiretaps on a person who is about to commit an indictable offence but also in certain places. In other words, if a fellow with a criminal career frequents a place where criminals hang about, the police would seek permission to wiretap that place. In fact, it would be just a mere fishing expedition for evidence in which they would be participating. I was rather ashamed of the performance of the Montreal police when they gave their evidence.

The evidence of the RCMP was rather terrifying when you realize the number of wiretaps they use, the number of charges they lay and the number of convictions they obtain. Also, the record of the Toronto police is not a

proud record. They were fishing and they were obtaining evidence against people in a way that should not have been allowed. When I heard the Leader of the Social Credit Party say, righteously and proudly, that he has been wiretapped and that it does not make any difference to him, my reaction was that if it does not make any difference to him it certainly makes a great deal of difference to me. To think that a member of parliament would be tapped and would be proud of it is just outrageous.

Some hon. Members: Hear, hear!

Mr. Gilbert: It strikes at the dignity of members of parliament. I am inclined to think that ever since he took that trip to Taiwan and spoke to Chiang Kai-Shek his thinking has been totally led astray. This puts him on a par with the hon. member for Louis-Hébert.

Mr. Prud'homme: She has not gone there yet.

Mr. Gilbert: I think the amendment set forth by the right hon. member for Prince Albert is one with which the majority of hon. members agree because of the experiences they have had with the police. I thought the hon. member for Ottawa West (Mr. Reilly) put on the record examples of some of the actions of Attorneys General and the police of which we should all be reminded. We are put in the position of having to protect the freedom of the public. This amendment goes a long way toward protecting the freedom of the individual and his right to privacy. The Minister of Justice in his speech bore heavily on the question of fear, the possibility that certain nefarious conduct might take place on the weekend and that the police would be left without any tools or techniques with which to apprehend the individual.

Again, I would remind hon. members of the study of Mr. Schwartz on behalf of the American Civil Liberties Association which showed that in the last three years there had been one bugging device installed by federal police in connection with a kidnapping case, none for homicide or espionage, and that over 90 per cent of such devices had been used for gambling operations. That makes a big impression on me. I do not like the attitude of the minister who attempts to place fear in the hearts of members that they will not help law enforcement officers if they do not accept his line and reject the amendment of the right hon. member. I am inclined to think that what we need is a minister who has confidence in members of the House. When we bring forth amendments, I think he must treat them with the respect that they command. The basis for these amendments that have been brought forth is the experience that some of us have had in the practice of law and in other fields. Under no circumstances could I support the position of the minister when he appeals to the fear of members. Therefore, I repeat that the hon. member for New Westminster has set forth our position and we will support the amendment put forward by the right hon. member for Prince Albert.

Mr. Deputy Speaker: Is it agreed that we stand motion No. 3 and proceed to the five motions in the name of the hon. member for New Westminster?

Some hon. Members: Agreed.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: Order. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Brandon-Souris (Mr. Dinsdale)—Health—Availability of Drug Isoprenaline, without prescription; the hon. member for Burnaby-Seymour (Mr. Nelson)—External Affairs—Famine in Ethiopia—Direct assistance by Canada.

GOVERNMENT ORDERS

[*English*]

PROTECTION OF PRIVACY BILL

CREATION OF OFFENCES RELATED TO INTERCEPTION OF PRIVATE COMMUNICATIONS BY CERTAIN DEVICES

The House resumed consideration of Bill C-176, to amend the Criminal Code, the Crown Liability Act and the Official Secrets Act, as reported (with amendments) from the Standing Committee on Justice and Legal Affairs.

Mr. Deputy Speaker: Before calling on the Parliamentary Secretary to the Minister of Justice (Mr. Guay) to complete his remarks, may I point out that when he last had the floor motions Nos. 5 and others were being considered.

[*Translation*]

Mr. Raynald Guay (Parliamentary Secretary to Minister of Justice): Mr. Speaker, once again I have the honour to resume the speech on the protection of privacy bill which I started a few days ago in this House and, as I said earlier, I believe like many others in this House that we should come to a conclusion as soon as possible concerning the bill and the amendments.

Today I listened to the speeches made by hon. members on both sides of the House. There is a lot of talk about the abuses that are, have been or will be committed. I would like to say before the House that if we want these abuses to end, we must pass legislation. I find it somewhat abnormal that for the third time in as many years we should be debating this bill on wiretapping.

In 1970, we were unable to continue the debate. In June 1972, when an election was announced, we were unable to go on. And now for about eight months, we have debated this bill which I think is essential if we want to give our police forces the tools that they require.

There is a lot of talk about privacy, but too often law and order are forgotten. When we see what is happening in today's society, we should realize that there is an urgent need for legislation which will allow us to live more peacefully. Too often, we hear that this legislation will

allow police officers to use wiretapping devices. I would say this legislation does not allow policemen to wiretap, but rather it forbids any use of such devices except when police work is concerned and in clearly defined circumstances. In other words, the policeman or agent who will apply for a permit to wiretap will have to prove to a Superior Court judge that they have tried every other means at their disposal. They will also have to specify the type of offence they want to investigate through listening to other citizens, be they members of crime syndicates, drug dealers or ordinary criminals not associated with any organization. So I think this is really a way of giving Canada instruments which, of course, might not be perfect.

● (1700)

As I said several times already, the hon. member for Saint-Hyacinthe (Mr. Wagner), the hon. member for Lotbinière (Mr. Fortin), the hon. member for Scarborough West (Mr. Harney) and myself have discussed this point recently. It seems to me that everyone agrees on the principle that there is a need to pass such a legislation.

I am asking all hon. members today what they are waiting for to legislate on this matter and to enact rules and standards that will allow police officers to use wiretapping to insure the order we all want and need in our country. What do we want? We want a legislation strict enough, yet flexible enough to enable us to protect the privacy of the individual while insuring a minimum security for our society.

If I had to give a title to this bill, it might be a double title: Protection of Privacy and Canadian Security Requirements Act. After several committee meetings, the minister himself agreed to amend the bill in a sense because we said that we were living in a democratic society. We have put this bill forward without taking the very rigid position that we would not accept any amendment.

I think the bill before the House for discussion at the report stage is precisely a proof of co-operation on the part of the government and we would expect the same attitude from the three opposition parties. I see three former Attorneys General among the Progressive Conservatives. They remind us at every opportunity that they have been Attorney General or minister of justice in their province. I wonder what they are doing here. They always tell us they did so much in their province and settled so many problems.

I ask them what tax, law or penal reform they carried out when they were themselves attorney generals or ministers of justice. The hon. member for St. Hyacinthe is always prepared to suggest major law reforms. I can well remember the time when he was minister of justice in Quebec. I am not asking him to answer for his mandate. What did he do to improve the legislation within his department? What did he do in the field of law or penal reform? This is what I am asking him. Today not only he has changed party but he has also changed his mind. I think he has too much on his mind today. All he can suggest when very important questions are being discussed in this House are inquiries.

Once again, during the oral question period this afternoon, inquiries have been suggested in the field of oil, justice and penal institutions. Inquiries are constantly being suggested. As for me, I do not want to live in the past. We know that we have been elected by the people. We were elected by responsible citizens and we should know their problems. It is up to us to tackle those problems together in order to solve them. We do not have to find out what went wrong in the past but to try to say what we shall do all together so that things will be better in the future, how to deal with the problems and what instrument should be given police officers to enable them to establish the order we need within society, whether at the municipal, provincial or national level.

Such is the electoral mandate we were given by the people. I cannot see why we have discussed such an important issue during three years when all members seem to agree at least on the principle of this bill. Should we have to give our opinion, let us do so in the House, let us put an end to long speeches and let us vote on those amendments because the people gave us a mandate. It is up to us to fulfil that obligation because we will have to account for it if we have not carried it out in the most efficient way so as to provide protection not only for the individual but for society as a whole.

[*English*]

Mr. John Gilbert (Broadview): Mr. Speaker, the hon. member for New Westminster (Mr. Leggatt) set forth his position with regard to the amendments we are now discussing. It is what is known in our caucus as the purist position, but I must say that his views are not shared by all members of the caucus. This does not mean that his views are wrong. It may be that they are too far advanced. I think I can set fourth the view of the majority of the members of our caucus. We feel that we need legislation making it illegal to wiretap, but that an exception or exceptions should be made. We set forth this view in our speeches on second reading, and we strove to make amendments to strengthen the bill in committee.

The majority of our members feel that because of prevailing conditions we should give police the authorization to wiretap in specific cases. As I understand the amendments of the hon. member for New Westminster, he would establish the simple principle that there shall be no wiretapping, and rest his case there. When I heard the views set forth by the former U.S. Attorney General, Mr. Ramsey Clark, I was almost persuaded to accept that position. He had a very strong case to make. Mr. Speaker, you will note that I am having difficulty choosing my words probably because philosophically I agree with the amendments, but from a practical standpoint I think it would be difficult to adopt that position at this time.

● (1710)

I would hope that after three to five years or maybe less, we could come back and make the amendments suggested by the hon. member for New Westminster. At this time I think we have to proceed with the principles set forth in the bill, hoping to strengthen them along the way. This means that I am almost accepting the right of the police to wiretap with regard to serious offences. Mr. Speaker, I must admit that probably this is the position I am taking

at this stage but I would say that it is not a fixed position that will last for some time. I hope that we would get to the purist position as quickly as possible. I think that if we do adopt the principles of this bill, this will not give the police the opportunity to engage in massive or numerous wiretaps. I think that the police have within their power the techniques of combatting crime without the use of wiretaps and I would hope that such devices would be used only as a last resort.

The minister has pointed out that the basis for an authorization on an application to the judge is that other investigative measures have failed. When I think of the inefficiency of wiretapping, the possible corruption of wiretapping, the corrosiveness of wiretapping, I am very hesitant to give the police too much power. I would hope that we could have a police force within Canada which would use the ordinary techniques of investigation, which would be paid the highest possible salaries and which would perform with the highest possible efficiency. If they are going to rely on wiretapping as the main instrument for police investigative work, I have certain fears that those goals will not be achieved.

We in the New Democratic Party are prepared to accept the principle at this stage and to give the police the right to wiretap in certain circumstances but I am sure that we reserve the right in years to come to try to attain the position that the hon. member for New Westminster is asking for today. Therefore, speaking on behalf of the majority of members of our caucus, we will support the principle of the bill and reject the amendments set forth by the hon. member for New Westminster.

Mr. Ron Atkey (St. Paul's): Mr. Speaker, dealing with the group of amendments put forward by the hon. member for New Westminster (Mr. Leggatt), may I say on behalf of our party that we, too, find ourselves unable to agree with the rather courageous and forward-looking approach which he is attempting to take. In the extensive evidence that was laid before the Standing Committee on Justice and Legal Affairs at the hearings throughout June and July, I was surprised at the way in which the various police forces of this country came forward and honestly and openly disclosed the extent to which they had in the past engaged in electronic surveillance of various sorts. I was particularly impressed with the candor shown by the RCMP, and with the Solicitor General (Mr. Allmand), in revealing the extent of surveillance in both criminal opertions and security service operations which I believe heretofore had always remained a matter not for public consumption but a part of the internal intelligence or documentation of the Solicitor General's department.

I might say that I was also impressed with the open stance taken by the Montreal urban community police and their counsel, Mr. Jacques Dagenais, who did come forward and disclose the extent to which they relied on electronic surveillance and the methods used. While I certainly would not want to agree with some of their submissions on the form which the legislation before us should take, I think they are to be congratulated for their public spirit in coming forward and indicating what they had done and what they would like to do in the interests of law enforcement in the future.

[Mr. Gilbert.]

I was only disappointed that other police forces did not come forward in the standing committee of the previous parliament or of this parliament with the same sort of candor, forthrightness and openness that these two police forces did. In particular, I refer to the other large Canadian city, the police force of the Municipality of Metropolitan Toronto. It did not see fit to come forward during the last parliament with the sort of candor for which one would hope. Indeed, it took some considerable effort on the part of the chairman, and other members of the committee in the last parliament, to extract from the chief of police of metropolitan Toronto the sort of information which committee members thought was necessary to reach the sort of decisions that they eventually reached.

Having said that, Mr. Speaker, I think there is enough evidence on record to show that the police forces of this country at all three levels, federal, municipal and provincial, require electronic surveillance as a means of law enforcement but under very controlled situations. Most of the argument in committee really concerned the nature, scope and extent of the control, but what has been termed the purist view, that we should not have any wiretapping at all legally authorized in this country, was clearly a minority position.

The position that I took, and my party took, in favouring controlled wiretapping by the police in certain circumstances was based not only on the evidence placed before us that this was indeed an effective means of law enforcement, but it was based on the practical realization that we legislators might set up a strict prohibition, a strict barrier to utilization of what otherwise might be seen as a necessary device in many ways. We may set up a system which would lead to flouting the law, bypassing the law, by those who, in the pursuit of their duties, may sometimes see a violation of the law as justifiable to achieve their ends; that is the apprehension and conviction of those engaged in criminal activity. It would be a sorry day in this country if we were to set up a law which might force law enforcement officers, and others in this country, to pursue a course of action which would in effect be a violation of the law.

Having said all that, Mr. Speaker, I do want to pay tribute to the courage of the hon. member for New Westminster who has put forward, so articulately, the purist view. I wish we lived in a society in which his view was the prevailing one. If we did, I might be one of the first to jump on board in support of his position. Indeed, if the situation which is contemplated in this legislation of controlled wiretapping by the police does not work out, if there are overzealous uses of wiretapping, overzealous authorizations by judges, overzealous applications granted by Attorneys General or their agents or Solicitors General and their agents and there is a compelling public outcry, which I think would ensue in this country which is always conscious of individual and fundamental freedom, then it may be that in five years time or eight years time we will move closer to the purer position advocated by the hon. member. In the event that there is the sort of abuse which I have suggested, which I hope will not occur, then I will be with him in support of the purer position.

● (1720)

I respectfully suggest, in view of evidence that the Solicitor General (Mr. Allmand), the RCMP and Montreal police have placed before us, there is need for controlled and limited wiretapping in this country. Therefore my party and I are in the position of having to oppose the grouping of amendments as put forward by the hon. member. That does not in any way detract from the position we have taken on other amendments before the House or on amendments which have yet to be debated. There are important principles relating to the nature, scope and extent of control which must be considered. I would not want my remarks today to be construed in any way as a diminution of or withdrawal from earlier positions taken, positions which were forcefully put by some colleagues.

Mr. Speaker: Is the House ready for the question on the motions now before the House?

Some hon. Members: Agreed.

Mr. Speaker: The question is on Motion No. 5, standing in the name of the hon. member for New Westminster (Mr. Leggatt). All those in favour will please say, yea.

Some hon. Members: Yea.

Mr. Speaker: All those opposed will please say, nay.

Some hon. Members: Nay.

Mr. Speaker: In my opinion the nays have it. I declare the motion negatived on division.

Motion No. 5 (Mr. Leggatt) negatived.

Mr. Speaker: The question is on Motion No. 6, standing in the name of the hon. member for New Westminster (Mr. Leggatt). All those in favour will please say, yea.

An hon. Member: Yea.

Mr. Speaker: All those opposed will please say, nay.

Some hon. Members: Nay.

Mr. Speaker: In my opinion the nays have it. I declare the motion lost on division.

Motion No. 6 (Mr. Leggatt) negatived.

Mr. Speaker: The question is on Motion No. 9, in the name of the hon. member for New Westminster (Mr. Leggatt). All those in favour will please say, yea.

An hon. Member: Yea.

Mr. Speaker: All those opposed will please say, nay.

Some hon. Members: Nay.

Mr. Speaker: In my opinion the nays have it. I declare the motion lost on division.

Motion No. 9 (Mr. Leggatt) negatived.

Mr. Speaker: The question is on Motion No. 10, in the name of the hon. member for New Westminster (Mr. Leggatt). All those in favour will please say, yea.

An hon. Member: Yea.

Mr. Speaker: All those opposed will please say, nay.

Some hon. Members: Nay.

Mr. Speaker: I declare the motion lost on division.

Motion No. 10 (Mr. Leggatt) negatived.

Mr. Speaker: The question is on Motion No. 14, in the name of the hon. member for New Westminster (Mr. Leggatt). Those in favour will please say, yea.

An hon. Member: Yea.

Mr. Speaker: Those opposed will please say, nay.

Some hon. Members: Nay.

Mr. Speaker: I declare the motion lost on division.

Motion No. 14 (Mr. Leggatt) negatived.

Mr. Speaker: The question is on Motion No. 15, in the name of the hon. member for New Westminster (Mr. Leggatt). Those in favour will please say, yea.

An hon. Member: Yea.

Mr. Speaker: Those opposed will please say, nay.

Some hon. Members: Nay.

Mr. Speaker: I declare the motion lost on division.

Motion No. 15 (Mr. Leggatt) negatived.

Mr. Speaker: The question is on Motion No. 21, in the name of the hon. member for New Westminster (Mr. Leggatt). Those in favour will please say, yea.

An hon. Member: Yea.

Mr. Speaker: Those opposed will please say, nay.

Some hon. Members: Nay.

Mr. Speaker: In my opinion the nays have it. I declare the motion lost on division.

Motion No. 21 (Mr. Leggatt) negatived.

Mr. Speaker: I believe the House is now to return to consideration of motion No. 2 in the name of the hon. member for St. Paul's (Mr. Atkey).

Mr. Lang: On a point of order, Mr. Speaker, I think there is some disposition to continue standing motions Nos. 2 and 3 and consider motion No. 7 standing in my name.

Some hon. Members: Agreed.

Protection of Privacy

Hon. Otto E. Lang (Minister of Justice) moved:

No. 7

That Bill C-176, An Act to amend the Criminal Code, the Crown Liability Act and the Official Secrets Act, be amended by striking out:

(*a*) line 46 at page 4 and substituting the following:

"unlikely to succeed; and"

(*b*) line 5 at page 5 and substituting the following:

"cedures."

(*c*) lines 6 to 8 at page 5.

He said: Mr. Speaker, this is a fairly simple amendment which has the effect, notwithstanding the language of the technical amendment, of removing subparagraph (d) of subsection (1) of section 178.13. Subparagraph (d) referred to is to be found between lines 6 and 8 inclusive on page 5 of the bill. It may not be desirable to repeat any aspect of the definition of offence as lawyers, in looking at the legislation later, may be misled into thinking that the definition of offence, as it will be in the bill proper, is somehow affected by this particular clause, or that the requirement in the application is somehow affected. I therefore ask hon. members for their support in removing this particular part of the clause.

Mr. Ron Atkey (St Paul's): Mr. Speaker, speaking on behalf of my party, I say that we will accept this as a necessary amendment, as it clears up an ambiguity in the bill. The minister rightly pointed out that the definition of the word "offence" is the subject matter with which motion No. 2, which has been allowed to stand, is concerned. If both definitions were left in the bill, the result could be confusion.

When the committee considered the matter, it was felt that the term "offence" could be defined as any indictable offence. Since then we have moved to other ground. Therefore, speaking on behalf of my party, I can say that we accept the minister's amendment.

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, I associate myself with the remarks made by the previous speaker. This is a necessary tidying up amendment and I do not think it is necessary to speak on it at length.

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

Some hon. Members: Agreed.

Motion No. 7 (Mr. Lang) agreed to.

Mr. Speaker: Does the House wish to proceed with Motion No. 8, standing in the name of the hon. member for New Westminster?

Some hon. Members: Agreed.

Mr. Stuart Leggatt (New Westminster) moved:

No. 8.

That Bill C-176, An Act to amend the Criminal Code, the Crown Liability Act and the Official Secrets Act, be amended in Clause 2 by deleting the words "or an agent specially designated in writing for the purposes of section 178.12 by the Solicitor General of Canada or the Attorney General, as the case may be" in lines 43 to 46 at page 5 and line 1 at page 6.

[Mr. Lang.]

Mr. Lang: On a point of order, Mr. Speaker, I wonder if the hon. member would agree to moving two other motions standing in his name. They might be considered all at the same time, as the same principle is involved in each one.

Mr. Leggatt: Yes, Mr. Speaker. Perhaps I could also move motions Nos. 17 and 18, which seem to make up the package. I wonder if, for purposes of debate, we could agree that these motions could be grouped as part of a package to be debated.

Some hon. Members: Agreed.

Mr. Speaker: Is it agreed that motions Nos. 8, 17 and 18 will be grouped and put to the House for purposes of debate as one unit?

Some hon. Members: Agreed.

Mr. Leggatt moved:

No. 17

That Bill C-176, An Act to amend the Criminal Code, the Crown Liability Act and the Official Secrets Act, he amended in Clause 2 by deleting the words "and agents to be named in the report who were specially designated in writing by him for the purposes of section 178.2" in lines 5 to 9 at page 15 and the words "or by agents to be named in the report who were specially designated in writing by him for the purpose of that section," in lines 11 to 14 at page 15.

No. 18

That Bill C-176, An Act to amend the Criminal Code, the Crown Liability Act and the Official Secrets Act, be amended in Clause 2 by deleting the words "or by agents specially designated in writing by him for the purposes of that section," in lines 30 to 32 at page 18.

He said: Mr. Speaker, in order to clarify the purpose of the amendment I ought to read the clause as printed, and then refer to the proposed amendment. Clause 178.12 is concerned with the application to a judge for permission to wiretap. The first part of clause 178.12 reads:

An application for an authorization shall be made *ex parte* and in writing to a judge of a superior court of criminal jurisdiction, or a judge as defined in section 482 and shall be signed by the Attorney General of the Province in which the application is made or the Solicitor General of Canada or an agent specially designated in writing for the purposes of this section by . . .

Before the bill went to committee, the word "agent" alone was used. The hon. member for St. Paul's (Mr. Atkey) succeeded with an amendment which designated the agent and restricted to some extent the number of people in this country who would be authorized to permit this kind of invasion of privacy.

● (1730)

I am still not satisfied that the bill contains sufficient restrictions. Let me explain why. It is entirely feasible, under the present wording, that every sergeant of police in the country, every corporal, could be designated. In fact, it is possible to designate every peace officer as long as he is named, and the names are not hard to come by. It may be thought I am taking this to ridiculous limits, but let me remind hon. members that the purpose of the bill is to restrict unnecessary surveillance of the public by the police.

We still come back to the morality of wiretapping. The bill still provides that the Solicitor General or the Attor-

neys General of the provinces can designate anyone they care to choose as their agents and that these persons then have authority to commence the process of wiretapping; they have authority to issue permits without the approval of a court, under the emergency provisions. We have just been debating the question whether or not they should avoid the judicial process. If we recall the statistics quoted earlier, the evidence was that the RCMP initiated 663 wiretaps in the year 1972-73. Consider the number of conversations overheard on those wiretaps; they must have run into the hundreds of thousands. Now consider that under the bill as it stands there is no real restriction on the number of people who can initiate these kinds of proceedings. I suggest that by leaving in the bill the provision to which I have called attention, we invite the consequences that all of us fear, namely, that we shall move closer to a police state, as was ably advocated this afternoon by the hon. lady from Louis-Hébert (Mrs. Morin).

I do not think it is proper that we should pass legislation which places no limit upon the number of people who can initiate this kind of proceeding. While we may have confidence in the Minister of Justice, the Solicitor General and in the various Attorneys General—after all, three of them are NDP Attorneys General—expanding the capacity to initiate wiretapping as is being done in this section simply opens the door to further abuse.

I said that theoretically every peace officer in the country could be specially designated. Indeed, the agent need not be a peace officer; he or she could be anyone an Attorney General might think to be an appropriate person. The other day the Minister of Justice (Mr. Lang) suggested we should take another look at the bill before us because, he said, it was a very good bill and one which really did safeguard privacy. I did so, but I kept finding other provisions which suggest that rather than safeguarding privacy, it is basically an open cheque to the police to engage in as much surveillance as they deem necessary. In almost every circumstance mentioned in the bill one can think of ways in which the restrictions contained in it could be overcome.

Consider the information which must be supplied to a judge before authority is granted. Assume an agent, having been given authority, goes to a judge. If he knows who the person is, he must divulge this information. If he does not, he must divulge the place he intends to wiretap. If he does not know the place, then at least he has to tell the judge what means he intends to use in order to wiretap. This affords very little protection to the public since it is entirely feasible that the police might suspect that tenants in a certain apartment block were engaged, say, in drug trafficking, in which case they might tap or bug the whole apartment block.

I am bound to revert to the position I have already taken. When you open this door you have opened a Pandora's box, and it cannot be closed again despite all the tinkering that may be done, all the amendments that may be adopted. In our heart of hearts we know that wiretapping is an immoral act and, as such, it is an act in which we do not want the police to participate. As the hon. member for Louis-Hébert would have it, we should let the police do anything they like as long as they catch criminals. In those circumstances I suggest there would soon be many more criminals for the police to catch, because people would lose respect for the means by which the law is enforced. That kind of society is not one in which I think most of us in this House would wish to live. What the hon. lady said, really, was this: We have to fight fire with fire. If criminals have the means, then we must have the means. If criminals kill, then we had better kill.

Mr. Speaker, we have been trying to get out of the mire of that kind of criminal society for the last thousand years, and if we follow the logic of the hon. member we shall go back to that mire. It is the first rule of society that there be respect for law and order. But it must be the kind of law and the kind of order that merits respect: and when you get involved in wiretapping you are engaged in an immoral activity which none of us respect.

It is not good enough for a person to say, "I have nothing to hide and therefore I do not mind being under surveillance." That is straight from George Orwell's "1984". It reflects the madness that enters society when everyone's activity is constantly under surveillance and the privacy of the individual is lost. Freedom of speech is lost. It is lost because of self-censorship. It is lost because if you get on a telephone and think your words are being overheard, you will be less inclined to say what you think.

Consent to wiretapping is one of the most insidious things which can be foisted on a population. It is insidious because it grows imperceptibly. Surely we in this House should, above all, be concerned about respect for the individual and his rights within a free society. If all this is to be thrown away on the ground that we are protecting people from criminals, it will not really be worth living in society because all that will emerge is a totalitarian state.

Directing my attention, now, to the specific amendments which have been proposed, I think it is important to restrict the number of people who can initiate this wire tapping procedure. To do so is to say to the people of Canada, "We respect your privacy and we want you to enjoy the protection which we believe any civilized society should afford to its citizens." But that does not only mean protection from criminals; it means protection from government, or it might also mean protection from multinational corporations who wish to spy on their employees.

I know the hon. member for Louis-Hébert feels strongly about this. I hope she will look at the other side, because there is another side. I hope she will look at the other side in the way the hon. member for Saint-Hyacinthe (Mr. Wagner) did, who took time to examine all the evidence. On balance, I think she will rethink her position. I know she is not a person of such firm and fixed ideas that she is not interested in listening to others, because she spends so much time in the House.

• (1740)

I urge the House to endorse this package of amendments because I think it says something to the people of Canada. We do not wish to have any abuse of wiretapping law, and this is one of the ways we have of saying that.

Mr. Speaker: The hon. member for St. Paul's (Mr. Atkey).

Protection of Privacy

Mr. Ron Atkey (St. Paul's): Mr. Speaker, I do not speak with the—

[*Translation*]

Mr. Guay (Lévis): On a point of order, Mr. Speaker.

Mr. Speaker: The Parliamentary Secretary to the Minister of Justice rises on a point of order.

Mr. Guay (Lévis): Mr. Speaker, with respect to the statement made by the hon. member for New Westminster (Mr. Leggatt) I would like to point out that if the hon. member for Saint-Hyacinthe has changed his mind so often it might well be because of that. He should look at the climate that exists in the province of Quebec; he would realize that only two Tory members were elected there.

Mr. Speaker: Order. The hon. member knows as well as I do that this is not a point of order. The hon. member will be given a chance to participate in the debate and the Chair will give him an opportunity to make his speech after the hon. member for St. Paul's (Mr. Atkey) has completed his.

[*English*]

Mr. Atkey: Mr. Speaker—

Mr. Speaker: Order, please. I apologize to the hon. member for St. Paul's. The hon. member for New Westminster (Mr. Leggatt) is rising on the point of order raised by the hon. member for Lévis (Mr. Guay).

Mr. Leggatt: Mr. Speaker, on the particular point of order just raised, I think the hon. member should consider that if political consideration is his chief concern in the way he is treating this bill, then I can understand some of the speeches we are hearing from the other side of the House.

Mr. Paproski: Right on. Shame!

Mr. Atkey: Mr. Speaker, in addressing myself to the three amendments which have been proposed in the name of the hon. member for New Westminster (Mr. Leggatt), I might say that this is one of the issues which before the standing committee did not have the vigorous and detailed debate which might have been useful to all hon. members, not only in the committee but in the House, in approaching the matter now before us. The right hon. member for Prince Albert (Mr. Diefenbaker), when dealing with motion No. 3, expressed considerable concern about the term "agent" and the use of that term with very few, if any, restrictions, particularly any use of the term that might allow emergency permits under section 178.15.

By restricting the application to the Solicitor General or the Attorney General, without permitting them to authorize any agents at all, would be virtually to paralyse the law enforcement agencies in their use of electronic surveillance as a legitimate means of law enforcement, except in large cities where the Attorney General or Solicitor General might reside or would be available.

This has caused me some concern, but I am also concerned by the lack of restriction and the lack of definition of the term "agent". It is for that reason that I moved a motion in committee, which was accepted, to the effect that the agents be specifically named in the annual reports of the Attorney General and Solicitor General. I appreciate that this is a minimal protection at best and it is protection that comes after the event; in other words, it comes after many applications for authorization have been sought.

Nevertheless, in speaking only for myself, my inclination is to let the sections stand as they are now, subject to any further comment that the Minister of Justice (Mr. Lang) might have on the proposed amendments put forward by the hon. member for New Westminster. I think this is one area where the opposition at both federal and provincial levels, as well as the press in doing their duty, may scrutinize the annual reports of the Attorney General and Solicitor General to see that there are not abuses here, that there are not an undue number of agents named, or that there are not persons named as agents who lack the sort of competence, responsibility and quality that we would all agree should reside in a person exercising powers under this important but somewhat dangerous legislation.

So without wanting to be definitive or completely unequivocal on the matter, my inclination would be to let the legislation stand in its present form and to try out this "agent" provision, with a very strong injunction to the Attorney General and Solicitor General that they take great care and exercise caution in regard to the number and competence of the individuals they choose to name as agents.

Certainly I think there would have to be some regional considerations here. Again I refer to my home province of Ontario where I think it would be quite reasonable to suggest that there be an agent in western Ontario, certainly one in northern Ontario, one in eastern Ontario, and of course the Attorney General himself usually resides in Toronto which is the seat of the provincial government. I am sure that similar arrangements could be worked out for the other provinces.

I would be opposed to, and appalled by, any suggestion that all chiefs of police or all police officers, or indeed all justices of the peace, should be named agents. I think that would go beyond the spirit and the intendment of this particular piece of legislation in its present form. Again, I rest my case until I hear the comments of the Minister of Justice.

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, I very much appreciate the words of the hon. member for St. Paul's (Mr. Atkey) who has indicated the difficulties that would be involved with the amendments proposed by the hon. member for New Westminster (Mr. Leggatt). Let me first of all say how much I share the view of the hon. member for St. Paul's. The responsibility of a Solicitor General or Attorney General should, in my view, certainly be exercised carefully in regard to the manner of designation, and the practices that are followed by the very best of police forces and police units ought to be followed and be generalized in the way in which very careful use is made of the power to designate.

As has been said by the hon. member, the bill does require very special designation of such persons by the

Attorney General or Solicitor General. This is a requirement that gives that flexibility to the Attorney General or Solicitor General to appoint the person who is most likely capable of exercising judgment and also to be in place in order to carry out this function. The problem of leaving the matter to the Solicitor General or Attorney General is, or course, a very serious one in terms of this availability at a certain point in time or at a certain place, and therefore one to be avoided.

Everyone who looks at this act should recognize the very important protections that are built in, in an attempt to assure that the very best kind of conduct does accompany the use of this rather special device, one which is intended to be used only when other devices are not going to succeed in regard to persons involved in serious crime. The reporting provisions are of extreme importance. The reports generally required would include the names of the persons who have been authorized, so that there will be an opportunity to scrutinize the conduct of Attorneys General and Solicitors General in the appointing and designating of these persons.

● (1750)

The reports, in addition, are designed to be very complete in the information they give about the way in which an application was made, whether an application was granted, whether there were renewals and the number of persons identified in an authorization in respect of whom proceedings were commenced. This is the kind of information required in the reports which are to be made annually by the Solicitor General and by Attorneys General put before this House and made a matter of public record. Some of the Attorneys General of the provinces may feel there is a legitimate question as to whether parliament ought to impose upon them this kind of obligation to report in what is essentially a political way. I think it is essential and is the right of parliament to do this because, after all, it is this parliament that has the obligation to make laws which protect our citizens.

As a result of the Criminal Code and long tradition in this country, the provincial Attorney General is the officer charged with carrying out the law enacted by this parliament. It does seem to me, in looking at this power to obtain authorization to use an electronic device to intercept a communication, that we have quite properly looked at the question involving the kind of report to be made by provincial Attorneys General. In making those reports public and available to members of parliament, I think it follows that in order to do our job properly we must examine the reports.

The political processes of the provinces should aid us, as well, in that the members of the opposition there will ordinarily be zealous in pointing out any misuse or abuse in the manner in which the Attorney General of a province carries out his obligation. We, as the makers of law in this parliament, continue to have the right and the duty to examine these reports from the provincial Attorneys General. We also have the obligation to examine the reports so as to determine whether the Attorneys General properly carry out their function; and we should have the right to make changes if we find these officers are not operating in an appropriate manner. After all, that is our obligation and our function.

The reporting provision is one I rely upon as being very necessary in this statute. Here again, this is important as a controlling device in respect of naming the agents who can make application to an Attorney General. The Attorneys General will have to focus very carefully on this question, and I am sure the suggestion of the hon. member for St. Paul's was made in this vein. What he is suggesting is that this should be done. I am sure he has reference to the discretion which is commonly applied to these matters by the very best police forces. We on our part will be charged with the obligation of seeing that Attorneys General throughout this country do in fact apply the kind of standard which should be applied in respect of police units throughout this country. I refer to the high quality of standard that can be found among many police units now in existence in our country.

Therefore, I hope hon. members will oppose this amendment proposed by the hon. member for New Westminster in order that the operational possibilities of using electronic intrusion when really needed in order to detect serious crime and enforce the law can, in fact, be a workable procedure.

Mr. Terry Grier (Toronto-Lakeshore): Mr. Speaker, in rising to support the amendment put forward by my colleague, the hon. member for New Westminster (Mr. Leggatt), I should perhaps say by way of preface that I am not a lawyer and I have no experience in the administration of the law. I am inclined to feel that this matter should not be left exclusively to the advice of lawyers, so I want to add a layman's point of view.

My position is simply that, rather than starting off by permitting a fairly wide use of the principle of agency, it would seem to make more sense to be more cautious by starting off with a limitation as suggested by the hon. member's amendment. If after a period of time it becomes evident that the provisions set out in the hon. member's amendment are not sufficient to meet the problems toward which this act is directed, surely that is the time to broaden the use of the principle of agency.

I am perhaps not so sure as the hon. member for St. Paul's (Mr. Atkey) that the spirit of the law will be observed if the letter of the law does not make the spirit explicit. Therefore, I believe there is good reason for arguing that the use of the principle of agency should be restricted to those persons designated in my colleague's amendment. If, after experience of a year or two, it seems clear that this is an unworkable restriction, then perhaps the doctrine of agency can be expanded further. Therefore, I believe that the spirit of the law as enunciated by the hon. member for St. Paul's should be made explicit in the letter of the law.

I should like to add one additional comment in respect of the argument put forward by the hon. member for New Westminster when he addressed himself to the principle of this legislation. I do not agree entirely with him that the use of wiretapping under certain circumstances is in itself immoral. I believe that the state has rights, just as an individual has rights, and there are certain circumstances under which the state may apply those rights. This bill sets forth one of those circumstances.

I suggest there is great merit in the suggestion that we should proceed cautiously and conservatively in respect of this matter of individual rights. I hope hon. members will forgive me as a member of the NDP for making the suggestion, in respect of privacy, that the state's rights can be expanded if necessary. Here I refer directly to the use of a number of agents. It is much easier to expand legislation which starts off by being narrow than it is to narrow legislation that starts off by being too wide.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

Mr. John Gilbert (Broadview): Mr. Speaker, I rise in support of motion No. 8 submitted by the hon. member for New Westminster (Mr. Leggatt). In substance, the effect of the amendment would be to delete the words "or an agent specially designated in writing", referring to section 178.12 of Bill C-176.

I think the hon. member for St. Paul's (Mr. Atkey), the minister, and the mover of the motion, set forth the history of what has happened in respect of this particular section and these words in the original bill. The minister used the word "agent", and at the committee stage the hon. member for St. Paul's, in order to make it more precise and to impose greater responsibility on the minister, introduced an amendment so that it would read "an agent specially designated in writing". The minister this afternoon, in speaking in support of the hon. member for St. Paul's, indicated that the reporting provisions of the legislation gave all the protection that was required with regard to this section.

I disagree with the argument advanced by the minister. The reason my colleague from New Westminster moved the amendment was to impose the full responsibility on the Minister of Justice, the Solicitor General or the Attorneys General of the provinces. This should not place any great restriction or any great additional burden on the job. When one reflects on what has happened in Canada with regard to wiretapping in the last few years, one wonders who gave the authority to wiretap. Certainly it could not have been the Attorney General, the Minister of Justice or the Solicitor General. In all probability the authority came from the local police. We have seen the widespread use of wiretapping that has prevailed in the large Canadian cities, more especially Montreal and Toronto.

If we reflect for a moment and try to understand what has happened in the United States, it might be helpful to note that in the United States, in order for a wiretap to be permitted the authorization must be signed by the Attorney General. The reason is that in the final analysis the Attorney General must be held responsible for the issuance of the wiretap authorization. It is rather interesting to remember that J. Edgar Hoover would not act in respect of a wiretap unless the authorization was signed by an Attorney General, because he realized that ultimately the responsibility would have to fall on someone and if he signed the authorization for the wiretap he would be held primarily responsible. Therefore J. Edgar Hoover, being a very cautious person, imposed the final responsibility on the Attorney General.

I think that is where the responsibility lies. I cannot see how any burden is involved when an application is made for authorization to wiretap, if the minister is required to review the application which can then be set in motion for authorization by a judge. When I think of men like J. Edgar Hoover having wiretaps on men like Martin Luther King, I realize just how necessary it is to impose responsibility in this respect. Martin Luther King was wiretapped in the United States. Here we would have a situation, if we agree with the wording of the minister, as amended by the hon. member for St. Paul's, in which a person who is an agent specially designated in writing can act without the knowledge of the minister.

I can foresee the minister being placed in a position where it would be very awkward for him. He could raise the standard excuse that he did not know that an authorization had been given in the particular circumstances. We in this party would not want to see the minister placed in that position, because we feel he should have full responsibility in respect of the right to apply for authorization to wiretap.

This afternoon the minister was very vague about the type of person who would be specially designated in writing for the purpose of this section. Had he given a more complete explanation he would have said which persons could be designated. He might have said, for instance, that he would designate the deputy attorney general and leave it at that, because the deputy attorney general, the deputy minister of justice and the deputy solicitor general work very closely with the Minister of Justice and the Solicitor General, and so on. However, he did not say that. He left it very vague and did not answer the question. I have a fear that the persons he would designate would be persons such as the chiefs of police in Toronto, Vancouver, Montreal, and so on—those in the big cities. As my friend, the hon. member for Winnipeg North (Mr. Orlikow) says, it could even be a Crown prosecutor.

● (2010)

This takes away from the sense of responsibility which we think should rest with the Minister of Justice (Mr. Lang) or the Solicitor General (Mr. Allmand). Therefore, the amendment presented by my colleague, the hon. member for New Westminster (Mr. Leggatt), makes sense. It gives protection to all Canadians and ensures that this provision with regard to the authorization of wiretapping will not be abused.

Again I repeat that the Minister of Justice should never place himself in a position where he can say, "I did not issue it. The person that I designated issued it, and possibly in the circumstances I would not have issued it". I think he should be placed in the same position as that of the attorneys general in the United States, that when an authorization for a wiretap is issued, the Attorney General takes the full blame.

I hope the hon. member for St. Paul's will see the wisdom of this amendment because even though he is trying to tighten the amendment by using the words "agents specially designated" he is really not getting to

the crux of the matter. He thinks that the reporting requirement in the bill will solve his problems, and his anxieties will be answered—but that is not so.

We have seen various Ministers of Justice over the years. Since 1965 I have seen at least three or four. In Ontario I have seen various Ministers of Justice and Attorneys General; they have all had different attitudes with regard to problems like these. I, for one, am chary with regard to giving them too much power and at the same time an excuse with regard to this important section of the bill. Therefore, I urge the hon. member for St. Paul's and his colleagues to support this amendment which will strengthen the bill, avoid abuses that may take place, and make this far better legislation for the protection of all Canadians.

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Speaker, I would like to say a few words on Bill C-176 and more specifically on amendments Nos. 8, 17 and 18 aimed at replacing the word "agent" in clause 178.12.

We all know that this clause deals with applications for authorization. While speaking recently on this legislation I have stated my concern, which is shared by many other hon. members, about the political pressures which might be exerted when a wire-tapping application is made.

While generally supporting this bill as well as the principle of wiretapping, since this is one way among others to fight organized crime, it remains that Parliament should ensure that the political power will not exert direct pressures for political purposes as far as wiretapping is concerned. This is how I conceive clause 178.12 since the Solicitor General (Mr. Allmand) is ultimately responsible for empowering someone to authorize wiretapping.

I would like to make a few brief remarks. I will join the excellent remarks of the hon. member for Louis-Hébert (Mrs. Morin) who stated this afternoon that we should obviously give all possible facilities to our law enforcement officers to fight organized crime efficiently. Moreover, I am sure the hon. member for Louis-Hébert will also agree that this must not be done for the benefit of particular political interests but to protect society as a whole. Here is what concerns me; subclause (*a*) reads and I quote:

(*a*) the Solicitor General of Canada personally, if the offence under investigation is one in respect of which proceedings, if any, may be instituted at the instance of the Government of Canada and conducted by or on behalf of the Attorney General of Canada, or

Then it goes on describing circumstances requiring that it be accompanied by:

an affidavit which may be sworn on the information and belief of a peace officer or public officer deposing to the following matters, namely:

Mr. Speaker, what has me worried is the too direct intervention of the political power in the judiciary power. Perhaps some of my colleagues of the other parties will not share my point of view, but experience to date has shown that the judiciary and political powers are too often related. Finally, the population can rightfully ask what is the real distinction between the judiciary, legislative and executive powers.

Mr. Speaker, it seems to me that specific procedures must be found to enable the judiciary to act by itself so that it can be dissociated from the political power. This is why I welcome with interest the proposed amendments. I for one intend to support them since the bill offers no such assurances.

[*English*]

The Acting Speaker (Mr. Boulanger): Is the House ready for the question?

Mr. Leggatt: Mr. Speaker, I circulated through the usual channels the proposal, on which I think there is general agreement, that we defer the vote on this motion to the time when votes are taken at a later date.

The Acting Speaker (Mr. Boulanger): I understand that, but I still have to put the question.

Mr. Lang: It is agreeable, Mr. Speaker, if we can now agree that the debate on this matter is concluded and the question will be put at a later date which will be arranged by agreement. This will avoid having a division now.

Mr. Atkey: Mr. Speaker, I rise on a point of order. Speaking for the official opposition, let me say that this is in accordance with my understanding of the arrangement, namely, that the vote will be deferred until a later time which is to be agreed.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, we do not mind this arrangement—in fact, under certain circumstances it would be welcome—but we would be willing to regard the debate on this motion as concluded. We could order the vote, but have it deferred.

[*Translation*]

Mr. André Fortin (Lotbinière): On behalf of the fourth party but not the least in importance, I wish to say that it is not against the proposal and we hope that this debate will end as soon as possible.

[*English*]

The Acting Speaker (Mr. Boulanger): Order, please. The question is on motions Nos. 8, 17 and 18. All those in favour will please say yea.

● (2020)

Some hon. Members: Yea.

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

Some hon. Members: Nay.

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

And more than five members having risen:

The Acting Speaker (Mr. Boulanger): Pursuant to Standing Order 75(11), the recorded division on the proposed motions stands deferred. I will now have to ask the minister where we go from here.

Mr. Lang: Mr. Speaker, I suggest we go quickly to motion No. 11 standing in my name, and thereafter to motion No. 13 standing in my name.

The Acting Speaker (Mr. Boulanger): Is this agreed?

Some hon. Members: Agreed.

[*Translation*]

Hon. Otto E. Lang (Minister of Justice) moved:

That Bill C-176, An Act to amend the Criminal Code, the Crown Liability Act and the Official Secrets Act, be amended by striking out:

(*a*) lines 8 to 44 at page 7 and substituting the following:

178.15 (1) Where the Attorney General of a province or the Solicitor General of Canada or an agent specially designated in writing for the purposes of this section by the Attorney General of a province or the Solicitor General of Canada is satisfied that circumstances exist that would justify the giving of an authorization for the interception of private communications but the urgency of the situation requires that interceptions commence before an authorization could, with reasonable diligence, be obtained, he may, on such terms and conditions, if any, as he considers advisable, give a permit for the interception of private communications between persons, at a place and in a manner designated by him in the permit.

(2) Where a permit for the interception of private communications is given under subsection (1), the person giving it shall, in every case, forthwith report thereon with full particulars to the Attorney General by whom he was designated for the purposes of this section or to the Solicitor General of Canada, as the case may be, who shall thereupon

(*a*) direct that an application for an authorization to intercept private communications in the circumstances to which the permit relates be made,

(*b*) direct that an application for approval of the permit be made, or

(*c*) revoke the permit or confirm any prior revocation thereof by the person who gave the permit."

(*b*) lines 14 to 39 at page 8 and substituting the following:

(4) An application for approval of a permit for the interception of private communications shall be made *ex parte* and in writing to a judge of a superior court of criminal jurisdiction or a judge as defined in section 482 and shall be signed by an agent who would have been entitled to apply for an authorization to intercept private communications in the circumstances to which the permit relates; and such approval may be given if the judge to whom the application is made is satisfied that, at the time the permit was given, circumstances existed that would have justified the giving of an authorization to intercept private communications in the circumstances to which the permit relates and that the urgency of the situation required that interceptions commence before an authorization could, with reasonable diligence, have been obtained."

[*English*]

He said: Mr. Speaker, this is simply an amendment to correct the bill along the lines of the intention of the committee. The report came forward with a change which was not considered to be in accordance with the over-all approach and the report of the committee. This is a motion accordingly to correct it, and I commend it to the House.

Mr. Atkey: Mr. Speaker, I wish to concur with the Minister of Justice (Mr. Lang). We have examined this amending motion. We believe it to be necessitated by a clerical error in the reporting back of the bill from the committee. I think the amendment accurately reflects the intention of the committee, at least to the best of my recollection. Therefore, I would support it.

[The Acting Speaker (Mr. Boulanger).]

Mr. Leggatt: On a point of clarification, we are dealing with amendment No. 11 at this time?

Mr. Lang: Yes.

Mr. Leggatt: Since this party has moved to strike out the emergency permit clause, I would point out this is simply an attempt to amend that clause and there does not seem any point in supporting an amendment to a clause that we have moved to delete from the provisions of the bill. We can understand the minister wishing to amend in accordance with the proceedings of the committee, but nevertheless we cannot support the amendment on the basis that we cannot support the clause it seeks to amend.

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Speaker, personally I am strongly opposed to amendment No. 11 before us and to amendment No. 13 for several reasons, including, as I said earlier, the intervention of the political power that can always intervene directly under several pretexts.

The reasons for being authorized to use wiretapping devices are as follows:

178.12 (*c*) the facts relied upon to justify the belief that an authorization should be given . . .

(*d*) the type of private communication proposed to be intercepted;

(*e*) the names and addresses, if known, of all persons, . . . whose private communications . . . are proposed to be intercepted . . .

(*f*) the period for which the authorization is requested; and

(*g*) whether other investigative procedures have been tried . . .

With respect to that under the procedure set out by the original bill the judge must be satisfied that there are no other means available. In making his decision the judge must emphasize the terms with which authorized persons must comply.

The bill also says elsewhere that renewals can be granted by a judge of a Superior Court within a period of 30 days. The same procedure as under clause (4) must be followed.

Mr. Speaker, I fail to find situations so urgent that one judge or another could not be contacted and I fail to see why any minister should have it within his power on the pretence of a so-called emergency to give an authorization to install bugging devices and use them for unknown purposes.

Mr. Speaker, this bill is acceptable and I intend to support it to the extent that I am protected against the possible use by the political power. And I think that if the House agrees to that amendment that means that the House is going against the spirit of this bill which is to protect society and individuals while at the same time giving increased efficiency to justice. Thus it continues to do what has been done in the past, that is allowing the political power to intervene as it wishes according to circumstances in the administration of justice.

Mr. Speaker, in introducing this amendment the minister admits that on certain occasions it is impossible to contact a judge of the Superior Court or any other person. Then let him appoint more judges or take the necessary means so the judicial power can meet the demand, instead

of himself giving that authorization on the pretence of an emergency.

On that point I would like to recall that at the time of the so-called emergency during the October crisis, never in this House did any party actually prove there was a state of emergency. We were told that the country was in great danger, but, Mr. Speaker, the government has played at politics as if it were a ping pong game, when under the cover of urgency, a minister or attorney general will grant a permit to use such devices, what powers will Parliament, which has the power to pass this act, have to ask the minister to explain this urgency? That is another weakness of this amendment, Mr. Speaker, and this is why I shall use all my strength to fight against it so that the judicial power instead of the political power be respected in the administration of justice.

[*English*]

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, further to the remarks of my colleague from New Westminster (Mr. Leggatt), may I simply point out that if motion No. 3 in the name of the right hon. member for Prince Albert (Mr. Diefenbaker) is carried, then of course amending motion No. 11 will be functus. But in the meantime we are opposed to it.

The Acting Speaker (Mr. Boulanger): Is the House ready for the question?

Some hon. Members: Question.

Mr. Atkey: On a point of order, Mr. Speaker, and further to the matter raised by the hon. member for Winnipeg North Centre (Mr. Knowles), I think it should be made perfectly clear that this in effect is simply a housekeeping amendment. As the minister well knows, many of us in this party are opposed to the clause and in fact are in favour of the amendment proposed by the right hon. gentleman from Prince Albert (Mr. Diefenbaker). However, if that amendment fails we would prefer to be stuck with the draft now proposed by the minister, which is correcting a clerical error made in reporting back from the committee.

The Acting Speaker (Mr. Boulanger): All those in favour of the said motion will please say yea.

Some hon. Members: Yea.

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

Some hon. Members: Nay.

The Acting Speaker (Mr. Boulanger): In my opinion the yeas have it.

And more than five members having risen:

The Acting Speaker (Mr. Boulanger): Pursuant to Standing Order 75(11), the recorded division on the proposed motion stands deferred. We will now deal with No. 13.

Hon. Otto E. Lang (Minister of Justice) moved:

Protection of Privacy

No. 13. That Bill C-176, an act to amend the Criminal Code, the Crown Liability Act and the Official Secrets Act, be amended by

(*a*) adding immediately after line 29 at page 9 the following:

"Judge may rule evidence admissible

(2) Where in any proceedings the judge is of the opinion that any private communication or any other evidence that is inadmissible pursuant to subsection (1) is relevant and that to exclude it as evidence may result in justice not being done in the matter to which the proceedings relate, he may notwithstanding subsection (1), admit such private communication or evidence as evidence in such proceedings."

(*b*) by striking out line 30 at page 9 and substituting the following:

"Application to Subsection (1)

(3) Subsection (1) applies to all"—

He said: Mr. Speaker, this amendment which I propose is designed to assure that if credible and relevant evidence is available in the case of a crime being tried in the courts, it can be brought before the courts and weighed by the courts in the determination of the result in that situation. In the course of deliberating upon the question of privacy, a committee of the House of Commons some years ago began examining the question of whether or not in any circumstances evidence ought to be excluded when it is associated with an invasion of privacy, which is being made illegal, essentially, in a criminal way for the first time by this bill. The question was therefore discussed in the committee at the initial stages when the subject matter was before it, in the committee of the last session and again in this session.

● (2030)

The government, in examining the report of the committee in 1969, agreed to go so far as to include the provision in the bill that the actual private communication itself, if intercepted, should not be used later as evidence in a proceeding if it had been intercepted in an unlawful manner. We did that with the view that we could in that way add emphasis to the impact to the importance of privacy, to the value we put upon protecting it. The committee in its deliberations most recently, and in the report which we have before us now, chose to consider and adopt an amendment which would go well beyond that and would exclude indirect evidence which might be obtained as a result of such unlawful interception.

There is no doubt about the good motives of the people involved in that type of proposition, just as there is not in the United States about the rule to exclude evidence obtained in an illegal manner, and generally where in the British tradition it does not exist. The origin of the rule is to add some additional sanction against illegal activity in regard to the evidence being adduced. Even in that regard the rules are unfortunate, because they raise the basic proposition that somehow the police are being rewarded or are profiting from the result of their activity, when it is illegal, if they can bring valid and important evidence before a court in a case which involves something quite different, a serious crime perhaps and someone who stands before the dock of justice accused of that crime. I do not take the view that we should consider it a reward to the

police when evidence is adduced in that fashion. I do, however, share the view that the police ought not to engage in illegal activity in obtaining evidence, in the conduct of obtaining evidence on our behalf in law enforcement. That is why we have placed in this bill a very significant sanction indeed to discourage the police or anyone else from using electronic devices to intrude upon privacy.

The basic provision in the bill makes this a crime with a punishment of up to five years in prison—a punishment which might well be used against anyone who invades, without regard to the rights of an individual, his privacy. That is a significant penalty and the main bulwark of our safety, after this bill becomes law, that our privacy will not be invaded.

Why then, not add the additional sanction of keeping the evidence out? I would ask hon. members to turn their attention to the kind of situation in which we might find ourselves. Let us suppose a person is accused of murder and there is a murder weapon—the most relevant of evidence in relation to that crime—with ballistics matching the bullet which was found in the victim, with fingerprints on the weapon which matched the fingerprints of the accused in the dock. If the law were to stay as it has been reported from the committee, that murder weapon could not be admitted in evidence if it was found as a result of information which in any way came from the use of an illegal electronic intrusion or wiretap. That would be true whether the information which led to the finding of the gun was obtained by the police, which is unlikely, or by a private individual's illegal wiretapping.

We are asked, therefore, to see that a court is denied relevant evidence in a case that may be extremely important to law and order, to the cause of justice in our society, to the cause of deterrence of crime, because of something in the background which led to that evidence being adduced. I do not believe that any policeman will lightly use an electronic device without an authorization as provided by the bill when facing a potential five-year jail sentence which we provide for the illegal use of such devices in the legislation.

Do we want to see a court find a murderer not guilty because a key piece of evidence is kept from that court because of some rule relative to the admissibility of that evidence—not a rule that goes to the basic proposition that that evidence is needed in the court, but which we put in place for quite a different reason? I emphasize, Mr. Speaker, that I am looking particularly at evidence which may be obtained in an indirect fashion. Who knows what "indirect" means? How far "indirect" may we trace? Evidence may be obtained in an indirect fashion as a result of an illegal intrusion by someone in society at large, perhaps a criminal, and yet we would be deprived of that evidence in court because of the illegality of the intrusion which was part of the background facts which led to the finding of the evidence, evidence which is unassailable, which is clear—the gun itself.

I therefore urge hon. members to consider my amendment which proposes that a judge in such a situation may examine the evidence, notwithstanding the fact that there may be a taint of illegality in regard to its source; and when it is relevant and when he believes it is in the interests of justice to do so, he may admit that evidence in the proceedings before him when he is concerned that to exclude it as evidence may result in justice not being done. Surely in those circumstances we ought to want him to be able to admit that evidence in the proceedings before him. Surely we would be doing damage to the whole approach to justice and the approach that people take to justice in our courts if we deprive the court of that evidence in such circumstances.

I have a further concern about a rule that provides for exclusion of evidence that is relevant, and that is the possibility of defence counsel making use of that rule to take a great deal of time in court to determine whether there is anything in the background which suggests that something associated with a taint of illegal wiretapping exists. I am talking about a case in which there is nothing before the court to indicate any wiretapping at all, and evidence is introduced. How will we stop defence counsel in such a case insisting on the right to cross-examine either the witnesses or police at hand, or other police summoned for the purpose to get a full scale of denials that there was any wiretapping in any way, at any time, anyhow, that had any effect on the case?

What if a judge in such a trial said to defense counsel, "I am not going to let you take our time to try to smoke out whether there was any wiretapping"? I am postulating a case in which there is no wiretapping evidence at all, yet the time of the court may be taken up hour after hour because of the insistence of the defence on the right to cross-examine endlessly, because of the rule that evidence, even if associated indirectly with wiretapping, cannot be admitted. Defence counsel would therefore be obligated to see whether there was even any indirect relationship between the evidence before the court and any wiretapping. If the trial judge were to stop him short in that cross-examination—as we know may happen at some time—a court of appeal could well reverse a verdict of guilty in such a case and send the case back on the ground that the trial judge had not allowed sufficient latitude in cross-examination.

● (2040)

In order to discourage illegal wiretapping we have introduced a five-year jail sentence in cases where wiretapping is undertaken illegally.

Mr. Atkey: The sentence will only apply if you catch the offenders.

Mr. Lang: I am sure hon. members do not underrate the ability of defence counsel to cross-examine in an attempt to ascertain if wiretapping was used, even in cases where there is no suggestion of wiretapping having been used. Those who oppose the amendment, I suggest, are showing no concern for the time of the court and the possibility of reversal in cases involving serious charges merely because the trial judge has not permitted counsel to pursue endlessly the quest for something that he has not yet found but which he thinks may be lurking in the background.

Mr. Nielsen: Mr. Speaker, may I ask a question?

Mr. Lang: Not at this point, if the hon. member does not mind. In addition, I wish to suggest one other serious

problem. I point out that relevant evidence ought to be before the court, ought to be admitted, and excluding it does violence to justice. I also point out the procedural problems which arise in connection with this matter as defence counsel will need to examine at length in order to ascertain if there was wiretapping before he can learn if it was done illegally or not.

Another problem was referred to by the committee in 1969. There is the distinct possibility that criminals will place evidence beyond the reach of the court by involving such evidence in an illegal wiretap. The spectre of such an event should cause us to pause, because the cause of justice would not be served and the person who had committed a serious crime might not be brought to justice. In this connection I wish simply to emphasize that there is included in the bill a five-year penalty for wiretapping.

How can anyone argue with the basic proposition put forward in the amendment, which reads:

> Where in any proceedings the judge is of the opinion that any private communication or any other evidence that is inadmissible pursuant to subsection (1) is relevant and that to exclude it as evidence may result in justice not being done in the matter to which the proceedings relate, he may notwithstanding subsection (1), admit such private communication or evidence as evidence in such proceedings.

Ten provincial Attorneys General have joined in the plea that this rule of exclusion which the committee introduced should not be part of our law. Unanimously, the provincial Attorneys General asked that this not be made part of our law. The Attorney General for British Columbia raised in this letter the very question I was discussing a moment ago, to the consternation of the hon. member for Yukon (Mr. Nielsen). He asked, how far must the Crown now prove in each case that none of its evidence was indirectly obtained following an illegal wiretap or, for that matter, how far must it go in every case involving evidence obtained by wiretap? Ten provincial Attorneys General recognize what would happen to the due process of law and to the procedure in our courts under our system of justice if we introduced this exclusion relating to indirect evidence into our jurisprudence at this time.

If I had in other circumstances sought to move forward a provision in our criminal law involving the administration of criminal justice which is in the hands of the provincial Attorneys General, against the wishes of those Attorneys General, without doubt hon. members opposite would have raised a tremendous shout of indignation because the federal government was ignoring the united voices of men charged with certain responsibilities in enforcing the criminal law across the country. Yet they do not do so with regard to the introduction into the Canadian system of law of a rule which has not been all that welcome in the American system.

I wish to refer hon. members to a few words written in the "California Law Review" by Professor D. Barrett of the University of California. He said in part:

> Law enforcement is not a game in which liberty triumphs whenever the policeman is defeated. Liberty demands that both official and private lawlessness shall be curbed. And in any specific instance it is hard to say that, put to the choice between permitting the consummation of the defendant's illegal scheme and the policeman's illegal scheme, the court must of necessity favour the defendant. So to say is to abandon any presumption of official regularity and to assume that the policeman's action always involves a greater social evil than the defendant's. It should be noted that the exclusion of the evidence usually results in the defendant's completely escaping punishment for his act, while the admission of the evidence does not constitute a judicial approval of the officer's conduct, and that officer is still, at least in theory, subject to some form of civil or criminal liability.

And it is more than theory here. The article refers to the obtaining of illegal evidence in the United States. I point out that this bill provides for a penalty of up to five years' imprisonment for the person convicted of illegal wiretapping. The defendant might frequently go free if the rule were to apply. Of course, it might apply rarely. But even in those two or three cases per year, do we really want to allow the person who has engaged in criminal activity, and who may be convicted of a serious crime on the strength of proper evidence put before the court, to go free because certain evidence is excluded?

Mr. Nielsen: But he may be innocent.

Mr. Lang: My hon. friend opposite says he may be innocent. In that case, all relevant evidence should be before the court and his innocence should not be decided on the basis of the absence of relevant evidence which ought to be before the court.

In practice and in fact we know that certain serious crimes are the special object of police electronic intrusion, the importation and handling of drugs being typical examples. Do we really want the person who has imported and trafficked in heroin to escape conviction because of the operation of a technical rule of evidence which is not related to the offence and not related to the issue of innocence or guilt which the court must decide? That is the wrong way to go about this business.

It is important for the courts to have before them relevant evidence. I therefore urge hon. members to forego what seems to be a hardening and partisan approach to what has been a relatively non-partisan analysis of the law. Let them look at the propositions I have put before the House, which have been put before the House and the community by persons more eloquent than me, in defence of the long-standing Canadian and British rule that relevant evidence ought to be before the court.

● (2050)

We ought not to risk a rule which might bog us down in procedural difficulties. We ought not to allow a rule which might keep from a court evidence which is relevant and whose absence might prevent justice from being done. Those are the words of my amendment, and I commend them to hon. members. I earnestly seek their support so that the bill might be the kind of proud thing it ought to be in introducing the prohibition of electronic intrusion, rather than an occasion of procedural difficulty and an occasion of the courts failing to do justice because evidence which should have been before them could not be considered.

Mr. Ron Atkey (St. Paul's): Tonight we have the spectacle of the Minister of Justice (Mr. Lang) coming into this House in an attempt to overthrow a vote of the Standing Committee on Justice and Legal Affairs which was carried by 11 to 5. This was a vote on an amendment, incor-

porated in the bill, which enjoyed support from members of all parties present at the committee proceedings, an amendment about which a number of members from all parties spoke eloquently and, I might say, with much more logic than the minister tonight.

All hon. members should be clear about one thing: if the police obey the law, if they follow the carefully defined procedures in this bill, there will be no problem. The evidence from the wiretap, both direct and indirect, is clearly admissible in any prosecution brought against any person involved in the case on which the Crown is proceeding. Indeed, I would suggest that rather than seeking to take rights away from the police, the bill may be granting them new rights because it can be implied that for the first time the tape itself, provided it is legally obtained, can be admitted directly and played to the court for the judge, and in some cases the jury, to hear. Instead of slowing down the process of justice, this might well expedite it and achieve the goal which all hon. members, including the minister, seek to achieve. I suggest the Minister of Justice is erecting a false and fallacious cloud—

An hon. Member: Why not a red herring?

Mr. Atkey: —when he raises the spectre of lengthy cross-examination of police and prosecution witnesses in an attempt to establish the connection of evidence with alleged wiretapping. What the minister forgot to tell the House is that the only connection in which a defence counsel would be interested is a connection with illegally obtained evidence. For some reason, the Minister of Justice forgot to use the word "illegal", and to my mind this is the word we are concerned about. It is illegally obtained evidence with which this entire debate on motion No. 13 is concerned. I suggest the minister might attempt to keep his logic on a shorter leash.

Mr. Lang: Yours is short enough.

Mr. Atkey: That is an injunction given by a gentleman of whom I am sure the minister is aware—Lon Fuller, the eminent professor of jurisprudence and philosophy at Harvard law school. The minister has suggested that the only sanction we need in order to contain illegal wiretapping, whether by police or private investigators, is the threat of prosecution and a fine or a maximum penalty of five years.

I do not belittle the usefulness of those provisions, but looking at the matter practically I doubt that they will be that useful. I say this, having talked to many people involved in law enforcement, including police officers. For if the police are to be engaged in illegal wiretapping—some have been in the past, and some may be in the future—who is going to catch them? If they have a system worked out within their respective forces, who is going to be there to discover their equipment and lay a charge? If they are caught, it will be by happenstance; and what I fear is that some of the police in this country, unless the bill remains in its present form, will ignore the carefully defined procedures for seeking an authorization. After all, is the risk worth it? If they can use the indirect evidence, albeit from an illegal tap, isn't that really the object of their exercise, particularly if the sanction of a penalty does not really deter as a practical measure?

If hon. members had listened to the evidence placed before the justice committee, and if they had read the evidence given before a committee of the previous parliament, they would be aware how little used those particular provisions will be. A number of arguments were produced before the standing committee to show why illegally obtained evidence, direct and indirect, should be excluded from any court proceedings. I thought one of the most eloquent expositions of that viewpoint was put forward by a Liberal government supporter, the hon. member for Windsor-Walkerville (Mr. MacGuigan) who in my judgment presented the committee with the sort of argument that makes good common sense. He said:

> I would support the substance of what Mr. Atkey is trying to achieve and, subject to further consideration of his wording, I think probably the wording as well.
>
> In looking at the administration of justice we are not concerned only with what happens in a court, where the attempt to decide whether a particular person is guilty or not guilty of an offence with which he is charged is the prime consideration.

Mark these words. The hon. member went on to say:

> But the administration of justice is a broader thing than that. It involves courts but it also involves administration of the law in the narrower sense, that is, what happens with the police forces, what happens with the whole executive arm of governments on the side. Here it seems to me that we have a very important goal of honesty and good faith in the dealings of those who are administering the law.
>
> We are, I suppose, confronted with a fundamental question here. Which kind of failing do we think is worse? Do we think it is worse to let go a criminal who is guilty, or do we think it worse not to take sufficient sanctions against bad faith in the administration of justice? In this fundamental choice I am on the side of those who believe that the worst error a legal system can commit is to allow bad faith in the administration of justice. The one thing above all that the public must feel they can rely on is the good faith of those who administer the law.

Those are wise words. I only regret the hon. member has not been more successful in convincing some of his colleagues, particularly the Minister of Justice (Mr. Lang) of the wisdom of the position he has stated and which I assume he will take in this House. Lest we concern ourselves too much with the more accidental cases of illegal wiretapping, let me refer to some comments made by the Royal Canadian Mounted Police which came to the Standing Committee on Justice and Legal Affairs through the memorandum submitted by the Solicitor General (Mr. Allmand) on June 18, 1973.

● (2100)

The Solicitor General, being very honest and forthright as to the nature of the operations of the RCMP, reviewed the criminal operations and the particular electronic surveillance installations which were in place over the past two years. He pointed out that had the provisions of the present bill before the House been in place in the year 1971-72, almost 30 per cent of the wiretap installations put in place by the government would have been illegal, would have been beyond the scope of this bill. In the subsequent year, of the 663 installations completed, 162 would not have come within the terms of the bill—close to 25 per cent of the government's installations. If that sort of

pattern of installations were to continue, obviously we would have a pattern of illegal wiretaps.

The Minister of Justice indicated that the original bill which came forward represented some form of compromise in regard to the exclusionary rule in that it would have permitted direct evidence to be excluded if it were illegally obtained, but would have allowed indirect evidence. Again I would draw the minister's attention to some practical considerations. Any person who has ever been interested in and made a study of law enforcement knows that it is not the direct evidence that the police would seek to admit in any case; it is the indirect evidence, the leads, the fruits of the poisoned tree, that the police are really interested in. That is what they want, and if they have it, nothing else matters.

Let me draw the minister's attention to the evidence of the chief of police of metropolitan Toronto, speaking on behalf of the Canadian Association of Chiefs of Police. This was evidence before the Standing Committee on Justice and Legal Affairs in the last parliament. The chief of police gave evidence to the effect that in the 155 cases of wiretapping leading to criminal prosecution in the courts in Toronto, in not one instance was the actual intercepted conversation used in prosecutions, only the indirect evidence that was obtained as a result of having received that conversation. So I suggest that without some exclusion of the indirect evidence, the entire evidentiary protection through some form of exclusionary rule is meaningless.

During the last parliament a number of submissions were made on behalf of various groups and individuals on this most important question. We all know that this bill has been before this parliament on three separate occasions. A great deal of evidence has been led and I think we should take great pains to consider the whole of the evidence and not only the most recent. One of the briefs presented to the last parliament was that of the Canadian Civil Liberties Association, and I want to quote from their brief, which was submitted orally and in writing on June 6, 1972. The brief said this, in part:

> One of the encouraging aspects of Bill C-6 is the provision for ruling inadmissible all evidence obtained from unauthorized eavesdropping. Unfortunately, however, the prohibition applies only to the actual communication. Experience reveals that the police resort to electronic surveillance primarily for the leads that it produces. Samuel Dash, a noted U.S. commentator on electronic surveillance—

I note that that is the same Sam Dash who is now counsel to the Senate Watergate inquiry in the United States.

> —has pointed out that wiretapping "is done for the purpose of aiding investigation and never for the purpose of collecting evidence".

Moreover, Mr. Speaker, I would refer to a passage in an article by Professor Stanley Beck of Osgoode Hall law school which appeared in the *Canadian Bar Review* about three years ago. I quote from that article:

> The police would be quite content to have the admission of wiretap ... evidence barred in court ... as long as they were free to use it for investigative purposes. This attitude of the police was confirmed to (the author) in conversations with officials of the metropolitan Toronto police force who described the investigative aspects of electronic surveillance as "something more than snooping and something less than a search for specific evidence under a search warrant".

Then the Civil Liberties Association concludes:

> Thus the mere exclusion of the taboo conversation will not constitute a sufficient deterrent to the practice of unauthorized surveillance. We know also that victimized citizens are generally reluctant to take action against improper police conduct. In order, therefore, to provide a more effective deterrent, we respectfully submit that the fruits of unlawful eavesdropping also be rendered inadmissible as evidence.

Finally I would refer to comments made again by a supporter of the Liberal government in the last session, Mr. Terrence Murphy, a person who is no longer a member of this House but who perhaps was one of the more enlightened members of that committee. I might add that he is an experienced trial lawyer and defence counsel and that he has also done some prosecution work in the city of Sault Ste. Marie. This is what he said:

> I am in complete agreement with your submissions in so far as they pertain to the admissibility of the fruits of an illegal tap. I do not think the fruits should be made available or made admissible in evidence at all if the tap itself was illegal.

That is the point on which the majority voted 11 to 5 in the committee on September 16 last, and I suggest is the position that should be taken by all members of this House. In committee the Minister of Justice, not content to leave the bill in a form where illegally obtained direct evidence would be inadmissible, went even one step further and wanted to have not only the indirect evidence admitted but the direct evidence also.

It is significant that the minister moved an amendment in the committee to allow the direct evidence to be admitted and that that amendment was resoundingly defeated. The minister based his rationale on the fact that the Law Reform Commission of Canada would be looking into the whole question. Of course, that is an excuse that is known to many politicians interested in the field of justice to be really an excuse for inaction, and is not acceptable and certainly was not acceptable to the members of the committee at that time.

The Minister of Justice has made reference to letters and telegrams received from provincial Attorneys General. He talked in terms of an unanimous verdict. I suggest that the minister went out and invited the sort of support he got. Indeed, I think it is clear from the record of the standing committee that the minister wrote a letter on October 30 to all the Attorneys General asking for their support. Indeed, I suggest he pleaded for their support. Let me quote from his letter. The minister said:

> The amendment would introduce into the Canadian criminal law system the complete doctrine of the suppression of evidence obtained directly or indirectly as a result of illegal conduct.

I pointed out at the time, as I point out again tonight, that this is a misstatement of the nature of the amendment which was passed by 11 to 5 in the committee. This was not the introduction of the complete doctrine of the suppression of evidence obtained directly or indirectly as a result of illegal conduct. It relates only to illegal wiretapping. Indeed, I would have reservations regarding any thought of introducing the complete doctrine of the suppression of evidence at this time. In his letter the minister went on to say this:

> It would be contrary to the interests of the administration of justice to introduce the suppression doctrine into Canadian law—

Mr. Lang: Mr. Speaker, I rise on a point of order.

The Acting Speaker (Mr. Laniel): Order. The Minister of Justice (Mr. Lang) is rising on a point of order.

Mr. Lang: Mr. Speaker, I sat here with some patience while the hon. member, no doubt rather innocently but nevertheless erroneously, suggested I moved an amendment in the committee, which I did not do; but I really must object to his repeating, as he did in the committee, these words as though it were a statement that I was making to the Attorneys General. In the committee I pointed out his error to him when he made the very same statement. What he is reading from is a quotation that I was referring to from the Uniformity Commissioners' report of a year ago. Perhaps it is unnecessary to quote this point again at this time.

● (2110)

Mr. Atkey: Mr. Speaker, I had intended to refer to the Uniformity Commissioners' report, but perhaps I should first point out that the amendment in committee was not moved in the minister's name but was moved on his instructions as outlined in a memorandum sent out on his approval. Let me point out that in a letter directed to the Attorneys General the Minister of Justice suggested—

The Acting Speaker (Mr. Laniel): Order, please. I regret to interrupt the honourable member but I must inform him that his time has expired.

Mr. Atkey: Mr. Speaker, I rise on a point of order to suggest that I wish to move a subamendment to the amendment proposed by the minister in motion No. 13. Perhaps I might be permitted to continue for about five minutes in order to give the rationale for this subamendment.

The Acting Speaker (Mr. Laniel): Order, please. In view of the fact that the honourable member's time has expired, I must remind him that he can continue only with the unanimous consent of the House. Does the House give the honourable member unanimous consent?

Some hon. Members: Agreed.

Mr. Atkey: Thank you, Mr. Speaker. To indicate the spirit of compromise that we on this side of the House have attempted to adopt in respect of this very difficult question, I should like to indicate our concern with some of the matters raised by the minister. These concerns are felt on all sides of the House and the minister has referred to them frequently. I intend to move a subamendment to motion No. 13. Before doing so I should like to refer to the rationale behind this proposed subamendment. I do not move it in any way to detract from the present form of the bill which proposes to render inadmissible evidence procured solely from an illegal wiretap.

It is recognized that in the administration of justice and the enforcement of the law it may happen under our complex procedures that an Attorney General or his agent, a Solicitor General or his agent, may accidentally make a mistake and inadvertently fail to comply with one of the many complex provisions involved in applying for an authorization. I think it would be quite acceptable to permit indirect evidence obtained as a result of such a situation.

[Mr. Lang.]

I think it would be quite acceptable to the opposition that when an honest attempt had been made to obtain authorization from a judge, and somehow or other there was a defect in form or an irregularity in procedure—not being a substantive defect or irregularity—in that case it would be justifiable to allow indirect or direct evidence providing it satisfied the requirements contained in the minister's motion No. 13 as to relevancy and justice. This would be acceptable provided the result did not mean that injustice was done.

In the hope that some of the concerns expressed by the minister and by honourable members of the committee in respect of a situation where the police had honestly attempted to comply with the procedures of this law will be met. I am proposing a subamendment. It will not cover situations where the police have deliberatly flouted these procedures or have ignored them; in those situations the price must be paid and the fruits of their efforts should be inadmissible whether it is direct or indirect evidence. I should therefore like to move an amendment to the minister's proposed amendment. I think this will cover some of the concerns expressed by a number of members of this House. I think we must look at wiretapping, which is illegal, as something not only illegal but immoral. I do not think we on this side of the House can sanction or reward efforts which are clearly illegal and which flout the law, or allow the fruits of such efforts to be introduced during a prosecution of an individual no matter how heinous the alleged crime that individual has committed. If the police of this country follow the procedures in the law in respect of wiretap evidence, there will be no problem.

Therefore, I move, seconded by the hon. member for Fundy-Royal (Mr. Fairweather)—

Mr. Knowles (Winnipeg North Centre): How can it be seconded by an hon. member who is not here?

Mr. Atkey: I am sorry. I move, seconded by the hon. member for Peace River (Mr. Baldwin):

> That motion No. 13 be amended by deleting therefrom the words "is relevant and that to exclude it as evidence may result in justice not being done in the matter to which the proceedings relate," and substituting therefor the following:
>
> "(*a*) is relevant,
>
> (*b*) is inadmissible by reason only of a defect of form or an irregularity in procedure, not being a substantive defect or irregularity, in the application for or the giving of the authorization under which such private communication was intercepted or by means of which such evidence was obtained, and
>
> (*c*) that to exclude it as evidence may result in justice not being done,"

Mr. MacGuigan: Mr. Speaker, I do not want to speak specifically on the amendment proposed by the hon. member as I have an amendment I intend to move.

The Acting Speaker (Mr. Laniel): Order, please. Unless the hon. member intends to speak on the acceptability of the proposed amendment, I shall put the amendment to the House at this time. I will then recognize the hon. member. The hon. member for St. Paul's (Mr. Atkey) has proposed the amendment which the House has just heard. I will now recognize the hon. member for Windsor-Walkerville (Mr. MacGuigan).

Mr. MacGuigan: Mr. Speaker, I wish to speak to this proposed amendment. However, I see that the hon. member for Broadview (Mr. Gilbert) has indicated an intention to rise on a point of order.

• (2120)

Mr. Gilbert: I rise on a point of order, Mr. Speaker. The motion was moved by the Minister of Justice (Mr. Lang). The spokesman for the Conservative Party then spoke and introduced a subamendment. Surely the spokesman for the New Democratic Party should now have a turn to speak.

The Acting Speaker (Mr. Laniel): Order, please, I am sure the hon. member will have an opportunity to speak, but it is for the Chair to recognize hon. members. Whoever the Chair sees first is recognized. The hon. member sought the floor. It is up to hon. members to stand and indicate their intention to speak, and they will be recognized in turn. Two hon. members cannot be recognized at the same time.

Mr. MacGuigan: Mr. Speaker, I would be very happy to defer to the hon. member opposite, if this is agreeable to the House, provided I may rise after him.

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, first I should like to thank the hon. member for his gracious deferral. I think he is a very fairminded and broadminded member. He may very well change his views on this matter after he hears what I have to say. For some time I had wished to congratulate the Minister of Justice (Mr. Lang) when he brought forward the original bill because I thought for a while that we had a liberal and progressive Minister of Justice. This was my opinion at the time I first looked at Bill C-176 as originally printed and debated on second reading, because at that time the minister had the courage to bring forward what could have been one of the most important additions to Canadian jurisprudence, that is, to at least sneak in this principle of excluding from court evidence illegally obtained. Unfortunately, somewhere along the line his resolve crumbled as we came to the committee stage: he at least sponsored and supported a motion that would bring about the withdrawal of a very good provision that any indirect evidence obtained would be inadmissible.

I think it is significant that the English bar has had this particular principle under study for some time. It is my understanding that it will be given favourable consideration in that House in the not too distant future. It is an important principle in a special way. It says to the inhabitants of any country that the law is there for all persons and not just for the government so that it might be applied against them. The law must be equal for all of us. The amendment presented successfully by the hon. member for St. Paul's (Mr. Atkey) said that we want the law applicable to all.

In his remarks the minister suggested that this is not a case of rewarding the police for obtaining illegal evidence; but surely the minister must admit, and everyone in this House must admit, that you encourage the police to participate in illegal activity when you admit the fruits of that activity. There is no answer to that proposition. Therefore, when we talk about the rule of law and order and respect for the law, the way to have respect for the law is to have laws which are capable of respect. We must not have rules of evidence which would allow illegally obtained evidence to be brought in through the back door.

This is really not such a significant departure from the general rule, in any event. The minister seemed to indicate that somehow we are making a massive departure from principle. For a long time the courts of the British empire refused to admit confessions. Surely confessions are relevant. Surely we could have had a principle whereby we would let in the confession and allow the jury to decide whether they believed it. But a long time ago a very wise judge decided that where a confession was obtained by threat or promise, it should be excluded. If we apply the principle always used in respect of confessions, I do not see how anyone in this House with a legal background can fail to support the principle behind the hon. member's successful amendment that would exclude illegal and circumstantial evidence. There is no reason we cannot apply the same principle in this case.

Another point the Minister of Justice made was, what would happen if criminals deliberately engaged in some kind of conspiracy to use a wiretap and some smart defence lawyer came into court and said there was some kind of illegal evidence? There is an old principle of equity that one cannot come to court without clean hands. Anyone who engages in the activity of excluding evidence is obviously using subterfuge. I am surprised the minister would raise that kind of a red herring, because clearly it is a red herring. I am not surprised that at the urging of the minister the various Attorneys General of the country have decided to go along with his view on this suggestion to allow illegally obtained evidence into court.

I am not surprised, because they have a slightly different responsibility than we have in this House. They have a responsibility for the prosecution of those brought to trial. I do not blame them, I suppose, in this instance for trying to make life a little easier for themselves. They have that particular responsibility. We have a special responsibility to all of society to make sure that the laws we pass in this House are laws which are respected and not laws that lessen the respect of society for the rules that govern it. If we decided to accept the logic of the minister and to encourage the police to use illegal activities in order to obtain evidence, then we would be doing nothing to support the rule of law. If we think in terms of liberty and the rights of the individual and wish to have that kind of society, then we do not need laws which would allow illegal activity to be introduced into court. We do not need to encourage the police to conduct themselves in that way.

I should like to say a few words about the subamendment. I have had a few brief moments in which to look at it. I will have to be a little equivocal about it at this stage, but I am concerned about what is and what is not technical. What the hon. member for St. Paul's has introduced is an attempt to allow legally obtained evidence, which was rendered illegal because of some technicality, to be evidentiary. I am not sure, for example, when a defence attorney is successful in throwing out a charge because it is not a charge known to the law, basically, whether he is making a very technical argument: it is very obvious that it should be thrown out. Remember that the resources

available to the Crown are immense. It is surrounded with support staff. The police are in a position to conduct in-depth research. However, most often in our courts the defendant is at a severe disadvantage.

The view of a trial which people see portrayed, of a highly paid defence lawyer using every trick in the book to get his client off, is certainly not typical at all in respect of trials in this country. It is nonsense. In the typical trial someone is brought before the bar of justice who may or not be represented by a lawyer. He is very insecure. He does not understand the procedure. The Crown has enough going for it, without giving it more.

● (2130)

I am not so sure that we need to support this subamendment, because there are many other things that one might call technicalities but which are really matters of substance. It has always been a general rule of our law that the Crown should dot its "i's" and cross its "t's" to ensure that the liberty of the subject is protected. I must say that I have no hesitation in opposing the amendment put forward by the minister. The amendment is clearly a device to overcome the lack of success that he had in the committee. In fact, I am surprised that he bothered proposing this kind of amendment. He could just as easily have proposed an amendment which would wipe out the clause completely, something which he attempted to do in the committee.

I cannot look into the minister's mind to understand why he used this procedure. In any event, the meaning would be that illegally obtained evidence would be admitted in almost every case, because if you look at the amendment proposed by the minister you will see that no objective standard is to be applied by a judge. Anything that a judge found relevant would clearly be admitted in spite of its being obtained in an illegal manner. We have to come back to the basic principle in which the hon. member for St. Paul's, myself and others in our party believe, namely, that wiretapping is immoral, wrong and something that should be severely restricted in this country. It is clear from the minister's remarks that he does not share this view. I am sorry that he does not, but that is the only thing we can read into his remarks. On that basis, I have no hesitation in opposing the minister's amendment.

The Acting Speaker (Mr. Laniel): Is the House ready for the question?

Some hon. Members: Question.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I rise on a point of order. I understood the hon. member for Windsor-Walkerville (Mr. MacGuigan) was going to speak. If he is not, I am prepared to speak and give him an opportunity to speak later.

Mr. Ouellet: Yes, keep the debate going.

Mr. Baldwin: The Postmaster General (Mr. Ouellet) should attend to his own business. He has enough problems trying to deal with that monstrosity. It was bad enough when he took it over but it is a lot worse since he has been dealing with it. He should spend more time looking after the Post Office and less making remarks about things he does not understand.

[Mr. Leggatt.]

Mr. Alexander: Get the Christmas mail out.

Mr. Baldwin: If the Postmaster General could only keep quiet, we would not have these arguments. I was trying to go along peacefully, creating no difficulties at all. I want to oppose the amendment of the minister.

An hon. Member: Oh, oh!

Mr. Baldwin: I am glad to hear the hon. member. It is the first time I have had a chance to hear him. I am glad to know he can speak. Even he would know better in his heart than to really support the motion of the Minister of Justice (Mr. Lang) in his attempt to wipe out the good work that the standing committee did in this regard.

I am prepared to go along with the amendment moved by the hon. member for St. Paul's (Mr. Atkey). I suppose I must support it, since I seconded it. In spite of what the hon. member for New Westminster (Mr. Leggatt) said, I think there is a valid case to be made for the reason that sometimes the police—and I am speaking directly to the amendment of the hon. member for St. Paul's—in urgent cases may not have had an opportunity to have completed all of the technical requirements as conditions precedent to getting the judicial approval of a judge. I think that is the issue, and this is what we in this party rest our case on—that there must be judicial intervention.

If a judge does in fact give an order, even though it may be based on some technical error contained in the affidavit and which does not go to the substance of the application upon which the authorization is made, it would be most unfair and inequitable to deprive the authorities of their right to use the evidence. I am sure, as I said before, that a large body of jurisprudence will be built up in connection with this bill. I think that a judge charged with the responsibility, having cast upon himself the onus to which the hon. member for St. Paul's refers, will make quite certain—I am now talking about a judge at a trial at which there is an attempt to have evidence admitted which has been obtained following a private communication—not to allow that evidence until the Crown has sustained the burden which is suggested in the amendment of the hon. member for St. Paul's.

I would have thought that the very least the minister would have done—I might have given more thought to his proposal if he had done it—was to ensure that there be an onus cast upon the Crown, in introducing evidence which has been obtained as a result of an interception, to satisfy the court that there is no taint of illegality about it. If the minister had that in mind, he might have been entitled to a little more consideration of his proposal than otherwise would be the case. That is not much to ask for, that the Crown shall sustain the burden of proof that the evidence they are attempting to introduce with respect to matters following interception has been legally obtained. But it is obvious the minister is not interested in that. Therefore we have to oppose his amendment, and I hope there are hon. members on the other side of the House who will look at the matter in that light.

I heard the speech of the very attractive hon. member for Louis-Hébert (Mrs. Morin). It was a good speech and I think she made as good a case as could be made. However, I think she made as good a case as could be made. How-

ever, I think there was a lot more emotion than fact in it. But this is the kind of subject in which emotion can be aroused.

Mrs. Morin: Why are you afraid of emotion?

Mr. Baldwin: I am not afraid of emotion, and I hope the hon. lady is not afraid of emotion either. I think the Minister of Justice would be a better minister if he showed more emotion once in a while. We will watch him when his amendment is defeated and see what emotion he shows then.

Mrs. Morin: You should have lived in the province of Quebec for ten years.

Some hon. Members: Oh, oh!

Mr. Baldwin: Does the hon. lady suggest that the province of Quebec is not a province like other provinces because of the quantity of illegal action which takes place there? She is wrong in this regard. My friend, the hon. member for Yukon (Mr. Nielsen), suggests that she meant that the province of Quebec is not a province like other provinces because more emotion is displayed there. However, that is another argument for another time, another place and other circumstances.

● (2140)

But it is a danger, if anybody wants to pursue this issue, to see the extent to which the government, any government—I don't care whether it is a Conservative government, Liberal government, Social Credit or even an NDP government—having once taken authority which it did not possess previously, will take steps to see that that authority grows and expends until it grows out of all recognition.

Hon. members may not be aware of the fact that the Income Tax Act was originally passed during the First World War as a temporary war tax. Look at the monstrosity that is being created now. Does anybody imagine that this bill, as the minister seeks to amend it, will stay in its present form? Another minister of justice, another government will seek to widen the ground that has been gained and to secure more and more authority.

I have here a book entitled "Private Lives and Public Surveillance," by James B. Rule. I have only just received it and I have not had time to find out his qualifications. I see he is a law professor. At the end of the book there is a chapter on "The Future of Surveillance." Anybody reading it will find out that the author takes an objective view point. He says there is ground for surveillance in certain cases, but he assesses the virtues, the strengths, the failings and the weaknesses. In his conclusions he makes some very categorical statements which hon. members should take to heart. I quote the following from page 350:

> I have taken pains to emphasize that the potential for repressive use of these systems is anything but identical with actual repression. On the contrary, discussion has made it plain that some surveillance systems are capable of putting up considerable resistance to "unauthorized" use of their facilities. Nevertheless, any over-all response to these systems must take into account not only their present impact, but also their future prospects. And this means accepting the possibility that, in the course of other political changes, the intent and political disposition of those who control these systems may change.

We have no assurance that another government ten years from now may not attempt to add to, to widen, to strengthen and to make more powerful these weapons which are now being placed at the disposition of the authorities, both federal and provincial, in this country. In my lifetime in the practice of law in the criminal courts, in some 30 to 35 years of practice defending some thousands of cases, I have seen that the court processes work very well indeed. In my opinion it was very seldom that guilty people were acquitted, and very seldom that innocent people were found guilty. This is due to the opportunities for cross-examination, to the demand that a person charged with a criminal offence shall face his accuser and shall have the right to give evidence.

It was not so many years ago that the right of an accused person to give evidence was first made available in the United Kingdom, and carried here. Now there is the right to have a trial held in the public purview, within sight of neighbours and friends, open to the people of the community, with the right of an accused to have a jury and with the onus of proof falling on the Crown. In such circumstances very seldom is there a miscarriage of justice. But with regard to this intrusion to obtain evidence as a result of an illegal wiretap, I ask, what kind of illegal wiretap? In what kind of case will it be used?

As I pointed out the other day, we are not just looking at criminal law. As I understand the interpretation section, this would be applicable to any civil action involving a federal statute. Just look at the possibilities with regard to criminal action. What is to prevent any police detachment in a major city from establishing an M squad, or whatever you want to call them, who are unknown to the remainder of the people on that police force, who are charged entirely with the responsibility of intercepting private communications, who are unknown to anybody but possibly one superior officer. Evidence they have obtained by any number of illegal interceptions could be passed to that superior officer who would then instruct that an investigation take place or that the character of an investigation presently taking place be altered by reason of this illegal evidence. And it need not be evidence intercepted just by a police officer or peace officer. Any private body or private agency could be engaged by a police detachment to obtain evidence and as a result of that evidence instructions could be given to an investigating officer, who in turn knows nothing about the antecedents of the evidence, about the way in which the interception was made, or in fact that there was any interception at all.

It is all very well for us to talk about these things and to say we are for law and order. Mr. Speaker, I am for law and order, but first I am for law. It seemed that the hon. member opposite who spoke this afternoon wanted order, not law. I point out to her that the two go together. We cannot have order unless there is proper and adequate law attached to make sure that the order that is to be preserved is preserved under the rule of law. That is a very important consideration. It would be wrong for this House, wrong for the government, wrong for this party, wrong for any hon. member to ignore that very salutary warning.

I go on to say that we are looking, then, at a set of circumstances which may arise where evidence gathered as the result of an illegal interception of a private communication may be used under circumstances for which it was never intended, not under circumstances in connection with the investigation as a result of which that information was made available but used in another case entirely. There is nothing in this bill to suggest that the interception made illegally in connection with one investigation, as a result of which evidence is obtained, must be taken to mean that that evidence can only be used in that same case. It could be used in any case at all, including a civil action involving an expropriation proceedings, or a quasi-civil action involving the Income Tax Act or the Competition Act, or any one of a thousand instances where a federal statute is involved.

Mr. Paproski: The Elections Act.

Mr. Baldwin: I think that if I used the Elections Act as an example it would make some of my hon. friends opposite shudder. I shall continue to read from the book "Private Lives and Public Surveillance" at page 351 as follows:

● (2150)

Caution in this regard is hardly without precedent in other contexts. Many societies limit access to dangerous drugs, poisons and armaments on the principle that these things are potentially too destructive. Thus even people of unquestioned character and goodwill may be forbidden to possess automatic weapons. Similarly, most governments are at least theoretically restricted in the application of police powers, for example, in the arrests of private persons. The implicit assumption is simply that unlimited power of arrest, for example without warrant or accountability, places dangerously excessive power in the hands of the state. The same sort of argument, it seems to me, is applicable to the use of mass surveillance and control. The "bureaucratic weaponry" represented by these systems is simply so formidable as to require limitation, even in the absence of obvious repressive inclination on the part of any specific regime.

I repeat that, Mr. Speaker, because it is the basis upon which my hon. friend moved his motion in committee and the basis on which he is opposing the motion now brought forward by the Minister of Justice. The last sentence reads, again:

The "bureaucratic weaponry" represented by these systems is simply so formidable as to require limitation, even in the absence of obvious repressive inclination on the part of any specific regime.

Some of my hon. friends, like me, have sat in this House for many years. We have seen slowly, stealthily taken away from members of this House the opportunities and weapons which they should be able to employ, representing the people as they do, to make that representation adequate. It did not come overnight when hon. members came here in 1957 and 1958 and found a system which was working. An hon. member of this House could make his potentially significant contribution in saying to a government, "You must stop". That power has virtually disappeared in certain aspects, particularly with regard to the estimates and granting of supply to this government or any government.

I say to hon. members opposite and all hon. members of this House that what is being suggested tonight by the amendment of the Minister of Justice is another milestone along that road. It should be opposed; it should be stopped.

[Mr. Baldwin.]

This government should be taught a lesson that it cannot and must not attempt, by amendments such as this offered by the minister, to further place restrictions upon the people of this country.

Mr. Mark MacGuigan (Parliamentary Secretary to Minister of Manpower and Immigration): Mr. Speaker, the hon. member for St. Paul's (Mr. Atkey) has already read into the record so many of my views this evening that I am not sure it is necessary for me to say anything more. However, I should like to restate a few things as I see them at this time.

In my view, Mr. Speaker, justice is not to be so narrowly construed as to be confined to what takes place in the courtroom. Justice, rather, refers broadly to rectitude in the whole legal process, ranging from the time of apprehension and arrest, through trial and conviction to final release from parole. The general rectitude of the legal system includes the good faith of those who administer and enforce the law. Above all, the public must always be consciously assured of the good faith of those who enforce the law, especially of the police forces in our country. It is for this reason that I supported in committee the amended form of the bill, and that is still the direction in which I wish to see the final form of the law move.

However, as a result of the enlightenment which we have received from many quarters it is apparent, as indeed the amendment by the hon. member for St. Paul's recognizes, that there are some variant cases which ought to be taken care of. His amendment is an attempt to take care of one particular case where there has been some defect in the authorization which might subsequently prove embarrassing and there are cases of this kind where there ought to be some means of allowing evidence to be presented. I think the general disposition of the House will be to arrive at a more flexible form of prohibition than exists in the proposed bill as we presently have it before us.

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

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

HEALTH—AVAILABILITY OF DRUG, ISOPRENALINE, WITHOUT PRESCRIPTION

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, on November 13 last I directed a question to the Minister of National Health and Welfare (Mr. Lalonde) with respect to the use of the drug Isoprenaline. This drug has long been regarded as a cause of death if not used properly. It has been demonstrated by competent medical authority that several deaths in Canada have resulted from heart irregularity and heart failure induced by the abuse of this drug which is used in treating asthmatic

cases. The minister was rather reluctant to reply to my question at the time, and he said rather facetiously:

—I suggest that people suffering from asthma should abstain from this drug for a day.

We were trying to get the question before the House as a life and death issue at that time. Later he revised his answer; he had thought better of the reply he had given, and he said:

On July 19, 1973, manufacturers of the product were advised of our intent to recommend that it be available only on prescription. Steps in this connection are under way and I expect that regulations to this effect will be passed very soon.

I have been presenting this issue since 1969, Mr. Speaker. At page 6386 of *Hansard* for March 10, 1969, there is a reply to a question I asked as follows:

The Poison Control Unit, Food and Drug Directorate, Department of National Health and Welfare has no record of sudden deaths among asthmatic patients in Canada attributable to the misuse of aerosol inhalers.

This goes back over a period of four years, but actually the medical authorities in Canada have been pressing the issue and have been urging the Department of National Health and Welfare to take some action for the past seven years. More recently the Calgary Medical Society has been pressing for tighter control. In the absence of government action on the matter and the failure of the government to respond to these overtures, the Pharmaceutical Association has been urging its members to keep the drug out of the reach of the casual customer and make it available only to people who ask for it specifically. I think this has demonstrated beyond the shadow of a doubt that the drug Isoprenaline is now regarded by medical authorities, as well as pharmaceutical authorities, as a potentially dangerous drug. It has been available by prescription in Europe for only a few years. It was demonstrated, by close experiment in the U.K., for example, that the death of 3,500 asthmatics over a six-year period was attributable to abuse of this drug.

● (2200)

My reason for bringing forward the subject again tonight is that I want to inquire of the minister, or the parliamentary secretary who will be replying for the minister this evening, how soon it will be possible to have this drug placed under prescription. The minister's reply suggested that this was being studied and that regulations to this effect will be passed very soon. As the matter has been under review for some seven years, and as it has now been proved beyond question that deaths have been attributable to abuse of the drug, I trust that the parliamentary secretary tonight will be able to inform the House and the people of Canada that it has now been placed under regulation and that the danger to asthmatic patients is a thing of the past.

Mr. Norman A. Cafik (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, in response to the question raised by the hon. member for Brandon-Souris (Mr. Dinsdale) I should like to report that in the mid to late 1960s information appeared from other countries suggesting that the excessive use of aerosols containing sympathomimetic drugs may have accounted for an increased incidence in mortality in persons suffering from asthma.

A retrospective study in Great Britain covering the period 1961 to 1967, coupled with a decrease in the incidence of mortality following a change in that country of the prescription status of Isoproterenol, tended to offer a convincing explanation for the rise and fall of sudden deaths in asthma patients. The staff of the Department of National Health and Welfare examined this data, along with Canada's statistics. This country had not experienced a similar increase in asthma deaths.

However, since 1967 four deaths appear to have been associated with the excessive use of this product in Canada and we have received representations from physicians and professional groups who feel the problem may be greater in this country than the number of deaths would appear to indicate. Therefore, in an effort to ensure the proper use of Isoproterenol by asthma patients the department has recommended that this drug be added to schedule F of the food and drug regulations, which would make it available only on a doctor's prescription. Steps are being taken to have this legislation promulgated and it is anticipated that this will be completed within a few days. Until this occurs, the advice of the department to persons with asthma is to use the product within the limitations advised by their physicians.

EXTERNAL AFFAIRS—FAMINE IN ETHIOPIA—DIRECT ASSISTANCE BY CANADA

Mr. Ed Nelson (Burnaby-Seymour): Mr. Speaker, on Friday, November 16, I raised a question in the House concerning Canada's participation in supplying relief for the famine-stricken regions of Ethiopia. The matter was first drawn to my attention by a national television program and by letters and telegrams from constituents. Since then several other hon. members have indicated concern on the part of their constituents. The minister's reply seemed inadequate and I therefore asked for this opportunity to debate the question.

Briefly, my understanding of the situation is this. Between 50,000 and 100,000 people have died of famine and drought, mainly in Wallo province, Ethiopia. This province is inhabited mainly by Moslem or Pagan tribes. The Ethiopian Christian Church, which is one of the major sources of information for the government, does not have effective communication with the province of Wallo. Moreover, the local governor suppressed the true nature of the emergency and is now either dismissed or imprisoned; it is not clear which. Other factors are suggested, including indifference on the part of the central government and the fierce pride of the people of Wallo.

It is also reported that some 17 students who were demonstrating against the cover-up of the facts surrounding the famine were killed at Dessye, the capital of Wallo province, following refusal of the acting governor general to discuss the famine with them. I have very little knowledge of the politics of that country, but have been told that there exists a situation in which a handful of absentee native nobility exact an exorbitant tribute from the population. However, I have no details. In any event, we do not ask about the politics of starving people.

This is a very brief background. No doubt the parliamentary secretary to the minister will have more accurate information in his possession. What concerns me is a report that the shocking extent of the famine became known to the central government of Ethiopia on March 26 of this year, at which time it met in emergency session and sent out urgent appeals to international donors. Yet in his reply to me the minister said it was only in comparatively recent days that the government of Ethiopia admitted the extent of the famine. If my information is correct, knowledge of the situation was available seven months ago.

Was the Department of External Affairs aware of the need in March or June of last year? Was an appeal for assistance received by Canada at that time or, more specifically, when was an appeal received? Further reports indicate that a request for the diversion to the area of two grain ships from the United States was denied by the U.S. government on the ground that justification for such diversion must first be shown. I am curious whether any provisos were attached to the Canadian reply. I should like to know, too, why Canadian aid earmarked for Ethiopia via the United Nations was not received.

In his reply to me, the minister indicated that limited direct assistance had recently been sent through the Red Cross. I should like to know the nature of that assistance and how limited it was. Is it possible that relief shipments can be landed at the port of Asab on the Red Sea for distribution in the capital city of Dessye and places en route? Is it possible for relief to be brought by air to otherwise inaccessible parts of the province, and is such an operation being considered or carried out by any agency or any member of the international community, including Canada? Finally, I should like to know what the minister means when he says that other measures are being considered. What are those other measures?

I have no wish to embarrass the minister since I recognize this is an emergency which concerns many other nations besides Canada. Nevertheless, I am concerned, as all Canadians must be, about the plight of those who are stricken by famine in any area and I ask for an accounting of what this country has done and what it intends to do and, particularly, why it has taken so long to provide adequate relief.

[*Translation*]

Mr. Pierre De Bané (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, first I wish to congratulate the hon. member for having dealt with this issue. In my opinion, Canadians at large are not sufficiently concerned with those hunger and drought trials experienced in certain parts of the world and I feel that we should speak about them. This is why I congratulate the hon. member for having broached the question.

Canada has undertaken several years ago to contribute to the development of Ethiopia. At the present time, we are completing a geological survey of the Omo basin, in the southwestern part of the country. Moreover, we have just sent a team of veterinarians responsible for the control of the plague decimating the Ethiopian cattle.

The effect of the World Food Program is more directly related to the drought problem. Thus we have just shipped 10,000 tons of grain to Ethiopia. Canada has provided $34 million for 1973 and 1974 under this assistance programme.

Finally, our country has recently given $50,000 to the Red Cross for the relief program in Ethiopia. The Canadian International Development Agency has sent these funds through the Canadian Red Cross.

CIDA officials are now trying to determine the most appropriate means to contribute effectively, in the long and the short term, to the drought relief program in that country. We are also meeting with representatives from UN agencies already dealing with programs of this type in order to determine what kind of food is needed and how it can be delivered as soon as possible.

I should point out that the seriousness of the drought in Ethiopia was brought to our attention later than in the case of the western Sahara countries, to which Canada has already provided assistance amounting to $10 million.

Finally, Canada has included Ethiopia in its list of countries requiring emergency help and has suggested to other donating countries that they do likewise. In fact, I believe that we were among the first donating countries to realize the serious situation of the Ethiopian people as a result of this natural disaster.

Since governments speak in terms of their budget, I think that the annual 17 per cent increase voted by Parliament during the last four years for the CIDA budget, which amounts this year to about $560 million, shows how this government assumes its responsibilities towards developing countries and those hit by natural disasters.

Again I thank the hon. member for having raised this extremely important question.

Motion agreed to and the House adjourned at 10.16 p.m.

HOUSE OF COMMONS

Wednesday, November 28, 1973

The House met at 2 p.m.

[*English*]

PRIVILEGE

MR. REYNOLDS—ANSWER BY IMMIGRATION MINISTER CONCERNING OBTAINING OF DOCUMENTS RESPECTING JOHN MEIER BY UNITED STATES AUTHORITIES

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, I rise on a question of privilege involving answers given to me yesterday by the Minister of Manpower and Immigration (Mr. Andras) in the case of John Meier and documents concerning him that ended up in the hands of the United States Attorney's office. The minister stated that Meier's documents were given to the internal revenue people in the United States when in fact it has been made public knowledge since then by the minister's own department that these documents were passed directly to the U.S. Attorney's office. In his answer to my question yesterday the minister said this could not be possible, that the only reason documents were passed back and forth between the two governments on a normal basis was so that the man's application could be checked out by the internal revenue service.

It would seem to me there is a lot more involved in this whole story. If you agree with me, Mr. Speaker, that I have a question of privilege based on the minister's answer yesterday and the statement made by his staff since then, I would hope that this whole matter could be referred to a committee of the House for further investigation, because when personal documents concerning a resident of Canada are passed to a foreign government I think all Canadians deserve to know exactly what is happening in this regard.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. The hon. member for Burnaby-Richmond-Delta has given the Chair the notice required by the Standing Order. I have given the matter some thought and I really do not think I can agree with the hon. member that a motion should be put to the House to send this grievance to a committee of the House. I would refer hon. members to Citation No. 113 of Beauchesne's Fourth Edition. I will not read it at length, but I would refer particularly to one line which has been quoted on a number of occasions in the past:

> But a dispute arising between two members, as to allegations of facts, does not fulfil the conditions of parliamentary privilege.

On this basis I do not think the Chair would be well advised or supported by precedents and the rules in allowing a motion to be put at this time.

ROUTINE PROCEEDINGS

[*English*]

EXTERNAL AFFAIRS

TABLING OF MEMORANDUM OF UNDERSTANDING ON UNITED NATIONS EMERGENCY FORCE IN MIDDLE EAST BETWEEN CANADA AND UNITED NATIONS' SECRETARY GENERAL

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I wish to table the text of a November 23 memorandum of understanding on the United Nations Emergency Force between Canada and the Secretary General of the United Nations.

* * *

ENERGY

REPORTED DIVERSION OF OIL SHIPMENTS DESTINED TO CANADA—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I should like to propose a motion under Standing Order 43 which I think all hon. members can support. It arises from recent reports that several large foreign owned oil companies have diverted oil shipments contracted for the Canadian market. Therefore I move, seconded by the hon. member for Saskatoon-Biggar (Mr. Gleave):

> That the Minister of Energy, Mines and Resources table a list of the companies which he knows to be involved in such diversions, an estimate of the total amount of oil involved, and any additional information which he has on these contracts.

Mr. Speaker: The motion proposed by the hon. member requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity and the hon. member's motion cannot be put.

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Order Paper Questions

[*Text*]

GOVERNMENT EXPENDITURES RELATING TO COMPUTER SERVICES

Question No. 1,986—**Mr. Stevens:**

1. In the fiscal years ending March 31, 1971, 1972 and 1973, what was the total expenditure by the government in the private sector for (a) Computer hardware (b) Computer software (c) Data Processing Consulting Services?

2. Under each category, who were the five main suppliers to the government from the private sector and, in each case, what was the amount of governmental purchase and was the purchase a capital or rental purchase?

Hon. C. M. Drury (President of the Treasury Board): 1. Government expenditures in the private sector in the past three fiscal years for the Electronic Data Processing goods and services referred to in the question are reported as follows:

	Year Ending		
	March 31, 1971 $	March 31, 1972 $	March 31, 1973 $
(a) Computer Hardware (i)	19,100,000	24,500,000	26,550,000
(b) Computer Software	Note (ii)	Note (ii)	240,000
(c) Data Processing Consulting	1,800,000	2,200,000	2,770,000

NOTES: (i) The sums shown for computer hardware are based on equivalent annual rental including maintenance.

(ii) The first year in which data on computer software acquisition has been centrally collected was fiscal year 1972-73.

2. Data regarding suppliers' market share has, in the past, been accumulated by periodic surveys which have not been conducted every year. In the year ending March 31, 1971, the five main suppliers of computer hardware to the government were, in descending dollar volume: IBM Canada Ltd., Burroughs Business Machines Ltd., Sperry Rand Canada Ltd., Xerox Data Systems Ltd., and Digital Equipment of Canada Ltd. In the year ending March 31, 1973, the five main suppliers to the government, again in descending dollar volume, were: IBM Canada Ltd., Sperry Rand Canada Ltd., Honeywell Information Systems Ltd., Burroughs Business Machines Ltd., and Xerox Data Systems Ltd. Exact dollar amounts are not known at this time. Data regarding suppliers' market share in respect of computer software and data processing consulting services is not available at this time. It should be noted that a consolidation of the acquisition of data processing goods and services within the Department of Supply and Services has been completed during this past year. This action coupled with the implementation of the electronic data processing policy approved by the Treasury Board in November, 1971, will serve to provide government with comprehensive financial and other management data on its use of data processing resources.

POST OFFICE—INSIDE WORKERS

Question No. 2,666—**Mr. Orlikow:**

1. How many employees of the Post Office Department are classified as inside workers?

[Mr. Speaker.]

2. Of this number (a) how many resigned from the service in each of the past three years (b) what were the reasons given fo such resignations?

Hon. André Ouellet (Postmaster General): 1. As of April 1, 1973 18,636 (Note: only full-time personnel, both supervisory and non-supervisory, are being considered above).

2. Information on resignations is available for only the previous fiscal year (April 1, 1972 to March 31, 1973). (a) 846. (b) Outside employment, 93; Return to School, 65; Personal Reasons, 467; Number who resigned and gave no reason, 221.

FARM CREDIT CORPORATION—LOAN APPROVALS

Question No. 3,069—**Mr. Mazankowski:**

1. How many Farm Credit Corporation loan approvals were processed for the fiscal years 1970-71, 1971-72, 1972-73 and 1973 to date, in each of the district FCC offices of Vegreville, Vermilion and St. Paul, Alberta?

2. What was the aggregate amount of the loans approved in each of the offices and what was the average amount of loans processed?

3. What is the principal amount outstanding in each of the offices at the present time?

4. (a) What are the names of the legal firms who have been, and are acting, on behalf of the FCC in each of the offices for the same years (b) how many applications were handled by each of the legal firms?

5. What is the average legal fee that is charged by solicitors to process applications?

Hon. E. F. Whelan (Minister of Agriculture): The Farm Credit Corporation advises: 1.

	1970-71	1971-72	1972-73	1973 to September 30, 1973
Vegreville	22	24	38	90
Vermilion	38	27	40	22
St. Paul	42	22	15	31
2.		Aggregate Approved		
Vegreville	588,100	565,100	1,213,600	2,902,500
Vermilion	902,800	883,800	1,340,400	905,900
St. Paul	998,400	415,200	383,300	1,158,000
		Average Amount		
Vegreville	26,732	23,546	31,937	32,250
Vermilion	23,757	32,733	33,510	41,177
St. Paul	23,771	18,872	25,553	37,354
3.		Principal Amount Outstanding		
Vegreville	—	—	—	20,080,402
Vermilion	—	—	—	8,378,989
St. Paul	—	—	—	8,999,828

4. (a) Blonsky, J. A. (Moshansky & Blonsky), Vegreville, Alberta. Gulak, B. J. (Gulak, Robertson & Baynton), Lloydminster, Alberta. Vlan, J. F. (J. F. Broda & Co.), Edmonton, Alberta. Lagasse, J. L., St. Paul, Alberta.

(b)	1970-71	1971-72	1972-73	1973 to September 30, 1973
Blonsky, J. A.	37	18	25	38
Gulak, B. J.	38	21	36	19
Ulan, J. F.	15	10	15	12
Lagasse, J. L.	33	21	13	26

5. Fees paid to lawyers and law firms acting as legal agents for the Farm Credit Corporation in the placing of loans are paid by borrowers by deduction from their loan proceeds and the Corporation does not maintain records of amounts so paid.

INCREASES AND DECREASES IN FEDERAL SUPPORT PRICES TO CREAM PRODUCERS

Question No. 3,137—**Mr. Schellenberger:**

Over the past 10 years, what was the total number of increases and decreases in federal support prices to cream producers in Canada?

Hon. E. F. Whelan (Minister of Agriculture): Over the past 10 years the total number of increases and decreases in the federal support level for manufacturing milk (and cream on equivalent basis) was: Increases 5; Decreases Nil. In addition dairy products have been supported over the past 10 years by offers to purchase at specified prices.

UNEMPLOYMENT INSURANCE COMMISSION—OVERPAYMENTS IN 1971-72

Question No. 3,154—**Mr. Godin:**

In the area served by the Quebec Regional Office of the Unemployment Insurance Commission, for each of the years 1971 and 1972 (a) what was the amount of overpayments to various unemployed persons (b) what amounts were recovered (c) what was the cost of proceedings taken in such cases?

Mr. Mark MacGuigan (Parliamentary Secretary to Minister of Manpower and Immigration): In the area served by the Quebec District Office:

	1971 $	1972 $
(a)	283,014	613,227
(b)	204,861	567,760

(c) Where proceedings were taken the cost was added to the amount to be recovered.

PURCHASE OF URANIUM BY JAPAN

Question No. 3,161—**Mr. Nesdoly:**

Within the past 24 months, was there a Japanese trade mission to Canada wishing to purchase uranium oxide (U308) from the government stockpile or from the production of Eldorado nuclear mine at Uranium City and, if so, what were the results of the negotiations?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): There have been several Japanese missions to Canada during the past 24 months but none was for the purpose of purchasing uranium. Such overtures are normally made by electric utilities through their sales agents.

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QUESTIONS PASSED AS ORDERS FOR RETURNS

PUBLIC SERVICE—EMPLOYEES ATTENDING UNIVERSITY OUTSIDE CANADA

Question No. 2,510—**Mr. Clark (Rocky Mountain):**

1. Are any employees of the government now attending a university, or receiving other training, outside Canada at public expense and, if so, in each case, what is (a) the name of the individual (b) the department concerned (c) the job concerned (d) the nature of the course (e) the location of the course (f) the extent of the course (g) the amount of subsidy or other public payment (h) the reason for the course (i) the extent of previous training taken by that individual at public expense?

2. In how many cases is the public servant, who is attending courses outside Canada at public expense, accompanied by his/her spouse and, in each case, what part and what amount of the expenses of the spouse are met by the government?

3. Of the public servants following courses outside Canada at public expense in the period from January 1, 1970 to June 30, 1973, how many (a) were employed previously in the office, or on the staff, of a Minister of the Crown (b) were promoted in the Public Service in the six months prior to commencement of their course outside Canada?

4. What was the name of each such person previously associated with a Minister and what was the name of the Minister?

5. What was the name of each such person promoted and what was (a) the nature of (b) the reasons for the promotion?

Return tabled.

INCREASE IN MONEY SUPPLY

Question No. 2,818—**Mr. Howard:**

1. What is meant by the term an increase in the money supply?

2. By what method or methods is the money supply increased?

3. For each month in the past year, by how much has the money supply increased over each preceding month?

4. What effect does an increase in the money supply have upon the purchasing value of the dollar?

5. For each month in the past year, by how much has the purchasing value of the dollar decreased over each preceding month as a result of an increase in the money supply?

Return tabled.

Mr. Cossitt: Mr. Speaker, I rise on a point of order. I would refer the parliamentary secretary to questions Nos. 2398, 2941 to 2950 inclusive, and 2956 to 2965 inclusive, which request information of the amounts of money paid to lawyers hired by the Department of Justice during a certain period of time, and also information in respect of lawyers hired by Central Mortgage and Housing Corporation. The first of these questions has been outstanding as far back as June 26, and I can see no valid reason whatsoever for the government taking five months to make such information available. The fact that these lawyers comprise a "who's who" in Liberal party circles would seem to be no reason for delay. Finally, I really believe it is time the government discontinued the practice of delaying answers to certain questions for the obvious reason that they may shed more light on its shabby record in governing this country.

Order Paper Questions

● (1410)

Mr. Hellyer: Mr. Speaker, I rise on a question of privilege with regard to questions 2529 to 2538 which have been on the order paper since July 19. They are not complicated questions. They simply ask for statistical information. The failure of the government to provide the information indicates either gross incompetence on the one hand or a cover-up on the other.

This is not just a question of lack of courtesy on the part of the government. Something more fundamental is involved. The minister has already given the Canadian Association of Architects part of the information I have requested in these questions. In other words, he has taken the liberty to provide information to a private organization which he has refused to make available to parliament. Personally, I think this is a shameful situation and in fact is a breach of the privileges of the House. Is the minister satisfied that the opinion of the Association of Architects of Ontario is of more value to his deliberations than the opinion of parliament would be in respect of these matters?

The other day the Prime Minister told us we would do better if we gave notice of our questions.

Mr. Speaker: Order, please. I do not wish to interrupt the hon. member except for just a moment. He rose on a question of privilege. The hon. member has failed to give the Chair notice of his question of privilege. It is not about something that has risen in the last minute or so. He is referring to a situation which, according to his complaint, has existed for some time. Perhaps in those circumstances hon. members would be well advised to heed the Standing Order and give the required notice in order to facilitate matters. I assume the hon. member is rising on a point of order rather than on a question of privilege and he will be heard on that basis.

Mr. Hellyer: Mr. Speaker, the other day the Prime Minister suggested that we give notice of our questions. I should like to repeat that when we do give notice, as in the case in point, no answers are given. When we do not give notice we receive shallow, superficial or misleading answers. We just cannot win.

Mr. Basford: Mr. Speaker, on the question of privilege raised by the hon. member for Trinity may I say that in respect of most of the questions to which he referred answers have been approved by me. Those answers and the translation thereof are in the process somewhere and I presume will appear on Monday.

Mr. Nielsen: Mr. Speaker, I rise to support the point of order raised by the hon. member for Leeds. Until this government changed the format of the public accounts it was the practice that the names of all lawyers hired by the Department of Justice were shown and the amount each received was also shown in the public accounts. This government discontinued that practice and is now keeping that information secret. The hon. member for Leeds is entitled to that kind of information. It used to be public and should be made public again.

Mr. Reid: Mr. Speaker, on the question raised by the hon. member for Leeds, the matter of the people employed on the basis of a contract by CMHC is still under discussion because it has not been traditional to make available that information. CMHC is considered to be an independent corporation.

I also wish to bring to the attention of the hon. member for Yukon that up until today some 3,344 questions have been placed on the order paper and 2,755 have been answered or 82 per cent. I would point out that this is the greatest number of questions ever put to any government and there has been a greater percentage answered up to this date than ever before by any government.

Some hon. Members: Hear, hear!

Mr. Nielsen: On that point of order, Mr. Speaker, the parliamentary secretary mentioned the number of questions that have been answered by the government. The reason the government encounters so many questions on the order paper is that we are not getting answers in the oral question period or in committees. I draw attention to the fact that on the order paper there are questions going back to January 4—some of them from our friends on the left—January 18, February 28, March 9. Let the government answer those. The reason they do not is that for the most part the answers will prove to be politically embarrassing for them, and they are deliberately keeping public information secret.

Some hon. Members: Shame!

Mr. MacEachen: Mr. Speaker, I have no objection to members of parliament rising on points of order relating to questions on the order paper.

An hon. Member: Thanks, Al.

Mr. MacEachen: But I do object to an experienced member like the hon. member for Trinity using a point of order or a question of privilege to make an attack on the government which he is incapable of making in a more effective way elsewhere.

Some hon. Members: Hear, hear!

Mr. MacEachen: Also, I refuse to accept the practice whereby the hon. member for Yukon can suggest that there has been any cover-up in the response of the government to questions that had been put by members of the opposition. My parliamentary secretary has stated that in this session alone we have answered more than 2,700 questions. The right hon. member for Prince Albert, who is shaking his head, should go back to the record of his five sessions in office during the twenty-fourth parliament. We have answered more questions in this session than the government of the right hon. member did in the more than five years when he was prime minister.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. MacEachen: Mr. Speaker, there is one point to be made, that hon. members who are genuinely interested in getting speedy answers to questions and who want to use some discretion in putting questions down can co-operate in that process. But what has happened, and it is obvious

today, is that since the research establishments of the various parties have been funded they have been the main source of most of the questions on the order paper.

Some hon. Members: Oh, oh!

Mr. MacEachen: If we want to remove obstacles in the way of feeding information to the House, then I suggest that the principal obstacle can be removed by directing research staffs not to send in indiscriminate and useless questions, the answers to which can be found in the favourite document of the Official Opposition, the Canada Year Book.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

An hon. Member: Threat!

An hon. Member: Blackmail!

Mr. Speaker: Order, please. I see seven or eight members to my left who wish to rise.

Mr. Diefenbaker: Mr. Speaker, I have a right to rise on a question of privilege.

Mr. Speaker: Order, please. I have no objection to recognizing the right hon. gentleman. He has the same rights as others and will be recognized in due course. But I am wondering whether we will achieve very much by pursuing a debate such as this for a good part of the afternoon. Perhaps we should set aside a special period of time to discuss this important subject. I believe that for the moment the right hon. member for Prince Albert seeks the floor on a point of order raised originally by the hon. member for Trinity.

Mr. Diefenbaker: Mr. Speaker, in view of the gratuitous remarks of the minister I would advise him that during my period of office there were so few Liberals in the House they were not able to ask the number of questions that are being asked now.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

An hon. Member: It's going to be that way again.

● (1420)

Mr. Diefenbaker: Mr. Speaker, we answered the questions and we answered them truthfully.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

An hon. Member: Withdraw!

Mr. Diefenbaker: Mr. Speaker, that interruption came from a member who is not dry behind the ears yet. We did not follow the course being followed by this government of treating the House with contempt and refusing to answer questions or neglecting to do so when there might be any embarrassment in the answers given.

An hon. Member: Oh, oh!

Mr. Diefenbaker: Would the hon. gentleman stand and be recognized? I would also point out that so far as starred questions are concerned the ordinary practice is that they shall be answered within two to four days.

Some hon. Members: No.

Mr. Diefenbaker: Not by this government, that is true, but the practice is that they would be answered within that period.

Mr. Guay (St. Boniface): You are still dreaming.

Mr. Diefenbaker: What is happening today is that not only can we not get answers but when questions are asked the government decides, to apply the words of the hon. gentleman, that the questions are of such a nature as not to appeal to the sensibilities of the government. Mr. Speaker, we are not asking questions on the basis of pleasing them; we ask them for the information of the Canadian people.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. The hon. member for Trinity rose on a point of order and a debate has followed, with views expressed by both sides of the House. I respectfully suggest to hon. members that the point has been made. The Chair has noted the representations and submissions made by hon. members who have taken part in this exchange on the point of order raised by the hon. member for Trinity, but I wonder whether we should not at this point proceed to the next item of business.

Mr. Hellyer: Mr. Speaker—

Mr. Speaker: Order, please. The hon. member for Trinity has had the floor on the point of order and I really do not think there is much to be gained by pursuing the matter. The hon. member can speak only once to a point of order. He has already spoken. I would hope the hon. member would agree with me that not much can be gained by starting a new round of exchanges on the same point of order.

Mr. Hellyer: On a question of privilege, Mr. Speaker, arising from the intervention of the government House leader, I must say I was flattered by his attention, but I would have been more impressed if my questions had had the same attention two or three months ago.

I would also like to speak to the allegation that the questions asked by this side of the House are prepared by research officers paid for by the Crown.

Mr. MacEachen: Do you deny it?

Mr. Hellyer: I can tell the House leader through you, Mr. Speaker, that in the majority of cases of which I am aware this is not the case, and it is certainly not the case with respect to the questions I have put down.

Some hon. Members: Hear, hear!

Mr. Hellyer: Much has been made of the statistics showing that the government has answered a high proportion

of the large number of questions asked. Statistics can lie. Far more important than the percentage of questions that have been answered are the number of questions and the importance of the subject material which have been left unanswered.

Mr. Speaker: Order, please. The hon. member is restating the argument he made originally. That is not a new question of privilege.

Mr. Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, I rise on the point of order which was raised by the government House leader. While I hesitate to do so, I do it because I believe my integrity as a member of this House has been impugned.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Beatty (Wellington-Grey-Dufferin-Waterloo): I think it is worth pointing out, Mr. Speaker, that since I first sat in the House on January 4 I have only put two questions on the order paper but it took three and a half months for these guys to answer the questions. I could not get answers through the regular mail because these ministers refuse to answer mail.

Mr. Speaker: Order, please. I see nothing new in the point of order being raised by the hon. member. I wonder whether hon. members feel that we are achieving very much by a number of members rising one after another to make the same point. It seems to me that the point has been made and the hon. member is now repeating it. I wonder whether that achieves anything.

Mr. Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, surely when the government House leader and his parliamentary secretary impugn the integrity of people in this House they should be required to withdraw their statements—

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Beatty (Wellington-Grey-Dufferin-Waterloo): — and not attempt to abuse the rules of the House.

Some hon. Members: Oh, oh!

Mr. Beatty (Wellington-Grey-Dufferin-Waterloo): Any allegation that it was the research office instead of myself that asked these questions to try to get information is completely wrong. In giving statistics with respect to the number and percentage of questions answered the minister and the parliamentary secretary were, of course, misleading the House, perhaps unintentionally, because they do not understand the situation.

Mr. Speaker: Order, please. Notices of motions for the production of papers. Order, please. The hon. member for Leeds rises on a question of privilege.

Mr. Cossitt: Mr. Speaker, I apologize for taking the time of the House but I feel this is a question of privilege and quite legitimate. A few moments ago the Parliamentary Secretary to the President of the Privy Council (Mr. Reid) said in reference to certain questions I have on the order paper which have not been answered that it was traditional—those were his words, I believe—not to reply to such questions in regard to CMHC. I feel that is a reflection on the privilege and right of every member of the House to ask questions. Surely the right to ask questions and have them answered in this House is based on the right of the people of Canada to know. The people have a right to answers and information. I think it is a breach of privilege when we have to sit here and listen to the President of the Privy Council (Mr. MacEachen) offer a bunch of lame excuses covering up the inactivity of the government.

[Mr. Hellyer.]

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. Notices of motions for the production of papers.

MOTIONS FOR PAPERS

[*English*]

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, notice of motion for the production of papers No. 258 is acceptable to the government subject to the usual reservations concerning confidential documents and to the authorization of the government authorities concerned.

[*Translation*]

Mr. Speaker: Under the conditions and reservations mentioned by the parliamentary secretary, is it the pleasure of the House that motion No. 258 be deemed to have been adopted?

Some hon. Members: Agreed.

[*English*]

CORRESPONDENCE BETWEEN FEDERAL GOVERNMENT AND GOVERNMENT OF P.E.I. RESPECTING TRANSFER OF PROVINCE HOUSE

Motion No. 258—**Mr. MacDonald (Egmont):**

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House a copy of all correspondence, telegrams and other documents between the Government of Canada and the Government of Prince Edward Island and/or other persons or agencies, with respect to the transfer of Province House in Charlottetown, Prince Edward Island to the Government of Canada, together with the land on which such building stands and any additional land or buildings related to that transfer.

Motion agreed to.

[*Translation*]

Mr. Speaker: Shall the remaining notices of motions stand?

Some hon. Members: Agreed.

[*English*]

Mr. Hellyer: Mr. Speaker, I rise on a point of order. I wonder if the parliamentary secretary would tell us when he is going to get around to producing the documents asked for under motions Nos. 248 to 251 inclusive and what excuse he has for the delay?

Mr. Reid: Mr. Speaker, this is a problem that we have had with all motions because the terms of the Official Languages Act require that these documents be produced in the House in both official languages. We have had some difficulty in having the answers to motions for papers prepared for the House of Commons given special priority by departments. We have instituted a program now to contract out translation of these documents. I will look into the hon. gentleman's problem and see if I can accelerate the process of translation.

● (1430)

ORAL QUESTION PERIOD

[*English*]

ENERGY

PROSPECTIVE SHORTFALL IN OIL DELIVERIES FROM EACH NON-ARAB COUNTRY IN FIRST QUARTER OF 1974 IF "FORCE MAJEURE" CLAUSE INVOKED

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, my question is to the Minister of Energy, Mines and Resources, who has told the House that he anticipates a prospective shortfall of 125,000 barrels of oil a day from non-Arab countries as a result of the supplying companies invoking the *force majeure* clause. Can the minister give us, in respect of the first quarter of 1974, January, February and March, the prospective shortfall in the number of barrels per day with respect to each non-Arab country? In other words, will he break down that 125,000 barrels a day in terms of each non-Arab country?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, the 125,000—well, the full 200,000 barrels a day is the expected worst figure on shortfall, and I would have to check how that was made up by the technical liaison committee. That is the source of the information.

Mr. Stanfield: Mr. Speaker, I express my surprise that the minister should be unable to give the House this information on a matter of such importance as this which he has put before the country.

Some hon. Members: Hear, hear!

Mr. Stanfield: Can he give us the names of the Canadian companies who have been notified of any anticipated cuts in their deliveries of oil originating in non-Arab countries with respect to the first three months of next year, and the amount of the shortfall in respect of each Canadian company?

Mr. Macdonald (Rosedale): Mr. Speaker, as I pointed out in my remarks the other night and, indeed, pointed out

to the hon. gentleman yesterday, this is an estimate of the maximum down-side that the Canadian companies could be faced with if, in fact, there was an allocation. There has not, in fact, been an allocation. What we are doing is, we are indicating—

Some hon. Members: Oh, oh!

An hon. Member: The minister is irresponsible and incompetent.

Mr. Macdonald (Rosedale): Mr. Speaker, perhaps I might read to the House my remarks, as recorded on page 8179 of *Hansard*:

> My understanding at the moment is that this redistribution has not taken place but the companies have indicated there is a prospective interruption under the *force majeure* provision of the supplying contracts.

There has been no interruption. What we have asked the companies to do is to state to us the worst possible situation they think they would be in if there were interruptions this winter, and that figure is an aggregate. The companies, of course, are the eastern Canadian refiners.

Mr. Stanfield: On a point of order, Mr. Speaker, yesterday in the House the minister told us that a number of international companies had invoked the *force majeure* clause and that this accounted for the reduction in the prospective deliveries of oil to Canada. I want to ask the minister whether any international company has told any Canadian company that in fact the *force majeure* clause will be invoked. In view of the statement the minister put before the Canadian people that we could anticipate cuts of 125,000 barrels per day from non-Arab countries, creating grave concern particularly in eastern Canada by this statement, what justification did the minister have in fact for making that statement about the 125,000 barrels per day shortfall?

Mr. Macdonald (Rosedale): Mr. Speaker, the Leader of the Opposition rose on a point of order. Perhaps I could respond on one. I said in my statement the other night and I said yesterday that we had calculated the worst possible position Canadians could be in.

Some hon. Members: Oh, oh!

Mr. Macdonald (Rosedale): And, Mr. Speaker, the Leader of the Opposition should not try to twist the words I used.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Stanfield: Mr. Speaker, I ask the minister whether he has received word from any Canadian oil companies that they are faced with a prospective shortfall in the delivery of oil from non-Arab countries? If so, what companies are they? He must know them. He made the statement the other night. This is a very important question. What companies are they and what are the prospective cuts or shortfalls they are faced with? If the minister by any chance is so negligent in his office that he has not got this information at his fingertips, will he produce this information soon?

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please.

Mr. Macdonald (Rosedale): Mr. Speaker, I would go again to the words I used in the House—

Some hon. Members: Oh, oh!

Mr. Nielsen: What are the names?

Mr. Macdonald (Rosedale): Mr. Speaker, I protest the attempt by the Leader of the Opposition to twist in this way.

Some hon. Members: Oh, oh!

Mr. Macdonald (Rosedale): The fact of the matter is that we took the House and the country into our confidence as to what the maximum exposure would be for Canadians if the *force majeure* clause were exercised. I hope the Leader of the Opposition will not try to mislead the House and the country in any other way.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. The Chair will recognize the Leader of the Opposition, then the hon. member for York South, and then the hon. member for Témiscamingue.

Mr. Stanfield: Mr. Speaker, if the minister did not indicate to the House yesterday that some international oil companies had indicated to the government they were going to invoke the *force majeure* clause in their contracts and the minister's officials had advised him that they were apparently within their rights in doing this and he could do nothing about it, if he will tell me that he did not say yesterday that there was actual anticipation of the invocation of the *force majeure* clause in the contracts, I will certainly withdraw any questions I have asked him today.

Mr. Macdonald (Rosedale): Mr. Speaker, I think *Hansard* speaks for itself in this regard and I will rest on the words I used yesterday, not on those the hon. gentleman used.

Mr. Stanfield: The minister should resign.

Mr. Alexander: You have been destroyed, Don.

SOURCE OF ESTIMATE OF POSSIBLE SHORTFALL IN OIL DELIVERIES FROM NON-ARAB COUNTRIES—POSSIBILITY OF REALIZATION

Mr. David Lewis (York South): Mr. Speaker, I say to the minister that *Hansard* does not answer the questions asked and that he cannot hide behind the words in *Hansard*. I want to ask the minister, following up what the Leader of the Opposition asked, whether the suggestion that there would be a 125,000 barrel a day shortfall from suppliers in countries other than Arab countries was a calculation made in the office of the advisory committee or in the office of his department, or was it an estimate based on inquiries made from Canadian companies under contract with the supplying companies?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I repeat, I will stand by the words in *Hansard*, which indicate what I just suggested. I also remind the hon. gentleman that I indicated the figures were arrived at by the technical liaison committee, which I have described several times in the House as made up of representatives of my department, of the National Energy Board and of the Canadian refining companies. This is the estimate arrived at by the technical experts on all sides.

Mr. Stanfield: I don't believe it.

Mr. Lewis: Mr. Speaker, may I ask the minister whether, as one would expect a responsible minister to do, he asked for the details of these estimates made by this committee? Presumably he studied those details, because if he did not I cannot understand how he functions. Did he see the working papers on which those estimates were based and did the working papers contain any information as to the companies or amounts involved with respect to each of the companies?

● (1440)

Mr. Macdonald (Rosedale): Obviously, Mr. Speaker, I would not examine the working papers of the committee. I think I am entitled to accept the judgment of my advisers in this regard who have been in liaison with the industry, and I do so.

Mr. Lewis: The minister is emphasizing that all he did was to give an estimate of the worst situation that could occur. Is he now able to inform the House and the people of Canada, particularly those east of the Ottawa valley, whether he has reason to expect that this worst estimate will be realized or even any part of it, or can he now say it will not happen because of the fact he has no knowledge of any reduction due to action under the *force majeure* clause in the contracts of the supplying companies?

Mr. Macdonald (Rosedale): Mr. Speaker, I really cannot respond to that because it depends on the extent to which the Arab embargo is continued, the extent to which it is applied to one or another of the other countries and the extent to which different suppliers to Canada might be affected by it. I cannot give that estimate. I repeat, the over-all estimate about the down-side is the figure I gave in my speech the other day.

Mr. Lewis: I think I understand a little about a *force majeure* clause. Has the minister looked at any of the clauses and is he suggesting to the House that the mere fact a supplying company may not have enough supplies to deal with all its customers entitles it under any such clause to breach a contract with a company in Canada? Is that what the minister is saying?

Mr. Macdonald (Rosedale): Mr. Speaker, it depends very much on the clause entered into in this industry between suppliers and customers. I have not, of course, examined the *force majeure* clause—

Some hon. Members: Oh, oh!

Mr. Macdonald (Rosedale): —because the particular supply contracts are not documents in the possession of the government of Canada.

[*Translation*]

REFUSAL OF GOLDEN EAGLE CANADA LIMITED TO DELIVER FUEL OIL IN RIMOUSKI AND MONT-JOLI—REQUEST THAT MINISTER INTERVENE

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, a while ago I wanted to speak about the point of order raised by the Leader of the Official Opposition. The hon. member for York South and the minister have just mentioned the *force majeure* clause. For about two weeks, we have been hearing that eastern Canada and especially Quebec have sufficient oil reserves for 52 days. Yesterday, I received telephone calls from the area of Mont-Joli and Rimouski in the lower Saint-Lawrence valley complaining that Golden Eagle Canada Limited heating fuel distributors were refusing to deliver fuel until next Monday because they were waiting for the price increase of December 1. Is the minister aware of this and will he take action to force Golden Eagle Canada Limited to deliver the required fuel to the people of Mont-Joli and Rimouski?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I am not aware of this situation, but I thank the hon. member for having brought it to my attention and I shall make the necessary investigations.

[*English*]

OIL EXPORT TAX—DISTRIBUTION AND USE OF PROCEEDS—MEASURES TO PROTECT CONSUMERS WHEN PRICE FREEZE EXPIRES

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I have a supplementary question for the Minister of Energy, Mines and Resources. On November 14 last the minister was asked a question in committee with regard to the $1.90 per barrel export tax on crude petroleum. Did we understand him correctly to say that either directly or indirectly the entire tax will go back to the province where the resource is located or be used in the province where it originated?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, the position I took then and several times both inside and outside the House is that the proceeds of the export tax will go back in the first place to put the producing province in the position it would have been if its oil had been sold both for export and in on the domestic market at the higher price which they have been deprived of by the price restraint. At the same time, we indicated that the federal government would embark upon joint venture investments to further energy resources in the producing provinces with the balance of the proceeds.

Mr. Woolliams: So there will not be any understanding, did we understand the minister correctly that 40 to 50 per cent of that tax will go back to the treasury of the resource province and the remainder of the tax will be used for technological research and/or development within the province that produced the resource?

Mr. Macdonald (Rosedale): That is right, Mr. Speaker. It will depend very much on the actual royalty position of each of the producing provinces. In effect, these funds will be going back. Those in federal hands will be going back in federal programs for the purpose of stimulating resources in those provinces.

Mr. Woolliams: I do not want there to be any misunderstanding because we get one answer one day and another the next. I even gave the minister notice of this question. Did the minister not say to the committee, and is this not what he intended to say, that 40 to 50 per cent of that tax would go back to the treasury of the province where the resource is developed and the remainder would be used for development within that province? Surely he can answer that question with a yes or no so we will understand him.

Mr. Macdonald (Rosedale): Yes, Mr. Speaker, that is in effect what I said.

Mr. Woolliams: One further supplementary.

Mr. Speaker: Order, please. We are not making much headway. The Chair will recognize the hon. member for Calgary North for a supplementary and then the hon. member for Qu'Appelle-Moose Mountain.

Mr. Woolliams: Will the minister make it very clear at this stage what mechanism or alternative measures will be suggested to replace the export tax when the price freeze goes off so that the consumers of Canada will be protected against the high cost of fuel and gasoline?

Mr. Macdonald (Rosedale): Mr. Speaker, we will be bringing forward a draft bill to the House for first reading to deal with the export tax and the continuing system in this situation. With regard to the question of the economic rent to be yielded by an increase in the western part of the Canadian market, we have had discussions with several provincial governments on this question. This may indeed relate to the kind of royalty programs they are planning on instituting in the near future.

REQUEST FOR PRODUCTION OF ESTIMATES, CONTRACTS, AND OTHER DOCUMENTS RELATING TO SUPPLYING OF OFFSHORE OIL

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, I wish to go back to the question of supply and *force majeure*. In light of the minister's appearance tomorrow night at 8 p.m. before the Miscellaneous Estimates Committee, can we have his assurance he will make available on that occasion copies of relevant estimates, contracts and other documents relating to the supply of oil to Canada from offshore sources, particularly a copy of the contract between Creole and the Canadian Refining Company?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I am sure I can bring information as produced in the technical liaison committee. I can give no assurance that I will be able to produce private documents that are in the hands of the contracting companies.

Mr. Hamilton (Qu'Appelle-Moose Mountain): Will the minister ask the Energy Board to secure such a copy?

Mr. Macdonald (Rosedale): As the hon. member knows, the Energy Board secures a great deal of information on a confidential basis. I am not sure whether I would be at liberty, having obtained it on that basis, to make it public in a parliamentary committee.

OIL—EMBARGO LIST OF SAUDI ARABIA AND LIBYA—CANADIAN POSITION

Mr. Peter C. Bawden (Calgary South): Mr. Speaker, the Minister of Energy, Mines and Resources said a few minutes ago there had been no interruption in supply of foreign crude oil to Canada. Will the minister say whether Canada is on the embargo list of Saudi Arabia and Libya?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, my understanding of the situation is that Canada is not on the embargo list in the same sense as the United States—

Mr. Woolliams: What sense?

Mr. Macdonald (Rosedale): —in the sense there will be shipments coming to Canada through Canadian ports, although subject to the 25 per cent reduction resulting from Arab production cutbacks. However, Saudi Arabia and Libya refuse to ship through Portland, Maine, in bond to Canada.

● (1450)

Mr. Bawden: Mr. Speaker, would the minister comment on the fact there has been no Saudi Arabian crude arrive at Portland for Canada since October 23, and will he say what efforts are being made to obtain oil and why he has been unable to explain to Saudi Arabia that this crude is actually bound for Canada?

Mr. Macdonald (Rosedale): Mr. Speaker, the fact that none has arrived seems to me to be consistent with the position that the Saudis have taken. We have had our diplomatic representative go to the capital of Saudi Arabia for the purpose of laying forth the Canadian position, but they have not been prepared to take what they regard as a risk in shipping to a United States port, which they feel might in some way advantage the United States.

SUGGESTED NEGOTIATIONS BY GOVERNMENT WITH VENEZUELA AND OTHER COUNTRIES FOR DIRECT PURCHASE OF OIL

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I have a supplementary for the Minister of Energy, Mines and Resources. In view of the fact we are now getting some idea of the power of these huge multinational companies with regard to shipping products from one area to another, can the minister say whether or not he has started negotiating with Venezuela or any other oil exporting country for the purchase of oil directly from these countries instead of going through the medium of multinational corporations?

[Mr. Macdonald (Rosedale).]

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): As we have said in relation to Venezuela, the information we have is that oil available to the Venezuelan national petroleum company is fully committed at this time. They have elected not to take additional oil in the form of crude oil instead of royalties, and at the moment they have no additional oil for export. Given the tightness of the international situation, there does not seem to be very much scope for the hon. member's suggestion.

Mr. Nystrom: Mr. Speaker, I have a further supplementary regarding the price of oil in this country. Can the minister say whether he is prepared to grant the energy supply allocation board power to control the price of oil domestically in this country?

Mr. Macdonald (Rosedale): Mr. Speaker, the powers of the board will be contained in the bill which will be coming before parliament shortly.

[*Translation*]

PROPOSED EXTENSION OF OIL PIPELINE TO MONTREAL—DISCUSSION WITH QUEBEC

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I wish to direct a supplementary question to the hon. Minister of Energy, Mines and Resources.

In view of the present serious crisis in the transportation of Alberta oil to eastern Canada, and since the extension of a pipeline from Sarnia to Montreal is, I believe, an urgent matter, can the minister say if his department is now working on an agreement with Quebec on the installation and operation conditions of a pipeline joining Sarnia and Montreal? If so, when will a definite plan be submitted to the Quebec government?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, we are now concluding discussions on this subject. We shall be meeting this week with representatives of pipeline companies. Such a meeting shall be held also with my Quebec counterpart, perhaps next week, or at a date still to be set.

* * *

[*English*]

EXTERNAL AFFAIRS

IMPRISONMENT OF THOMAS SERJEANT IN TANZANIA—REPRESENTATIONS BY CANADA

Mr. Walter C. Carter (St. John's West): Mr. Speaker, my question is directed to the Secretary of State for External Affairs and concerns an incident involving a Canadian citizen who has been imprisoned in Tanzania. On September 26 a young Canadian citizen, Thomas Serjeant, while flying to Cape Town, was forced to land in Tanzania where his plane was confiscated and he was imprisoned and has remained in prison without being charged. Can the minister tell the House when he first learned of this incident and what action he has taken to obtain this young Canadian's release and to ensure his safety while in prison?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, we learned of the imprisonment of Mr. Serjeant in Tanzania on October 6. He was placed in detention on September 26. We made our first representations immediately; we have made them periodically since. Mr. Serjeant has not been charged. He is being held in detention under the authority of the President or the Prime Minister for matters involving state security.

Mr. Carter: In view of the fact this incident occurred on September 26 and that Canadian officials in that country learned of the incident one week later, can the minister tell the House why it has taken six weeks to inform the family of the whereabouts of this Canadian?

Mr. Sharp: As far as I understand, Mr. Speaker, our office got in touch with his family at the request of Mr. Serjeant immediately upon gaining access to his place of detention. I do not think the officials are at fault in this respect. We are doing what we can to get Mr. Serjeant released but, as I say, the Tanzanian authorities say this is a matter of state security and that the case is being handled on that basis. We are following up as best we can, and I do hope we will be able to get charges laid or obtain his release as soon as possible.

* * *

ENERGY

CAPABILITY OF LAND TRANSPORT TO MOVE OIL TO MONTREAL—GOVERNMENT ACTION

Mr. Bill Jarvis (Perth-Wilmot): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources, and I believe he has received notice thereof. On Monday the minister told the House, as reported on page 8149 of *Hansard*, that the capability of the land transport system to deliver any substantial quantities of crude oil or petroleum products was not high and that he would give figures at a later date. Having regard to the Prime Minister's statement on November 22 and the minister's reference to overland oil movements on Monday, can the minister now tell the House what specific measures the government has taken to establish an overland oil supply system to Montreal, and how much oil is being handled per day by this system?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, at the moment there is no truck and rail movement, and as long as shipment is possible through the St. Lawrence Seaway it will not be necessary to resort to this higher cost system. The estimate we have at the moment is that a level of about 40,000 to 60,000 barrels per day might be obtained, but in order to meet this figure very substantial investment both in loading and in unloading facilities will be required in addition to the improvement of available tank cars used for this purpose. The ministry of transport at the moment is completing a survey with the two national railways in regard to this question and has also been in touch with major trucking firms, and I understand will be able to be more definitive on this point within a few days.

Mr. Jarvis: Can the minister give his assurance today that the overland oil supply system mentioned by him and the Prime Minister will be adequate to meet oil shortages in eastern Canada after the freeze-up of the St. Lawrence Seaway?

Mr. Macdonald (Rosedale): Mr. Speaker, we anticipate that, unless there is a dramatic improvement in the figures I have given, there will be a shortfall.

* * *

[*Translation*]

SOCIAL SECURITY

POSITION OF MINISTER ON PROPOSED GUARANTEED INCOME POLICY

Mr. Roch La Salle (Joliette): Mr. Speaker, may I put a question to the hon. Minister of National Health and Welfare?

In view of the fact that last week, the minister, addressing the Canadian Tax Foundation announced, according to an Ottawa daily, his intention of setting aside his guaranteed annual income policy, I should like to ask him, in view of the circumstances, whether he intends to continue to apply the policy introduced some time ago or to give it up?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I wish to state here, very clearly and categorically, that the government is maintaining the policy put forward in April of last year, namely, to guarantee an income to all persons who are unable to work or who are so considered, as well as a supplement to all other groups of persons.

* * *

[*English*]

LABOUR RELATIONS

HALIFAX-DARTMOUTH DOCKWORKERS' DISPUTE—PROSPECT OF EARLY SETTLEMENT

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I should like to direct a question to the Minister of Labour. Is the minister now in a position to give us a progress report on the mediation taking place with respect to the dockworkers' dispute at Halifax and Dartmouth, and can he advise the House whether he is optimistic about an early settlement? If not, what plans is the government preparing?

Hon. John C. Munro (Minister of Labour): Mr. Speaker, I wish to thank the hon. member for giving me notice of his question. I believe he will be relatively pleased to know, and certainly I and the government are, that a settlement has been arrived at today, we believe. A memorandum of agreement is being drawn up and we hope it will be signed today. However, I would advise him that it is, of course, subject to ratification.

Oral Questions

UNEMPLOYMENT INSURANCE

BENEFIT CONTROL—GOVERNMENT ACTION FOLLOWING FINAL REPORT BY ADVISORY COMMITTEE

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, my question is directed to the Minister of Manpower and Immigration. In light of the final report of the Unemployment Insurance Commission advisory committee which revealed very extensive abuse and harassment of claimants by benefit control officers, and in view of the pious denials of such practices by both the minister and his head office officials, can the minister inform the House what steps he intends to take to ensure that justice is accorded to those who were unjustly disentitled or disqualified under the conditions criticized in the final report of the advisory committee?

● (1500)

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, in my reply to the chairman of the advisory committee, which was tabled at the same time as the report, I indicated that a great number of steps had already been taken. The information on the activity of the committee was very valuable to us, but we did not await the publication of the final report to take suggestions which have been implemented long ago. These steps are outlined in that document and in the statement I made to the House two or three weeks ago.

Mr. Speaker: The hon. member will be recognized on a supplementary, after which the Chair will recognize the hon. member for Brome-Missisquoi.

Mr. Rodriguez: Mr. Speaker, what steps does the minister intend to take to make sure that those who were disentitled or disqualified unjustly over the last six months will now receive justice in respect of that disentitlement or disqualification?

Mr. Andras: Mr. Speaker, the appeal system has been available to claimants who felt they were unjustly disentitled or disqualified. I think they were very few in number. The appeal system is working well.

Mr. Speaker: I recognize the hon. member for Brome-Missisquoi.

Mr. Rodriguez: Mr. Speaker, I rise on a point of order.

Mr. Speaker: Order, please. The hon. member rises on a point of order. I apologize to the hon. member for Brome-Missisquoi; he will be recognized in a moment.

Mr. Rodriguez: Mr. Speaker, the minister has just told the House that the people who were treated in that manner can go through the normal process of appeal. They have 30 days in which to file an appeal and some of these cases took place five months ago.

[Mr. Munro (Hamilton East).]

ENERGY

EXPORT OF OIL PRODUCTS THROUGH EASTERN CANADA CUSTOMS POINTS—REASON FOR ISSUING PERMITS—COMPANIES TO WHICH "FORCE MAJEURE" MAY APPLY

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, in view of the unprecedented quantity of petroleum products being directed from Canada to the United States through eastern Canadian customs points, I direct this question to the Minister of Energy, Mines and Resources. On what grounds has the National Energy Board issued this unprecedented number of export permits, what are the countries of origin of the crude oil involved, and are the products which are going through these border points at such an unprecedented rate being exported as surplus to Canadian requirements?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, one would have to know the time frame, but most of the oil products in this country are now covered by export control and no valid export can take place without a specific judgment by the National Energy Board that a particular shipment is surplus to Canadian requirements. If the hon. member would indicate the specific time frame and also the border points involved, I would be glad to get the details to answer his question.

Mr. Grafftey: Mr. Speaker, I have a supplementary question based on the following statement yesterday by the minister, to be found at page 8179 of *Hansard*:

> My understanding at the moment is that this redistribution has not taken place but the companies have indicated there is a prospective interruption under the *force majeure* provision of the supplying contracts.

Would the minister now inform the House exactly which companies he was referring to?

Mr. Macdonald (Rosedale): Mr. Speaker, we are talking about eastern Canadian refineries. I would point out to the hon. member that this is a different situation from the one he referred to in the first part of his question. He referred to the exporting of products from Canada. This is covered by the National Energy Board. The companies in question would be the various eastern Canadian refineries. I would be glad to get a list of them and the locations, which are generally publicly available.

REQUEST FOR GOVERNMENT ACTION TO ENSURE "FORCE MAJEURE" CLAUSE IN CONTRACTS NOT USED TO DETRIMENT OF CANADIAN CONSUMERS

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I should like to direct a supplementary question to the Prime Minister. In light of his broadcast statement to the Canadian people that Canadian consumers will not be allowed to suffer, will he direct the Minister of Energy, Mines and Resources to ensure that those very doubtful contracts are not invoked to the detriment of consumers of petroleum products in Canada?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I think this is a suggestion by the hon. member

that we intervene in the course of these private contracts. I will consider the suggestion.

Some hon. Members: Oh, oh!

OIL—REQUEST FOR NAMES OF COMPANIES THAT MAY BE AFFECTED BY "FORCE MAJEURE" CLAUSE IN CONTRACTS

Mr. Erik Nielsen (Yukon): Mr. Speaker, I should like to direct a supplementary question to the Minister of Energy, Mines and Resources. I refer him to page 8172 of *Hansard*, specifically to questions asked yesterday by the hon. member for Calgary South, who wanted the minister to tell us whether the *force majeure* which is being suggested by the oil supplying companies is as a result of their being cut off at the source by the producing countries, and therefore they do not have the oil, or whether it is because the supplying companies have decided arbitrarily to deliver the oil to some other country. The minister's answer was:

—my understanding is that it has been a decision of the supplying companies, and it may be related under the conditions of the contracts they have with other countries to other supply obligations.

A little earlier, in response to a question by the hon. member for Qu'Appelle-Moose Mountain—

Some hon. Members: Order.

Mr. Speaker: Order, please. I think the hon. member should ask his question now.

Mr. Nielsen: A little earlier, when replying to a question by the hon. member for Qu'Appelle-Moose Mountain who asked for the names of the supplying companies, the minister's reponse was that he would check into it, presumably to inform the House. I ask the minister now whether he has checked into this matter and has the names of the companies and, if he has, will he please disclose them to the House of Commons?

Some hon. Members: Hear, hear!

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, may I respond to the hon. member by pointing out that, as reported on page 8179 of *Hansard*, I stated:

My understanding at the moment is that this redistribution has not taken place but the companies have indicated there is a prospective interruption under the *force majeure* provision of the supplying contracts.

As to the supplying companies, there are, of course, inter-company contracts between affiliated firms, and there are many others as well. I will be glad to see if I can get a list of all of them.

An hon. Member: You'd better get it.

POSSIBLE DIVERSION OF CANADIAN OIL IMPORTS—MAGNITUDE OF INTERRUPTION OF SUPPLY

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a supplementary question for the Minister of Energy, Mines and Resources in respect of contracts between Canadian companies and supplying corporations. On October 25 he told the House, in relation to the possible diversion of oil for Canada by international corporations:

I think I might adopt what someone has said that such action would not be a crime but worse than a crime. It would be a gross blunder. I hope we have made that message very clear to the companies operating in Canada, and we hope it is understood by them.

I should like to ask the minister what he has been given to understand by the Canadian companies, whether he has received word from any Canadian company of a prospective interruption of supply, and how many barrels a day this would involve.

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): I have, indeed, Mr. Speaker, and I have an undertaking on the part of companies that the government of Canada will be advised if there is to be any allocation of supplies otherwise than would be expected. My information is that there has been no reallocation at the present time and, as I have said several times already, we will let the House know exactly what the possible reason is in the event there is such an allocation.

Mr. Stanfield: Mr. Speaker, has the minister received any specific word with regard to any prospective reallocation or interruption of supply? Has he received from a Canadian company any specific indication of a prospective reduction in supply?

Mr. Macdonald (Rosedale): Not at the moment, Mr. Speaker, but we did receive an indication from them of what the possible interruption could be if that situation came to pass.

Mr. Speaker: Order, please. The Chair will recognize the hon. member for Burnaby-Richmond-Delta and then the hon. member for Assiniboia.

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IMMIGRATION

OBTAINING OF DEPARTMENTAL DOCUMENTS CONCERNING JOHN MEIER BY UNITED STATES ATTORNEY'S OFFICE

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, my question is for the Minister of Manpower and Immigration. Two days ago I gave him notice of a question which I asked yesterday. Since his answer yesterday, the minister's assistant has made it known publicly that the minister's answer was incorrect. Could the minister tell us today whether in fact the government did transmit documents to a foreign government, who authorized the transmission of those documents, and is it generally government practice to pass documents relating to citizens and residents of Canada to foreign governments?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I believe the only inaccuracy in the answer I gave was in respect of the recipient of the information that was transmitted. I thought at the time it went to Mr. Meier's lawyer. This practice is customary,

and I think quite rightly so. We do have a reciprocal exchange of information between our people who are investigating applicants for landed immigrant status and officials of the countries from which they come. When we ask for such information from the agencies of other countries, we certainly must be prepared to reciprocate when they ask us for information. This is a routine matter. In view of the serious concern always existing in Canada about the possibility of criminals entering this country, I think this is only wise and, indeed, that we should be very thankful such an exchange of information is available to us.

● (1510)

Mr. Reynolds: Is it a fact that this information was sent to the United States Attorney's office for use in prosecuting a case, and was not a communication between the two governments for information?

Mr. Andras: Mr. Speaker, I indicated yesterday that we had conveyed this information to the United States internal revenue service. They indicated to us that they had, inadvertently and in error, passed it along. They sent us a letter of apology indicating that such a mistake would not happen again.

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ENERGY

PURCHASE OF PETROLEUM BY CANADIAN COMMERCIAL CORPORATION—AVAILABILITY OF SUFFICIENT FUNDS

Mr. Bill Knight (Assiniboia): Mr. Speaker, my question is supplementary to earlier questions and is addressed to the Minister of Supply and Services. In view of the fact the Minister of Energy, Mines and Resources has instructed the Canadian Commercial Corporation, under the responsibility of the Minister of Supply and Services, to use the funds supplied for the defence contingency fund, under the authority of the Minister of National Defence, to purchase oil supplies around the world and in view of the fact it has already purchased 40 million gallons of petroleum, I should like to ask the minister whether in fact there are sufficient funds available and, if not, what action is proposed by the government to ensure that there are funds available to meet this contingency operation?

[*Translation*]

Hon. Jean-Pierre Goyer (Minister of Supply and Services): Mr. Speaker, there is an ample supply of funds, but there is a shortage of oil on the international market. If we can find oil and negotiate acceptable terms, to cope with present conditions in Canada, the government will then make available to my department the necessary funds for the purchases.

[*English*]

Mr. Speaker: Order, please. I have to advise hon. members that we have reached the end of the question period, or just about. Perhaps hon. members might allow the Chair to recognize the hon. member for Témiscamingue and the right hon. member for Prince Albert before calling orders of the day.

[Mr. Andras.]

[*Translation*]

VETERANS AFFAIRS

REQUEST THAT APPLICATION OF LIONEL BERTRAND FOR PENSION INCREASE BE EXPEDITED

Mr. Réal Caouette (Témiscamingue): I should like to ask the Minister of Veterans Affairs a question which concerns all the members of this House as well as the pensioners of the Department.

Recently, I drew the minister's attention to case No. SC-18023 involving a Mr. Lionel Bertrand who was requesting a pension adjustment. On September 26 last, the minister replied that it would take several months before the Commission would make a decision. Mr. Speaker, I ask the minister whether there actually is an energy shortage in his department since it takes that much time to take care of veterans who wish to adjust their pension.

[*English*]

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Mr. Speaker, the answer to the hon. gentleman's request is no. We are pretty well supplied with energy in my department. We have 24 commissioners listed and 24 working. The Pension Act is being dealt with quite well. If the hon. member knows of any cases which he feels should have priority over and above what seems to be the case, I will be glad to get the information for him.

* * *

ENERGY

REQUEST THAT COMBINES INVESTIGATION BRANCH SECURE FROM OIL COMPANIES CONTRACTS CONTAINING "FORCE MAJEURE" CLAUSE

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I should like to direct a question to the Prime Minister. Having listened during the last couple of days to the Minister of Energy, Mines and Resources explaining the difficulty in which he finds himself, it would appear that there is a serious morass of neglect of the Canadian people on the part of the government.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: I would ask the Prime Minister this question. In view of the threat or potential threat of Canadian subsidiaries carrying out the wishes of their mother countries under agreements which allegedly contain the clause to which reference has been made over and over again, will the Prime Minister have the combines investigation branch get in touch with these companies and have them produce the contracts which allegedly have these provisions within them? I ask that this be done because if they are protecting themselves behind such arrangements, then they are indeed, in my estimation, committing offences contrary to the Combines Investigation Act. I ask the Prime Minister whether he will act so that we will know what is in these contracts. Surely the Canadian people should not be made subservient to a group of oil companies which apparently have no regard for Canada as a whole.

Some hon. Members: Hear, hear!

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, without conceding the premise of the question, I think the question itself raises a problem in that it seems to indicate a misunderstanding on the part of some hon. members of the answers given and the position taken by the government and the Minister of Energy, Mines and Resources. If the right hon. gentleman will refer to the discussion that has taken place, I think he will understand that the purpose of the minister in giving the figure of 200,000 barrels a day was to indicate what the worst situation might be as a result of the *force majeure* clause being invoked, should it be invoked and applied. Obviously, the minister is making this point in order to indicate to Canadians that the situation might be serious. This is a different purpose altogether from the position of the government with regard to these corporations.

It should be quite clear from the government's actions in August, in September and in November that we will do everything within the power of the government of Canada to ensure that the Canadian public interest will be respected. We will use every means to ensure that Canadian control is established over any corporation operating within Canada. We cannot, of course, affect the operations of corporations outside of Canada. I think another example of the government's determination is in the bill which was given third reading just a few days ago—

Mr. Speaker: Order, please.

Some hon. Members: Hear, hear!

Mr. Speaker: May we have order, please.

Mr. Diefenbaker: I really was never good at solving hieroglyphics, but having listened to the right hon. gentleman I ask him this question. Will he get in touch with the combines investigation branch and have this matter looked into? He says that in August, September and November the government paid great attention to this matter. All I can say is that if that is all the government has done, it has not acted on behalf of the Canadian people.

Mr. Speaker: Orders of the day.

[*Translation*]

Mr. Lachance: Mr. Speaker, I am rising on a point of order.

Mr. Speaker: The hon. member for Lafontaine is rising on a point of order.

Mr. Lachance: Mr. Speaker, I stood up several times today anxious to ask a supplementary, but I was unable to do so. I am not complaining nor do I blame those who have had a chance to ask their own questions, but I noticed that such supplementaries are sometimes asked as late as ten minutes after the main questions have had a reply. Would it be possible, Mr. Speaker, where supplementaries are concerned, that they be asked immediately after the main questions? I had one I wanted to address but I did not because it was five minutes after the minister had replied to the first question. But on the subject of supplementaries, whether they are asked by government or opposition members, it seems to me that they should be asked right after the reply is given to the main question. This could give each hon. member the opportunity to ask his question when he wishes to do so. I am raising this point, but with no intention of filing a complaint. I simply wonder whether, under the circumstances, a supplementary asked ten minutes after a reply has been given to the main question would really be a supplementary. Let me add, Mr. Speaker, that tomorrow I will want to address a supplementary to the Minister of Energy, Mines and Resources.

● (1520)

[*English*]

Mr. Bell: Mr. Speaker, I am sure our members would agree to this question if it would help to clear up the oil problem.

Mr. Speaker: Order, please. It is obvious that we have two points of order at the same time. The hon. member has made a representation which I am sure will be noted by all hon. members who ask supplementary questions.

Mr. Hales: Mr. Speaker, I would like to draw your attention to the fact that for the last two days, if not three, the clocks in this chamber have all shown different times. They are still wrong. I suggest that members of the House are entitled to better repair service than that.

GOVERNMENT ORDERS

[*English*]

PROTECTION OF PRIVACY BILL

CREATION OF OFFENCES RELATED TO INTERCEPTION OF PRIVATE COMMUNICATIONS BY CERTAIN DEVICES

The House resumed, from Tuesday, November 27, consideration of Bill 176, to amend the Criminal Code, the Crown Liability Act and the Official Secrets Act, as reported (with amendments) from the Standing Committee on Justice and Legal Affairs; motion No. 2 (Mr. Atkey), motion No. 3 (Mr. Diefenbaker), motion No. 13 (Mr. Lang) and the amendment thereto of Mr. Atkey.

Mr. Mark MacGuigan (Parliamentary Secretary to Minister of Manpower and Immigration): Mr. Speaker, when the House adjourned last evening I had just had an opportunity of briefly stating my position on the use of evidence which is obtained illegally. I stated that my basic value judgment was that the public must, at all costs, be assured of the honesty and integrity of the police forces of this country, and that as between the very important value of protecting the public against the commission of crime by criminal elements and the protection of the public against the commission of crime by police, to the extent that it is necessary to make a choice we must make the choice in favour of protecting them against any illegal action by the police. The public must be assured that those who protect society are themselves beyond crime and suspicion of crime.

However, as it appears before us, I think the issue is somewhat narrower than that. I think there is a general

disposition among members of the various parties to agree with the value position which I have enunciated, and the real question is to attempt to determine which of the positions that is or could be before the House through amendment is the one which is best adapted, not only to the assertion of this basic value judgment but also to the variant situations which may arise.

The hon. member for St. Paul's (Mr. Atkey) has presented, through his amendment, one of those variant situations and I believe it is very useful to the House that he has done so. This is the amendment in which he proposes that evidence be not necessarily excluded if there was a mere irregularity in the obtaining of the authorization by the police. In a case where the police had proceeded on the basis of what they thought was a valid authorization, it would indeed be excessive to prevent evidence which is obtained in that way from being used subsequently.

However, there are several other situations in which I think a strong case can be made for admitting the evidence. One of those was raised by the New Democratic Attorney General for British Columbia, Mr. Macdonald, in the letter which he sent to the Minister of Justice (Mr. Lang). He raised such questions, for example, as:

> Does the amendment barring evidence indirectly obtained, unless the interception is "lawful", bar evidence of an offence, e.g. murder, obtained during an interception lawfully authorized for an entirely different crime?

I will not go on to the larger problem which he raised as the second problem in his letter, but the first is an indication of another type of problem which can arise. There is a third type of variant situation where the interception which takes place might be by criminal elements themselves and yet the police might stumble across this evidence or obtain it in the course of another investigation. I am referring to the evidence which was obtained by wiretapping, not illegally by the police, but illegally by some third party. In such a case is it reasonable to penalize the police by preventing them from using this evidence?

What we are doing, in effect, in a provision which excludes tainted evidence from being used is saying to the police that if they do not follow the law there will be no percentage, no advantage for them in using such evidence. But in the case where illegal wiretapping has not been carried out by the police but by criminal elements in our society, it seems to me that such a penalty would not be appropriate.

I had suggested last night that I had in mind the presentation of an amendment which, if I were to present it, would take care of this last situation where interception has been by criminal elements. But I have decided not to present it, at least at this time, because I understand that the Minister of Justice would like to test the House on a broader subamendment to the amendment of the hon. member for St. Paul's which is before us, and as a procedural matter I would not want to stand in the way of the House expressing its opinion on that broader question.

While I may subsequently return to my amendment, I would not want to prevent the expression by the House on the broader and very important question which might be posed to us. Therefore, while expressing my concern about the intermediate situations, one of which is dealt with in the amendment placed before us by the hon. member for St. Paul's and while stressing the fact that there are other intermediate situations of which I think it would be useful to take account, I have decided not to present any amendment at this time.

[Mr. MacGuigan.]

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I hope that the amendment moved by my colleague, the hon. member for St. Paul's (Mr. Atkey), is acceptable to the minister. We tried very hard to come up with a series of qualifications which would meet all the cases; for instance, that indirect evidence must be relevant, that it is not inadmissible by reason only of a defect in form or irregularity in procedure and, lastly, that to exclude it as evidence may result in justice not being done. Surely these three tests should meet any alarms expressed by the minister and by the hon. member for Windsor-Walkerville (Mr. MacGuigan). I think we have had, in the last couple of days, some evidence of a more forthcoming attitude on the part of the minister toward some of the suggestions we have made to improve the bill. I hope very much that the House can accept the amendment moved by the hon. member for St. Paul's and that we can go on to discuss other sections of the bill.

I sense a straining on the part of the hon. member for Windsor-Walkerville. Listening to him was rather like listening to somebody appearing in a court of law with a rather bad case. I think that if he were in another forum in which he has distinguished himself, such as law school or the Canadian Civil Liberties Association, he really would not promote this argument. I hope that the law reform committee, when it deals with the law of evidence, which in my humble opinion is one of the most outdated sections of our law—speaking personally, not for my party—will abolish the indirect evidence rule once and for all, not only in wiretapping but in any other form. I think that most lawyers, or at least the lawyers I am in contact with, would agree.

• (1530)

In the committee there was a more than two to one majority on this issue. I thought that we were sort of bellwethers in the wiretapping matter for a reform in the law that has been marked down for generations, Perhaps I am over simplifying the matter, because I think we lawyers of the British legal tradition have paid a great deal too much attention to what I consider an illiberal and outmoded concept of law, namely, that you can have the fruits of illegality. It is high time that Canada faced this issue.

I eagerly anticipate a decision of the crusading law reform commission on this subject, and I am sure this was the motive that appealed to the substantial majority made up—as the hon. member for St. Paul's said—of all parties who voted on this issue in the Standing Committee on Justice and Legal Affairs. So I hope very much that the majority that was present and made a deliberate and considered recommendation for a reform in the law will not be overturned by a backward attempt to reverse the decision that I thought was made in good faith by a committee where partisanship played a very small part, if indeed any part.

Mr. Speaker: Is the minister rising on a point of order?

Hon. Otto E. Lang (Minister of Justice): No, Mr. Speaker, I am rising to take part in the debate on the amendment to the amendment. I appreciate the continuing efforts of all members of the House to arrive at positions, on the protection of privacy bill, which will meet the needs of our society in assuring its security, with due regard for individual privacy, and at the same time allow a very carefully controlled minimum availability of electronic intrusion devices to the law enforcement officers.

The amendment proposed by the hon. member for St. Paul's (Mr. Atkey) in my view would be extremely narrowing in the extent to which it would allow a judge to admit evidence in a case which came before him. It is clear that when evidence before a judge is relevant, and when he deems it necessary in the interests of justice to admit it, he would still have to exclude that evidence if we adopted the amendment proposed by the hon. member for St. Paul's unless it also, in addition to this qualification, fell within the situation of having been kept out only by reason of a technical defect. In other words, it would be only in that very special situation that the amendment would play any part in allowing the judge to admit the evidence.

The logical counterpart of that is that when there was not a technical defect in the way in which an authorization was sought, notwithstanding that the evidence was relevant, notwithstanding that the judge felt that in the interests of justice the evidence ought to be admitted, there would not be admissibility. It is to cure that that I propose to move an amendment to the amendment moved by the hon. member for St. Paul's.

Mr. Nielsen: An amendment to the amendment to the amendment!

Mr. Lang: I have emphasized that the law itself contains important sanctions to deal with the conduct of policemen who might be tempted to obtain evidence in an illegal fashion. Last night I referred to the fact that there is a penalty of up to five years in prison for anyone who engages in unlawful conduct in connection with a wiretapping. I think five years in prison is certainly a stiff penalty. In addition to that, there is provision in the bill for punitive damages of up to $5,000 which can be awarded against a person who engages in unlawful wiretapping, and which can be awarded at the discretion of the judge, in a fairly interesting and unusual way, to the person who has been the subject of or has suffered from the basic illegality of the wiretapping.

I do not want to repeat the arguments in favour of the introduction in court of evidence which is important to it. However, I would refer to the words of Mr. Justice Cardozo who, in looking at this question in the contest of the American rule, said, if it is evidence which is relevant:

> The criminal is to go free because the constable has blundered . . . A room is searched against the law, and the body of a murdered man is found . . . The privacy of the home has been infringed, and the murderer goes free.

Mr. Nielsen: That is in connection with a search warrant.

Mr. Lang: For the benefit of the hon. member for Yukon (Mr. Nielsen), I am talking about a situation where a constable has blundered and the murderer has to go free. It is quite clear that this was in the context of a warrant rather than a wiretap; but the point and the principle are the same, that justice is denied in the court relating to the murder because of some other matter that has gone on. I quote another United States case, *Irvine v. California,* in 1954, where the court said this:

> Rejection of the evidence does nothing to punish the wrongdoing official, while it may, and likely will, release the wrongdoing defendant. It deprives society of its remedy against one lawbreaker because he has been pursued by another. It protects one against whom incriminating evidence is discovered, but does nothing to protect innocent persons who are the victims of illegal but fruitless searches.

That is really the gist of the argument to allow evidence that is relevant to come before the court when it is extremely important that it be admitted.

Mr. Fairweather: Could we have the citation?

Mr. Lang: The citation is 347 U.S. 128, 136 (1954). It was the judgment of the court. I can get the names of the judges for the hon. member later. The hon. member for Windsor-Walkerville (Mr. MacGuigan) quite rightly pointed out to me that my original motion had perhaps too broad a sweep in two respects. In the first place, it would allow even the private communication itself in certain circumstances, which our original bill would not have done. Secondly, the words in my original amendment would indicate the judge was to consider just the case before him, whereas it would be better if the view were taken that the honourable judge, in considering whether evidence should be admitted, looked both at the question of the case before him and the question of deterrence arising from the exclusion of evidence, to the extent that that is a deterrent.

It is really to meet those needs that I propose to move an amendment which would have the effect of allowing the judge to admit evidence, but not the private communication itself, in circumstances where there was a taint of illegality concerning the way in which the evidence was obtained, particularly through wiretapping. I do so particularly because I remain concerned about the problem for a court which is faced with cross-examination by defence counsel trying to assert that there may have been something illegal in the background of the evidence.

● (1540)

I emphasize to hon. members my great concern about this, that we might let ourselves fall into the dangers that exist in some of the jurisdictions where a court is faced with having to allow defence counsel to explore for a negative, that is, whether or not there is something in the background of the evidence. If we allow the judge to say in any case that this evidence is so necessary that it will be admitted, then he can eliminate the fishing expedition of defence counsel in those circumstances.

I propose, therefore, Mr. Speaker, to move the following amendment, seconded by the Minister of National Health and Welfare (Mr. Lalonde):

> That the motion of November 27, 1973, by Mr. Atkey to amend motion No. 13, a motion to amend Bill C-176, be amended by
>
> (a) adding after paragraph (a) of the substituted text the word "and",

(b) striking the word "and" at the end of paragraph (b) of the substituted text and substituting therefor the word "or", and

(c) adding immediately after the word "that" in paragraph (c) of the substituted text the following:

", in the case of evidence, other than the private communication itself,"

The effect of this amendment, Mr. Speaker, would be to allow the judge to admit evidence which is relevant and which is needed, in the interests of justice, in the case of a technical defect—very generally—and in the case of evidence other than where there was a technical defect in the application or authorization where he does, in the interests of justice, consider it necessary taking into consideration both the case before him and the value of the deterrence of not admitting the evidence and not ever the private communication, in those circumstances only the evidence that might have been obtained as a result of it. He would therefore be able to allow justice to be done in those circumstances and would be able to allow the evidence to go in when he felt it was essential that it be admitted.

I take it the thrust of the section, as it would then stand, would be a general rule of not admitting evidence that was related to an illegal wiretap, but with certain exceptions that the judge could focus on when he felt it necessary. I do not think the judge would ignore the fact that the primary rule was to keep it out unless it was needed in, and that we would have an important variation in the rule of evidence in this regard. I commend the amendment to the House, Mr. Speaker.

Mr. Speaker: Is the hon. member rising on a point of order?

Mr. Erik Nielsen (Yukon): Yes, Mr. Speaker. I have some reservations about the right of the minister to move what, in effect, is an amendment to an amendment to an amendment.

Mr. Knowles (Winnipeg North Centre): No.

Mr. Nielsen: The hon. member for Winnipeg North Centre (Mr. Knowles) says no, but I do not treat the motion to amend that was originally advanced by the minister as other than an amemdment. Perhaps he does. The question before the House, before the minister's motion was placed before us, was whether or not the section should be accepted in its present form. The minister chose to move that that section be amended, and then the hon. member for St. Paul's (Mr. Atkey) advanced an amendment to the amendment that was placed before us by the minister. There has to be a limit to amendments, and it would appear that Beauchesne's Fourth Edition, 1958, at page 169, citation 202(1), (2) and (3) confirms this. I shall read that citation for the record:

(1) To an amendment, when proposed from the Chair—

I suggest to the Chair that the amendment here described is that which was moved by the minister in the first instance.

—an amendment may be moved—

That phrase would refer to the amendment of the hon. member for St. Paul's.

—but only two amendments can be proposed at the same time to a question. Some limit is necessary, and the usage has grown into law that an amendment to an amendment is allowable, but that no motion to amend further can be entertained until one of the two amendments is disposed of. There is no limit, however, to the number of amendments to a question provided they come within this principle.

That is to say, if I read the rule correctly, that there is no reason why the minister cannot move his amendment; but he must wait, in my submission, for the disposition of the amendment that is before us made by the hon. member for St. Paul's. Paragraph (2) of that citation reads:

(2) As the proposal of an amendment to an amendment originates a fresh subject for consideration, the new question thus created must, to prevent confusion, be disposed of by itself. An amendment, when undergoing alteration, is therefore treated throughout, as if it were a substantive motion upon which an amendment has been moved. The original motion, accordingly, is laid aside; and the amendment becomes for the time a separate question to be dealt with, until its terms are settled.

I take it this is what the hon. member for Winnipeg North Centre (Mr. Knowles) was referring to. Paragraph (3) of that citation reads:

—the purpose of a subamendment is to alter the amendment, it should not enlarge upon the scope of the amendment but it should deal with matters that are not covered by the amendment; if it is intended to bring up matters foreign to the amendment, the member should wait until the amendment is disposed of and move a new amendment.

That, Sir, is what I suggest to the minister. I do not question his right to move the amendment which he seeks to move. I question his timing. In my submission, the amendment of the hon. member for St. Paul's must be disposed of before the minister can defend his amendment. That submission, of course, is based on the premise that the minister's original motion is in effect a motion to amend, the substantive question before the House being the clause in the bill itself. In those circumstances we would have before us three amendments, if the amendment now being proposed by the minister were to be accepted.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, at the appropriate moment one of my colleagues, or I might do it myself, will be indicating opposition to the substance of the minister's proposed subamendment; but at this point I should like to suggest, in the minister's defence, that he does have the right to move what seems to me to be a subamendment.

There are times, for example, when we have amending bills—but nevertheless a motion to pass an amending bill is a main motion. Standing Order 75(5) provides for putting down motions at the report stage. Third reading is not before us. The only thing that is before us at the report stage is a motion. I submit, therefore, that the rule that there cannot be more than two amendments does not apply in this case, because in practice what we do at the report stage is to deal with a motion. Of course, a motion can be amended and subamended. My interest is not only in defending the minister, but also the right of all members to move subamendments in cases like this.

Mr. Nielsen: I wonder if Your Honour would recognize me for a moment, in order that I may fill in a point that I neglected to make.

Mr. Speaker: I have no objection to recognizing the hon. member. He has already spoken on a point of order, but realizing the importance of the matter perhaps he should be seen. Is it agreed?

Some hon. Members: Agreed.

Mr. Speaker: Perhaps I should recognize the hon. member and remind him that it is subject to allowing the hon. member for Winnipeg North Centre (Mr. Knowles) the right of rebuttal, and so on and so forth.

Mr. Nielsen: I will be brief, Mr. Speaker. I neglected to anticipate the argument made by the hon. member for Winnipeg North Centre (Mr. Knowles). If we are to accept the principle that there can be such an amendment, and the principle that other hon. members may wish to make amendments of this nature, we could conceivably be confronted with a dozen subamendments on this question. I submit that the rule was never intended to be extended that far.

● (1550)

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, the only point I want to make is that the stricture the hon. member has made is correct. There cannot be more than two amendments,—that is, one amendment and one subamendment—before the House at the same time. If we have a dozen amendments, we will have to wait our turn. It seems to me that it is applying the rule beyond its limits to say that when there is before the House only one motion and one amendment, there is not the right to move at least one subamendment.

Mr. Lang: Mr. Speaker, I agree with the hon. member for Winnipeg North Centre (Mr. Knowles). I think the hon. member for Yukon (Mr. Nielsen) was correct in saying there must be a limit. I think that after this amendment has been moved we shall have reached that limit. That is where we are for the time being.

Mr. MacGuigan: Mr. Speaker, the citation in Beauchesne's referred to by the hon. member for Yukon (Mr. Nielsen) in supporting his case is beside the point. It begs the question, for it proceeded on the assumption that the motion which the minister moved is an amendment. That is the very question at issue.

Since the argument of the hon. member for Yukon is about form, I think I am right in saying that in form, whatever may be its effect, the minister has moved a motion, to which we are entitled to move an amendment and a subamendment. At that point we reach a limit, until the subamendment has been disposed of. With that in mind, I did not proceed with the subamendment I might have moved, in order to allow the minister to move his subamendment.

Mr. Speaker: I thank hon. members for their advice, and I thank the hon. member for Yukon (Mr. Nielsen) for raising this very important point of order which has worried the Chair for some time. I appreciate that there can be only one amendment and a subamendment before the House at the same time. If the subamendment is defeated, then a different subamendment can be brought forth for the purpose of amending the amendment. The question is whether we have before us now three amendments or only two.

I have always felt, in thinking about the possibility that this objection might be brought forward for the consideration of the House, that the interpretation of Standing Order 75(5) should be that this is a substantive motion with notice. That probably makes the difference, in that the Standing Order provides that we will have on the order paper a substantive motion with notice, which puts it in the category of a question subject to amendment and subamendment.

I must confess that I still have some doubts about the matter, and because I have these doubts I have been thinking about the problem for some time, wondering when it might arise. This is the first time the point has been raised. I would think hon. members might be entitled to the benefit of the doubt and that the Standing Order might be interpreted in this way, that what we have before us is a substantive motion subject to amendment and subamendment.

If I have any serious doubt about what is proposed by the minister, it stems from the fact that by the subamendment he is attempting, in a way, to amend his own motion. I think the subamendment ought to have been moved by another member of the House rather than by the minister himself. What has been done is, to me, very difficult to accept from a procedural standpoint. This is not an amendment which must be moved by the minister himself or seconded by another minister. I hope my suggestion will be taken into account and that the subamendment will be moved by another hon. member and seconded by another seconder. This having been said, I thank the hon. member for Yukon for raising the point. I think we should give the matter further thought.

Mr. Lalonde: Mr. Speaker, in order to help the consideration of this issue and to speed up discussion of this bill, I will be pleased to move the particular amendment referred to, seconded by the hon. member for Lévis (Mr. Guay).

Mr. Speaker: Has the Minister of Justice (Mr. Lang) leave to withdraw his amendment?

Some hon. Members: Agreed.

Amendment to motion No. 13 (Mr. Lang) withdrawn.

Hon. Marc Lalonde (Minister of National Health and Welfare) moved:

That the motion of November 27, 1973, by Mr. Atkey to amend motion No. 13, a motion to amend Bill C-176, be amended by

a) adding after paragraph (a) of the substituted text the word "and",

b) striking the word "and" at the end of paragraph (b) of the substituted text and substituting therefor the word "or", and

c) adding immediately after the word "that" in paragraph (c) of the substituted text the following: ", in the case of evidence, other than the private communication itself,"

Mr. Ron Atkey (St. Paul's): Mr. Speaker, for a minute I thought the minister would find difficulty on his own side of the House in getting support for the subamendment

now before us. I can tell him that there is not much support for it on my side of the House. Indeed, having looked at it briefly it appears that the amendment moves the bill back to the position which it occupied before it went to committee after being read the second time. Hon. members will recall that when the bill was read the second time, in May, section 176.16 provided that direct evidence legally obtained would be excluded, but indirect evidence illegally obtained would be admitted in evidence at the subsequent trial. That is the effect of the minister's amendment.

When the bill was before the committee, the minister arranged for an amendment to be moved respecting legally obtained evidence. It was defeated resoundingly. That amendment had been proposed by a supporter of the minister's party and was based on the memorandum which the minister himself had prepared and circulated among members of the committee. Following that resounding defeat in committee, an amendment moved in my name carried by a vote of 5 to 11. It enjoyed the support of members of all parties present.

The minister, despite all our attempts to accommodate his difficulties with regard to motion No. 13—difficulties associated with defects in form and procedural irregularities—has come back to the House and, after all the fancy footwork he has done, has attempted to restore the bill to its original form. Indeed, without being technical, I suggest that the minister has gone back further; his position, as reflected in the bill, is further back than that reflected in the bill originally. I should like to explain myself. His position has receded with respect to direct evidence illegally obtained; in other words, with respect to the tape itself, the operation of which might be illegal. I gather that from reading the amendment. With regard to any direct evidence, the tape itself which is illegally obtained may be brought forward if the court, in the subsequent proceedings, finds it to be relevant. If the evidence was illegally obtained as a result of a technical defect or irregularity, then that direct evidence, although illegally obtained, can be brought into the subsequent trial.

Hon. members should realize that this provision was not in the original bill which the committee in its wisdom saw fit to amend. The minister, by fancy footwork—as I am sure hon. members realize—has amended an amendment of an amendment and has tried to do indirectly that which he was unable to achieve directly in committee. I am, therefore, most reluctant to support this attempt of the minister in trying to do that which he failed to do at an earlier time.

● (1600)

[*Translation*]

Mr. Francis Fox (Argenteuil-Deux-Montagnes): Mr. Speaker, I absolutely want to participate in this debate because of all the practical impacts which the motions of the hon. member for St. Paul's (Mr. Atkey) and of the Minister of National Health and Welfare (Mr. Lalonde) might have on the administration of justice and on detection and prevention of crime.

The bill we are dealing with today is naturally very important in many aspects and first because in our society, as demonstrated by recent events, no-one is safe from wiretapping. The bill clearly states by whom and under what circumstances wiretapping is possible. It is also important because it is an admission that at an age when crime has no frontiers and enjoys all technical facilities, it is essential that we allow to those whose foremost mission is to prevent crime and protect society the use of devices that will enable them to discharge their responsibilities efficiently and legally. Finally, this bill is important because it is an attempt to determine what has always been a problem in the field of criminal legislation—fair balance between the right of the individual not to have his privacy violated without justification and his right to be protected as he should be while not allowing crime to remain unpunished or allowing criminals to benefit from their destructive actions with impunity.

I would like to enlarge on this last aspect and speak on the amendment from the standpoint of admissibility or inadmissibility of illegally obtained evidence. Traditionnally our criminal law, derived in this connection from the British rules on evidence, recognized that evidence obtained illegally were not admissible for this reason alone, that the role of a court was to ferret out the truth, shed as much light as possible on truth so as to come to a conclusion with a full knowledge of the facts. In Canada, that has been the stand taken by the Supreme Court.

On the contrary, American jurisprudence puts forward the rule whereby evidence obtained by unlawful means is inadmissible. Such a rule, known as the rule of exclusion, was approved mainly because it was looked upon as a reliable deterrent against the use of unlawful means on the part of police forces: to recognize the admissibility of unlawfully obtained evidence is, in a way, to support a breach of the law by people who should be the first to have respect for it. That is what the American Supreme Court stated in the case *Mapp v. Ohio,* in 1961.

That American position, even though sternly criticized throughout the years, remained the same. I very humbly point out, Mr. Speaker, that the mistake here is precisely the wish to correct a situation that is deplorable, I admit it, by changing some rules concerning evidence. This bill already provides a penalty for the unlawful use of bugging devices, namely imprisonment or a $5,000 fine. There will never be any effective penalty against that offence. The Americans excluded the evidence, but the outcome was not the one they hoped for: to prevent unlawful evidence from being actually obtained. People acting in such a way should be punished. To have the underworld benefit from it, as was suggested by several members of the Progressive Conservative party, and which was indeed experienced by the Americans, is not a desirable thing, Mr. Speaker.

It was precisely in order to correct such a situation that the Minister of Justice (Mr. Lang) moved an amendment allowing the judge to decide, considering all circumstances, whether unlawfully obtained evidence should nevertheless be admissible. For it must be recognized, the fact that evidence can be considered illegal can be the result of a simple technical error, and moreover, that is what the hon. member for St. Paul's has finally admitted last night.

The opposite would penalize society and put the courts in an extremely difficult position, in the case where, for example, a serious crime has been committed, the only

available evidence, the interception of communication, would be inadmissible. What really matters, Mr. Speaker, is to throw the light on a case, to find the truth about what happened and to determine who is innocent and who is guilty. If a situation were created such that this prime duty of justice is impeded by various technicalities enabling a criminal to go scot-free, then justice would be unable to play its role.

With regard to electronic eavesdropping, I recognize that, in the past, too often it was practised without any restriction whatever and that, as a rule, to be accepted as proof, any communication should have been intercepted legally. The act states specifically in which circumstances electronic eavesdropping is allowed, and it is imperative that policemen respect the act. I would therefore ask all my colleagues to avoid creating a situation that would favour the criminals, as is the case in the U.S.A.

For all those reasons, Mr. Speaker, I believe it is imperative not to adopt the American rule whereby proofs obtained illegally are excluded but rather to allow the court, as suggested by the Minister of Justice, to decide on its admissibility because it is pertinent and thus allow justice to be done.

The Minister of Justice quoted a decision made by the distinguished Justice Cordozo about forty years ago. I believe that this quote should be repeated since it shows clearly what would be the result of passing even part of the exclusion rule implemented in the United States. Justice Cordozo said about this case:

[*English*]

The criminal is to go free because the constable has blundered. . . . A room is searched against the law, and the body of a murdered man is found. . . . The privacy of the home has been infringed, and the murderer goes free.

[*Translation*]

The solution to the problem of illegal wiretapping should not benefit the criminal. The sanction should concern the person guilty of illegal wiretapping. This approach of the government is consistent with our traditions and we should maintain it because of the significant protection which this bill gives the citizens by defining specific conditions for wiretapping.

[*English*]

Mr. John Gilbert (Broadview): Mr. Speaker, I think it would be fair to say that the members of the New Democratic Party oppose the motion of the minister, the amendment of the hon. member for St. Paul's (Mr. Atkey) and the subamendment of the minister. I have found in this debate—I have said this before—that although the minister is very competent, he is very rigid. He seems to think that if there is agreement, we are all acting impartially; but if there is disagreement with the minister, we are acting in a partisan way. That just is not so.

If you review what has happened with regard to this particular section of the bill, you will see that on second reading there was a clear indication by members of the Progressive Conservative Party and the New Democratic Party that we opposed this particular clause. The bill went to committee. There the hon. member for St. Paul's was instrumental in bringing forward an amendment which was accepted on a vote of 11 to 5. That does not seem to satisfy the minister. He is now attempting to do indirectly what he could not do directly in the committee. If he had had his way in the committee, all evidence, whether direct or indirect, legal or illegal, would be admissible in court.

We feel this is a question of principle. The amendment in committee was very clear and should be accepted. If we accept the amendment moved by the hon. member for St. Paul's in committee, we would be following the American law and we would probably be accepting the direction in which the English courts are going on this principle. I recall reading a publication by Professor Stanley Beck in regard to wiretapping. He said that one of the most salutary directions you can give the police is that any evidence, whether direct or indirect, obtained illegally shall not be admissible. I think this is the basic principle on which we should operate.

● (1610)

This was the thrust of the amendment of the hon. member for St. Paul's. It is rather unfortunate that the hon. member for St. Paul's brought forth an amendment to the motion of the Minister of Justice (Mr. Lang), because he has clouded the issue. However, I can appreciate the reason he did so; he is attempting to get certain members within his party to accept his amendment rather than accept the motion of the minister. What the hon. member is really doing is opening the door and confusing the issue. What the minister is doing in his subamendment is turning full circle and going right back to the original position that he took in the bill. The members of the New Democratic Party oppose this, and we oppose it very strenuously.

In his argument the minister said that one of the reasons he opposed the amendment that passed in the committee was that it would cause delays in the courts. Just from my own experience in court I would say I think the minister is probably proceeding on a wrong assumption. I think he is overstating the case in regard to delay. There are delays regarding confessions in court, because we have a voir dire to determine whether a statement will be admissible on a voluntary basis. If there is any evidence that the statement was obtained by force or threat or promise, then the statement is not admissible.

I do not see the same type of problem in regard to wiretaps. What I see happening is that Crown counsel will present the authorization for the wiretap at the commencement of the trial, and at that time defence counsel would have to raise any objection he had to its validity. Both from your own experience, Mr. Speaker, and from mine we know that once the authorization is tendered it is the same as tendering a by-law in a case or tendering a certificate of analysis in a narcotics case. I just do not see any real delay there.

I think we should be in the forefront in regard to protecting the liberties and privacy of all Canadians. I do not think we should get ourselves into any worse position than our friends in the States and the possible trend that will occur in England. As the hon. member for Windsor-Walkerville (Mr. MacGuigan) said, and said very strongly and persuasively, administration of the law does not stop at the court door. It starts when a person is apprehended for the commission of an offence and ends when that

person is reintegrated back into the community. We have to operate on the basis of faith and on the basis that the administration of justice will be fair at all times. This type of amendment will not lend itself to that approach; it will create ill-feeling between an accused and the Crown, between the police and the community, which is not the type of relationship that we want if the final solution is the reintegration of an accused back into society.

We have had some experience in the matter of search warrants. In many cases the police enter a house without a search warrant although they know they should have one. They take the law into their own hands and take their chances. I have the feeling that the same will happen in regard to wiretapping. Many policemen will be very zealous in the performance of their duties, will take the law into their own hands and act accordingly, and in many cases illegally.

Therefore, we in the New Democratic Party feel that all the safeguards that can be obtained should be obtained, and these should be set forth in the bill. We were rather proud of the amendment set forth by the hon. member for St. Paul's in the committee, which was very simple, very clear and very understandable in law, to the effect that any evidence, whether direct or indirect, obtained by illegal means shall not be admissible.

What the minister has done in his motion, what the hon. member for St. Paul's has unfortunately done in his amendment, and what the minister has done in his subamendment, will not help to make the law clear, precise and understandable. For this reason and for the other reasons I have stated, we in the New Democratic Party will oppose all three.

Mr. Erik Nielsen (Yukon): Mr. Speaker, there was a time when my rising in my place in this chamber to raise the question of wiretapping was greeted with a good deal of scorn by hon. members opposite. I recall their scoffing, their jeering, when in 1963 and 1964 I attempted to alert the members of the House of Commons to the fact that certain members' telephones were being bugged or tapped. I was almost laughed out of this place. There was another member who was alert to the danger at the time, and he is still with us; I refer to the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) who also raised this matter at the same time as I did. Indeed, I think he raised it first.

Since that time I have periodically raised the matter in the House of Commons, and each time members opposite have jeered and made all sorts of attemps to belittle and to put down the danger that is inherent in electronic interception and electronic intrusion. Indeed, the venerable fourth estate is not free from criticism in this regard, because they too entertained quite a doubt as to the validity of the questions I was raising on those occasions.

Now all of a sudden, since the Watergate affair has arisen in the United States, the question becomes respectable. Now when any member stands in his place and discusses his fear of surreptitious bugging, it is a respectable subject—and I am grateful for that. It is even a respectable subject for the fourth estate to speak about now. No longer am I pictured as an alarmist. No longer are articles written asking me to come forward with proof

that these things are happening. The fact that they are happening is now accepted, accepted by reason of events south of the border. So even out of that untidy mess down there some good has come, in that we are now seeing the serious fashion with which the members of the House are tackling this subject.

The fact is that a remote-controlled amplifier and microphone no larger than the head of a pin can capture a conversation and transmit it by wire for a distance of 25 miles. A parabolic microphone without wires or radio transmitter can catch the conversation of people in a boat in mid-lake and record it on shore. The switching of a single wire can convert any telephone in Canada into a live microphone conducting sound, even when the telephone is in its cradle. Cameras the size of a cigarette can photograph a room two blocks away by moonlight. Infrared light techniques permit a room to be watched and photographed from an adjoining room through apparently opaque walls, while wall microphones, of course, can hear and record anything said in such a room. Radio pills substituted for the subject's aspirins and lodged in his stomach can transform him into a living electronic beacon. The investigator's dream—making his subject a walking transmitter and enabling the investigator to hear everything the subject says to anybody else, or even what he mutters to himself—can be realized by the wiring of a person's clothing.

● (1620)

The electronic pill in the stomach of people is nothing new, although this must play havoc with the digestive operation of the subject. There are transmitters so small that they can be mounted as a tooth in a dental bridge.

The corollary to all this, as revealed in testimony before the House of Commons Committee on Justice and Legal Affairs, is that our telephone can be tapped, our office bugged, our files photographed, our physical movements monitored, our communications recorded—all this without our knowing anything about it or having any right of recourse or any protection in law. The Orwellian society of 1984 may be here already. The open society has become the bugged society. The struggle for freedom is being mortgaged to the parabolic microphone. The zones of solitude are being occupied. There are no more sanctuaries. The erosion of privacy is the beginning of the end of freedom.

Those are not my words, Sir, they are the words of the minister of justice who preceded the minister who now holds that portfolio. They are the words of the now Minister of Finance (Mr. Turner) in a speech he made in September, 1969, to the Canadian Bar Association's annual meeting in Ottawa.

Mr. Peters: It sure isn't the present minister.

Mr. Nielsen: No, it certainly was not the present Minister of Justice (Mr. Lang). If you will permit me to finish one additional quotation from the speech of the minister, he went on to say:

> But this is not all. The right to privacy goes not only to the core of our being as individuals, but to the core of our collective being as a society. John Stuart Mill wrote that "The worth of a state in the long run is the worth of the individuals composing it." A state that demeans its citizens demeans itself; a society that mocks the privacy of individuals mocks itself.

I could not endorse more that kind of approach. When I look at this bill and compare it with what that minister had to say on that occasion, I find very little resemblance to what is being attempted now and to the general philosophy that was stated, quite properly and so well, by the minister of justice in 1969.

The minister has made quite a case on the particular clause being considered by way of amendment, amendment and amendment; but I think that case is a weak one. I am not familiar with the minister's background and the extent to which he has actually practised law. He has disappointed me on previous occasions in this House in his capacity as Minister of Justice coming, as he does, from a law school which I know has turned out many noted barristers in the country. I well recall, for instance, his defence of payments illegally being withheld under wheat legislation and his attempt to build a case to support that illegality. He has sounded in this debate exactly the same as he sounded then.

Mr. Fairweather: Even Eugene Forsey left the Liberals on that one.

Mr. Nielsen: The minister has a very weak case and he is trying desperately to shore it up, but as a former professor of law he should know he cannot succeed. He wanted, in the bill in its original form, the illegality that evidence be accepted in court if it met only two tests—one as to relevancy and one as to justice being done. I cannot bring myself to vote for a law which will come out of this place that will make legal that which is illegal. Let me put it in the converse: I cannot vote for something that sanctions illegality, and that is essentially the position being taken on this side of the House.

Mr. Fairweather: It not only sanctions it, it puts a premium on it.

Mr. Nielsen: As the hon. member for Fundy-Royal (Mr. Fairweather) suggests, this involves not only the question of sanctioning an illegality but it puts a premium on that illegality, which is even worse. The minister feels that the police forces of the country will somehow be restricted or circumscribed in their investigatory process if we do not go along with sanctioning illegality. I cannot accept that. From my experience, the police would have no difficulty in operating under a law which required an order of a judge to permit this kind of electronic intrusion into the privacy of individuals. I cannot think of a single instance in which the police would be inconvenienced by being required to obtain an order of a judge in order to take advantage of the provisions permitting electronic activity by the police.

What is far more important, Sir, is the fact that there will be judicial control exercised in this whole area. The section as it was originally in the bill, and as it would have been restored—and then some—by the minister's motion to amend, would do away with the requirements of obtaining judicial sanction for this kind of activity. If that occurred it would be a foot in the door toward a police state, as far as I am concerned. I do not want any of my remarks taken in any way as suggesting there has been overzealous activity on the part of police forces in this country, or that I am somehow red-necked or bigoted about the functions of our police forces. That does not go with my background. My background has been very closely associated with police activity, starting with my father. However, I do say it is simply bad, in terms of philosophy, to permit uncontrolled police activity, and the best form of control we can exercise in instances such as this is control by the judiciary. After all, that is why the judiciary exists.

A great case has been attempted by the minister to the effect that sometimes there are urgent situations when a judge cannot be found in order to get the necessary order. I do not buy that. Contrary to some figures which have been stated in the House—and I believe the right hon. member for Prince Albert (Mr. Diefenbaker) suggested there were 600 judges in the country—allow me to suggest that there are 600 judges in the provinces of Ontario and Quebec alone. For the whole of the country a more accurate figure might be closer to 900 judges who would be authorized under this legislation to grant the kind of order required.

Nor do I go along with those who advocate that all they should have to do is go to a judge, say they want an order and get it. In my view, in all instances where applications are made for wiretapping they should be supported by sworn assertions or applications complying with the requirements set forth in the legislation. That imposes no limitation and no restriction on police activities. In matters in which I have been associated with Crown prosecutions, search warrants have been obtained in the dead of night and in the early hours of the morning—but always supported by the sworn statement of the applicant that there was reasonable or probable ground to believe the crime would be committed, had been committed, and so on. That does not inconvenience the police force or the court one iota.

• (1630)

In my practice, which might be a little unusual having regard to the nature of the country I represent in this parliament, I have made a chambers' application before a judge who was out fishing 200 miles from nowhere. I have obtained injunctions over the telephone on applications properly supported by sworn affidavits. If these things are possible, and they are possible, there is no reason for opening the door as widely as the minister would wish, thereby creating the possibility of abuse. I say that every possibility of abuse exists, and therein lies the danger.

In my submission, we should make it reasonably easy for police officers and police forces in the country to obtain the kind of permission this bill would seek to give them; but at the same time we want some kind of control exercised over the granting of that facility. There has been a great deal of time devoted in this debate to the question of the admission of direct and indirect evidence in trials where that evidence has been obtained by a wiretap which has been installed without a judge's order. That, Sir, I cannot accept at all. I know there is the argument that this kind of evidence comes under the simple relevancy rule now, so that if a police officer or officers exercise powers without a search warrant, or under a search warrant that is deficient, notwithstanding that they have obtained evidence illegally that evidence is admissible at a trial at the present time. But we should not be extending that kind of principle. I disagree with the minister when he says that

the principle is the same. We should not be extending that kind of principle to legislation such as this.

I have had personal experience where, for instance, officials of the Department of National Revenue have backed up a two-ton stake truck to the door of the office of a lawyer in my riding and have carted away all his files and his safe in order to examine them. Another example, which the hon. member for Skeena (Mr. Howard) raised in this House as well as myself, was the case in which officials of the Department of National Defence together with the RCMP swooped down on a sleepy alpine village in northern British Columbia and invaded the privacy of well over 20 homes, all without a writ of assistance. With that kind of power there seems to be little need for electronic surveillance to be permitted in cases, for instance, under the Income Tax Act which would be permitted without the amendment of the hon. member for St. Paul's (Mr. Atkey).

Yesterday the minister used a very interesting phrase. Perhaps it was a quotation he was using. He said that it is not a game where liberty triumphs when the police are defeated. I agree with that, but it seems to me to be a little inflammatory in a debate such as this, because that sort of a cliché can be reversed and be just as true. There is something else I wish to mention with regard to evidence illegally obtained. It has to do with the Crown's prerogative in the prosecution of all cases. It is in the interest of justice—this appears in all legal textbooks—that the Crown in prosecuting a criminal case should place all evidence before the court whether that evidence is for or against an accused person. However, in my experience, and I have been involved on both sides of the fence in the courts, the Crown does not follow that precept. What the Crown in fact does is to introduce the degree of evidence sufficient to obtain a conviction, and goes no further. Even if one could find the fairest of all Crown counsel, the experience on my part at any rate has been that the police, when they place a case before Crown counsel, often leave out evidence which they genuinely do not believe to be of importance in obtaining a conviction. So there is no guarantee that evidence obtained by wiretap will suffer any better fate.

The minister says that the amendment of the hon. member for St. Paul's is narrow. He compared the wiretapping situation with the search warrant situation. In my opinion they are not the same at all. The minister made a great pitch about the fishing expedition which could be embarked upon by defence counsel.

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member, but the time allotted to him has expired. He may continue his remarks with the consent of the House. Is this agreed?

Some hon. Members: Agreed.

Mr. Nielsen: I have just two more points to make, Mr. Speaker. The first has to do with the remarks of the minister concerning fishing expeditions by defence counsel. I agree with the member of the New Democratic Party who resumed his seat just before I rose: it is a very simple matter, and all counsel has to do is either object at the time the attempt is made to introduce this king of evidence by the Crown, and it is normally introduced at that portion of the trial in any event and would not be held over—

[Mr. Nielsen.]

Mr. Lang: Fishing with regard to any evidence.

Mr. Nielsen: Fine. The minister concedes the point I was about to make in respect of introducing the wiretap evidence at the Crown stage of the case. The minister referred to any evidence at all. Let me deal with that. Only one question need be asked once this bill becomes law and that is: Was the evidence or the conversation, whatever it might be, obtained pursuant to the provisions of this legislation? That is all that has to be asked and the police officer or whoever else it might be has to say either yes or no. If he says yes, it is all admissible. If he says no, then you embark upon a course of questioning to establish whether or not the evidence was obtained properly; and if it was not, it should not be admitted.

I see it as being that simple, at any rate. You would do this in the same way you would test a certificate of access either in a narcotics case, in a case of impaired driving or whatever. I see the minister shakes his head. However, that is my view of it. I have yet to be convinced by his arguments, as obviously he has yet to be convinced by mine. It is far better to let defence counsel go on fishing expeditions than have an unbridled licence to law enforcement agencies and others to go on fishing expeditions on the private telephone lines of citizens. That is what would happen, because we are not simply speaking here about police officers or about peace officers; we are speaking about the enforcement provisions in all sorts of other statutes.

● (1640)

The last point that I want to make is by way of a warning once again. I placed a series of questions on the parliamentary order paper some time before July. The one to which I shall refer is question No. 1849. Those questions were answered in *Hansard* of July 11, 1973. These were questions that I placed on the order paper with respect to the activities of the Police and Security Planning and Analysis Group which comes under the jurisdiction of the Solicitor General (Mr. Allmand). Paragraph (d) of question No. 26 was as follows:

> (d) has the Security Advisory Committee considered or developed a scheme (under Defence Research Board Shirley's Bay) to utilize the central telephone system in Ottawa to keep under surveillance in Ottawa and, if so, was this done at the suggestion of Col. Dabros of the Police and Security Planning and Analysis Group, formerly the Security Planning and Research Group.

I do not believe that establishment is any longer at Shirley's Bay, and only in that respect might the question be relevant. The simple answer to that question, if it was not being done, should have been a resounding and emphatic no. But the answer to it, at page 5501 of *Hansard* for that day, is:

> It is not considered in the public interest for reasons of national security to disclose the details of security and intelligence activities.

By that negative answer every Canadian, certainly in the Ottawa area, has cause to wonder whether the inference which is inherent in the question is in fact the case. If it is not being done, and if no such plan is ready to be

set in motion, then there should be at once an immediate and emphatic denial by the government. That denial has not been forthcoming and in my view it should, otherwise no one in the Ottawa area can rest easy that his telephone is not being kept under surveillance.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I have listened with interest to the debate. I am particularly interested in the amendment and the subamendment, specifically in the amendment that was put forward in the committee and the decision that was made on that amendment. I was also interested in particular to watch the Minister of Justice (Mr. Lang) when the member for Yukon (Mr. Nielsen) asked him whether he would not apply the normal criteria for admissible evidence.

I think the hon. member for Yukon used the analytic reports and the chemical analysis reports, one affecting drunken driving and the other affecting forensic medicine laboratory tests. The minister shook his head. I presume he has a new set of regulations that he will bring out to establish whether or not there is legality or illegality. I was surprised to hear the remarks he made on the amendment when he pointed out that if, for instance, it was a case of murder and by legal or illegal eavesdropping in the course of some other operation evidence was obtained without any justification under the law, it would be accepted. I gather from my reading of his interpretation of what is legal that he probably put security police in private agencies such as Pinkerton's in the same category.

I listened with interest also to the speech of the hon. member for Louis-Hébert (Mrs. Morin), which I think demonstrated the thinking of the Liberal Party with regard to law an order. There is a total and unique phobia in the province of Quebec, which results probably from their civil law and which was probably created by the Liberal Party that the police cannot be wrong, that everyone is guilty until proven innocent and that whatever the police may do, they are right. The thinking of the people in the province of Quebec in that respect is disastrous. They disregard their individual rights and freedoms and I am shocked by the way they are willing to give them up. Thank God the Anglo-Saxons in this country do not have the same qualms about standing up for their individual rights.

It was mentioned the other day, in an exposé which turned out very well for justice, that 137 policemen in their three ton trucks, with tarpaulin on top, arrived at the basement of a hotel. They included provincial and town cops—every cop they could pick up in the area—and they swore in the deputies as well. The indication is that they had made a number of arrests, supposedly on marijuana charges. Three of the ten people who were arrested there and who were found in the pub were charged with drinking under age, which of course leaves seven who perhaps were smoking pot and perhaps were not.

So there were seven innocent people sitting in the beer parlour, and 137 policemen raided the place. Good God, there must be something wrong with society and something wrong with intelligence and the sense of justice in this country. Does the judge give out so many warrants that policemen can raid a place on marijuana charges in that way? No wonder the minister thinks it is all right to obtain illegal evidence. He would be agreeable to anything.

I suggest that if after the next election the university board of directors considered the minister for the position of dean of the university from which he came, and listened to any of the remarks made by his peers, it is doubtful that he would even be considered for the position of janitor in that institution.

An hon. Member: What about a county court judge?

Mr. Peters: I suppose that politicians can always be appointed county court judges. There are probably 10,000 of them in Canada, and this is one of the problems. You can get a warrant for anything, from anybody, at any time. I suppose that even security branches that are not directly connected with the government can obtain warrants, if they wish, from some judges.

An interesting thing happened in Ottawa last Friday night, fairly close to home. It concerns what the police do, how they do it and whether or not they bother with the legality of wiretapping or whether they try to find, as the minister says, some evidence from their investigation that will warrant the use of wiretapping for which there is no legal justification. As you know, Mr. Speaker, a large percentage of the protective staff in this building are veterans. Most of them served overseas. If you look around this building you will see all of the protective staff wearing ribbons that set them apart from most Canadians.

• (1650)

Last week a member of the protective staff received a phone call from his wife. She was hysterical. A Mounted Policeman had walked into her bathroom while she was taking a bath, walked over to her, did not show her a warrant—warrants are not of too much importance to the Mounted Police—only showed her his badge and told her to get out of the tub. She told him to get the hell out of there, that she didn't have to get out of the tub. He ordered her out again, and then the RCMP searched through the apartment and dumped all the medicine pills out on the floor. She had a little bottle of black beans that she was going to plant, and they dumped them on the floor. They took the buttons out of the button bag. I went to the place later and looked through the apartment, Mr. Speaker. They had dumped all kinds of stuff into cooking utensils. They had cleaned out the refrigerator and shifted everything from its proper place.

When this lady protested to the officer, he kept insulting her and telling her to mind her own business. He asked her, "Where does your husband work?" She told him her husband was on the protective staff of the House of Commons. He then said he hadn't asked her what her husband did, only where he worked. I made inquiries from the narcotics squad and found out that that night there was a big raid going in Ottawa. I suppose that, like the traffic cops, they have to appear to be doing something. I should mention that the building containing the apartment is owned by Mr. Assaly, a very influential man in Ottawa. I am not aware whether or not Mr. Assaly runs the hashish operation in Ottawa, or whether the RCMP think Mr. Assaly runs the hashish operation, but they did have a warrant for one apartment in the building.

The warrant was not for the apartment in which this lady lives, nor for the other apartment in that building which is presently occupied. I might add that the building itself is going to be torn down very shortly. The warrant they had was for a basement apartment, and the RCMP broke into it. They also took their dog into the apartment, and it cleaned up on the cat's food. Of course they have the dog to smell around the place. It's a very nice dog. Since then I have met him. As I say, he's a nice dog, but hungry.

Mr. Speaker, this woman was insulted; she was assaulted. There was absolutely no justification and no excuse for that. In my opinion there was no excuse for that warrant to be issued. If they want to go after Mr. Assaly they should make out the warrant in his name, go to his home and go after him. As I say, maybe the police believe he runs the narcotics operation in Ottawa. They may even believe that one of our protective staff runs it. But, if they do, they should have got a warrant for his apartment.

The apartment in the basement which they broke into had had nobody living in it for two months. I presume they must not have been following the case that closely. To the Minister of Justice and to the Solicitor General (Mr. Allmand), if anything had been found in this lady's apartment, illegally or not, I suppose it would not make any difference. That would prove the case so far as they were concerned. But I suggest that is going to the extreme. I gather that the police were raiding throughout the Hull-Ottawa area that night. As a matter of fact, it was very hard for me to get hold of anybody in charge of the raid. I finally had to find them in Hull. Whether they drink coffee there, or whatever the arrangement is, I don't know. Anyway, it appeared to be a very big operation. Maybe they do this every week. But if the Minister of Justice is right in what he says, then every member of this House had better think about what the hon. member for the Yukon said a few moments ago when he asked if the total telephone structure of the city of Ottawa was being tapped, and the answer was, "We cannot tell you for security reasons."

I suggest that the police on their marijuana raids should start at the edge of the city and go through every house as they come to it. They could have a judge with them in a car and have him write out a search warrant after they have found something in a house. Better still, the Minister of Justice should be honest with this House and tell us that all he needs is a writ of assistance, instead of this legislation, that can be supplied to all his agents throughout the country so that raids can be made any time at all. If that were done, then I am as sure as I am that I am standing here that we would enforce law and order. In fact we would have a gestapo. We would have a nazi regime. This would be a fascist state. I am also sure there would be less crime and that criminals would be punished much more speedily. But, Mr. Speaker, I am sure that not one member of this House wants that to happen, yet every member of the House knows of instances where it does happen.

When this happens, what are people to do? Does this particular person have to go out and hire a criminal lawyer and lay charges of assault and maybe even of battery against the police? I may say that this was a fellow by the name of Kruger. Somebody asked me what I would have done. I said I would have had Constable Kruger immediately on his way to the Arctic, to Inuvik or somewhere like that, and stick him there. And I would see that he remained there, if I were his superior.

Certainly we can have law and order, Mr. Speaker. But some hon. members seem to believe that this simply means arresting a lot of people, convicting a lot of people and putting a lot of people in jail. We already have more people in jail in Canada than many civilized countries of the world.

Mr. Nielsen: And they are getting out quickly.

Mr. Peters: No, they are not getting out; they are escaping. They get on top of each other; they make a pyramid of themselves to reach the top of the prison wall, simply because the place is so crowded. When he is asked about escapes, all the Solicitor General does is tell us that we have bought another piece of land, that we are going to put up another prison building and that will solve the problem.

As I say, we can use law and order in this country. But if we abuse law and order there is always a response, and I suggest the time is coming shortly for that response. This particular gentleman whose wife was insulted and assaulted did not make any bones about it—that if he had been home he would have shot the guy. I suggested to him that he do it in self-defence, to make sure the guy was coming in when he shot, rather than going out, because it is a little easier to prove self-defence if the guy was hit in the front rather than in the back.

I still believe laws have to be obeyed, Mr. Speaker, but I do not believe any person can walk into your house and search it without a warrant. And I do not believe such a warrant should be easily obtained. If the police come to my house with a search warrant for marijuana, they don't have the right to go through the house, find an unregistered firearm and charge me with that offence. If they are looking for marijuana, they don't have to go through my refrigerator. I don't know much about marijuana these days—maybe that is where you keep marijuana—but the police certainly do not have to dump all kinds of medicine pills out on the floor and empty the aspirin bottle to see whether there is marijuana in it. Marijuana, so far as I know, is grass. It does not look like pills. At least this guy should have known what he was looking for, and I really do not know why he had to do a full examination of the lady. I do not believe he was providing any gratuitous medical information to her. This was an insult to the man and an insult to the people, and it is an insult to me, Mr. Speaker. It should be an insult to every Canadian unless you believe your police forces should be a gestapo. If you do, the rules can go out the window.

● (1700)

As I understand it, two or three people used to make all the decisions for the gestapo and there were no difficulties at all. The courts and justice were very quick. We do not think that way, yet the minister is suggesting in this instance that if you get illegal evidence and that illegal evidence is worth while, no matter how you came by it, then you have a case. He is saying that the end justifies the means. That is what justice was saying when they

invaded the Assaly apartments in Ottawa, that the end justifies the means. Maybe that is a form of harassment and maybe the minister agrees that it is.

I suggest, Mr. Speaker, that any minister of justice who does not believe in justice, who believes that illegality warrants whatever action was taken in that illegality and that the fruits of that illegality are acceptable, is a disgrace to this country—an outright disgrace, and I am ashamed of him, I am ashamed of the actions of some of the police, I am ashamed of an area and I am ashamed of a newspaper like the Brantford *Expositor* that comments favourably on the fact that 137 men in uniform made a raid on a place that contained ten people, that ten arrests were made, seven of them kids under the age to be in that establishment for drinking purposes.

Mr. Speaker, some members of this House were very proud of the 400 arrests made in the province of Quebec. They said it should happen, and were very proud of the fact that they passed legislation that did not allow them the full benefit of the law, that did not allow most of them even to be charged. To my knowledge there were no convictions in any of those arrests. Only seven or eight charges were laid in 700 or so cases. The people of Quebec should look at this; I am thinking particularly of the hon. member for Louis-Hébert.

Mr. Stanfield: She is worth looking at.

Mr. Peters: Leaving aside all the other problems, if they think they have a problem they should look at the city of Toronto. Their problem was not really that startling. They should look at this, Mr. Speaker, because they agreed to it. They agreed that you waive the law, that the law does not apply to police, that the law does not apply to the state, the law does not become effective; the only thing that becomes effective is justice appearing to be done and that justice should appear to be done where you have proved the case, whether there was any case at all in the first place or whether or not it was even your intention to establish a case.

I suggest, Mr. Speaker, that this subamendment fits into exactly that kind of feeling, where you allow not only the police but any agency to obtain illegal information and you allow a judge to look at that information and make the decision on whether it has any bearing on a conviction that may be obtained. Then it is said that not only will the evidence be available, but that we will accept the tape as material evidence. The minister does not put in any protection to say that the person who obtained that illegal evidence is not excused from having committed a crime, but that he will go to jail for a five-year period. He forgets about the illegality of the collection of the evidence and says that under certain circumstances this evidence will be accepted.

I am surprised, Mr. Speaker, and I am sure other hon. members are, but not all of them are prepared to do something about it. The Liberal member representing the particular person that I spoke about when the problem was brought to his attention said, "Don't bother me about this; I am not interested." Mr. Speaker, some are not, but I am sure most members of parliament are interested in providing law and order for the Canadian people and in seeing not only that the people have law and order but that law and order is demonstrated in a way that appears to be just for all. This kind of amendment is a disgrace and a continuation of some of the practices of this government over a period of years.

Some hon. Members: Hear, hear!

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I shall not attempt to follow my esteemed colleague, but I should like to say another word or two about the subamendment which is now before us. When this subamendment, now in the name of the Minister of National Health and Welfare (Mr. Lalonde), was first proposed by the Minister of Justice (Mr. Lang) I defended its procedural admissibility. But I indicated then, as my colleague the hon. member for Broadview (Mr. Gilbert) has indicated since, that we do not like it at all.

Mr. Speaker, it seems to me that this is one of those cases where amongst other things one has to look at the little two- and three-letter words, words like "or" and "and". As we have indicated, we do not approve at all of the effort of the Minister of Justice to re-establish the admissibility of indirect evidence or, as we prefer to call it, evidence illegally obtained. I recognize that the hon. member for St. Paul's (Mr. Atkey) did try to improve the effort of the Minister of Justice by adding to the conditions under which such evidence might be admitted.

A significant thing about the amendment of the hon. member for St. Paul's is that he strings together his three conditions by the use of the word "and". In other words, such evidence can be admitted only if it meets all three of the conditions, namely, being relative, being inadmissible only for technical reasons and being the kind of evidence that if it is not to be admitted might seem to cause justice not to be done. All that the Minister of Justice has done, really, is to take out one of those "ands" and put in an "or". Just a little change.

Mr. Atkey: It changed the whole thing.

Mr. Knowles (Winnipeg North Centre): A two-letter word instead of a three-letter word—but the result, if the minister's subamendment carries, is that this kind of evidence can be admitted if the first two conditions are met by themselves or if the third condition is met by itself. It seems to me that putting it that way, the minister is asking for the door to be opened wide. Therefore we are completely opposed to the subamendment moved by the Minister of National Health and Welfare.

The Acting Speaker (Mr. Boulanger): Is the House ready for the question? The hon. member for New Westminster (Mr. Leggatt).

Mr. Leggatt: Mr. Speaker, I rise on a point of order. I should like to see the *Hansard* debates correct, and I am referring to the debates that occured on November 22, 1973, at page 8067. During the debate I had indicated that there was a report from Quebec that two more lawyers had been bugged and wiretapped. There was an interjection from the hon. member for Louis-Hébert (Mrs. Morin) indicating to the House that this was not by the police. I think the record should show what is correct, because in

today's Montreal *Gazette* the first page carries the headline "Police bugged lawyers' offices" and the article reads:

> Electronic bugs found in the offices of two Montreal lawyers last week were planted there by police officers, Justice Minister Jerome Choquette admitted yesterday.
>
> Choquette told the national assembly that members of Quebec's special organized crime squad had spied on the lawyers' offices for more than two weeks last February.

● (1710)

I think the record of the debate should be correct and should show that there has been extensive police wiretapping of lawyers' offices.

The Acting Speaker (Mr. Boulanger): Order, please. The hon. member should have risen and asked for permission to make a speech. I do not think he has raised a point of order. Is the House ready for the question?

Some hon. Members: Question.

The Acting Speaker (Mr. Boulanger): The question is on the subamendment to motion No. 13 moved by the Minister of National Health and Welfare (Mr. Lalonde). All those in favour will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Boulanger): Those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Boulanger): In my opinion the yeas have it.

And more than five members having risen:

The Acting Speaker (Mr. Boulanger): Is it the wish of the House to defer the vote?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Boulanger): Pursuant to Standing Order 75(11), the recorded division on the proposed amendment stands deferred.

Mr. Lang: Mr. Speaker, there have been discussions and I think it would be agreeable if we were to return to motion No. 2 standing in the name of the hon. member for St. Paul's (Mr. Atkey), and motion No. 3, standing in the name of the right hon. member for Prince Albert (Mr. Diefenbaker).

The Acting Speaker (Mr. Boulanger): Is it agreed that we return to the consideration of motion No. 2, as suggested by the minister?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Boulanger): Is the parliamentary secretary rising to speak to motion No. 2?

Mr. Jack Cullen (Sarnia-Lambton): Mr. Speaker, I could use the extra $4,000 and would be prepared to work hard. Perhaps Your Honour knows something that I do not know.

[Mr. Leggatt.]

I am speaking to motion No. 2. I think it is fair to say that the definition section of the bill, particularly that part of the definition section relating to offences, has caused difficulties. It is fair to say that the minister and the department have experienced difficulty in arriving at an appropriate definition of "offence". The department originally suggested that "offence" as included in this bill should be limited to indictable offences. It was the intention of the minister and of the department, I am sure, to include the more serious offences in the definition section and that is why indictable offences were considered.

As has been explained to the House, it is not necessarily correct to say that wiretapping can be undertaken only where there is a serious indictable offence. For example, someone who has a grudge might seek permission to wiretap an individual that may have been charged with drunk driving or some other offence to be revenged on the accused and lead to his conviction.

Recognizing the catch-all provision, if you will, of the definition section in the bill, the hon. member for St. Paul's (Mr. Atkey) properly endeavoured, in the spirit in which the minister and the department were acting, to group by way of amendment the offences with respect to which wiretapping could be undertaken. The offences listed are the only offences for which wiretapping could be undertaken. They are the only offences which would be considered when an application is made. That is the kind of precision which is needed in any definition section.

Following the efforts of the hon. member for St. Paul's in this regard, I believe the hon. member for Sudbury (Mr. Jerome), the hon. member for Windsor-Walkerville (Mr. MacGuigan), the hon. member for Calgary North (Mr. Woolliams) and the hon. member for Peace River (Mr. Baldwin) indicated some of the difficulties which might arise in cataloguing very carefully each and every offence, inasmuch as one might leave some offences out. Further, in categorizing offences it is possible that offences might be included which should not in the view of the House be included.

Recognizing this, Mr. Speaker, members on both sides of the House have endeavoured to work out a compromise. The right hon. member for Prince Albert (Mr. Diefenbaker) has more than once said that the strength of this chamber lies in its ability to solve problems which cross party lines. One of our strengths is that we can get together and work out a compromise which, although it may be criticized and may not be acceptable to everybody in the House, represents a sincere effort and good will on the part of members on all sides. In that way it is often possible to do that which seemed impossible at the outset. We do not run into a situation in which one can say some are all right and some are all wrong. We compromise. Our positions are not all black and not all white. An accommodation is reached by members on both sides of the House.

I thank the hon. member for St. Paul's and the hon. member for New Westminster (Mr. Leggatt) for being good enough to look over a proposed amendment and for making many recommendations for deletions and additions. It is on that basis that I will be moving an amendment to the motion proposed by the hon. member for St.

Paul's. In considering the matter, it is important for hon. members not to lose sight of the fact that despite all the exceptions this bill, basically, is a bill to prevent wiretapping. I think everyone in the House agrees with that. Heated debate has been generated by the exceptions that are included in the bill and about the conditions under which wiretapping should be carried out. Nevertheless, we should not in this debate lose sight of the fact that the main purpose of the bill is to prevent wiretapping.

On that basis, and not wishing to belabour the point, I move:

That motion No. 2 to amend Bill C-176, an act to amend the Criminal Code, the Crown Liability Act and the Official Secrets Act, be amended by deleting the quoted text therein and substituting the following:

"offence" means an offence contrary to or any conspiracy or attempt to commit or being accesssory after the fact in relation to sections 47, 51, 52, 58, 62, 76.1, 76.2, 76.3, 78, 79, 80, 108, 109, 110, 121, 178.11, 178.18, 218, 247, 281.1, 303, 305, 306, 312, 314, 325, 326, 331, 338, 339, 383, 389, 407, 408, 410, paragraph 186(1)(e) and paragraph 294(a); sections 4 and 5 of the Narcotic Control Act; sections 34 and 42 of the Food and Drugs Act; section 192 of the Customs Act; unlawful distillation, selling, offering to sell or purchasing of spirits contrary to section 158 and 163 of the Excise Act; or any other indictable offence in respect of which there are reasonable and probable grounds to believe that it forms a pattern of similar or related offences by two or more persons acting in concert, and that such pattern is part of the activities of organized crime.

Mr. Peters: You are trying to get rid of the bootleggers in your area.

Mr. Cullen: Mr. Speaker, I have copies of the motion, in both official languages, for the benefit of *Hansard*. I heard the comment about bootlegging in my riding. That has never been a problem, although I suggest in earlier days we were known in my area as great rum runners. That activity has been cleaned up owing to very effective and efficient police service.

An hon. Member: Did you drink any rum?

Mr. Cullen: I was not there at that time to drink any. All my drinks came out of a milk bottle.

Mr. Diefenbaker: Mr. Speaker, before the hon. member sits down, as it is very difficult to know what these offences are simply by referring to sections, could he say what they are? Those of us who were not participants in the discussion concerning this compromise have no idea what we are agreeing to.

Mr. Cullen: Mr. Speaker, I think the point of the right hon. gentleman is valid. I do not wish to labour it, but I did speak to two or three members of his party and also to members of other parties and we went over each and every section. I will be very happy to quickly run down these sections—maybe not all, because they are quite lengthy.

● (1720)

Mr. Diefenbaker: Otherwise the record will not mean anything.

Mr. Cullen: The sections I have referred to deal with treason, intimidating parliament or a legislature, sabotage, forgery of or uttering a forged passport, sedition, hijacking of aircraft, endangering safety of aircraft in flight and rendering aircraft incapable of flight, taking offensive weapons and explosives on aircraft, breach of duty in relation to explosive substances, causing injury with intent by use of explosives, possessing explosives without lawful excuse, bribery of judicial officers, MPs or MLAs, bribery of peace officers, public officers, etc., frauds upon the government, perjury, unlawful electronic surveillance, unlawful possession of electronic eavesdropping equipment, bookmaking, murder, kidnapping, forcible confinement or abduction, advocating genocide, theft over $200, robbery, extortion, breaking and entering, having in possession property obtained by crime, theft from the mails, forgery, uttering forged documents, threatening letters and telephone calls, fraud and fraudulently affecting the public market price of stocks, using mails to defraud, corrupt secret commissions, arson, making counterfeit money, possession of counterfeit money and uttering counterfeit money. Those are the sections referred to in the Code.

Mr. Knowles (Winnipeg North Centre): What else is there?

Mr. Cullen: There are many more. This list, I might say, was gone over very thoroughly. There are quite a few others which we deleted as a result of representations made by the hon. member for St. Paul's and the hon. member for New Westminster.

Mr. Ron Atkey (St. Paul's): Mr. Speaker, the hon. member for Sarnia-Lambton (Mr. Cullen) is quite correct in suggesting that this amendment has been arrived at in a spirit of compromise. Perhaps Your Honour will forgive me if I gloat a bit when I say that this amendment represents, at long last, an acceptance by this government of the principle that offences must be specifically listed in the act. Until this amendment was brought forward there was no indication from the government that there was any acceptance of that principle. I regard this as an important victory for the establishment of that principle.

A number of members were helpful in the debate on this particular motion in pointing out some technical and legal problems in the original list that was submitted in my motion No. 2. I confess that some of those legal and technical problems were quite justified. In particular, I single out the hon. member for Calgary North (Mr. Woolliams) who drew on his great experience as a criminal lawyer in the city of Calgary to point out some very real difficulties.

It was as a result of comments by that hon. member and other hon. members on both sides of the House that I suggested to the Minister of Justice (Mr. Lang) that he and the law officers of the Crown take a serious look at the list of offences and, within the confines of the principle I was attempting to put forward, come up with a list that might attempt to meet their needs and would be an acceptance of the principle. I can report that that was in fact done.

There were a number of offences which I thought should be excluded and the government has been helpful in listening to arguments about the necessity of excluding those offences. I mentioned in particular income tax eva-

sion and those offences cut out of the amendment that were first suggested by law officers of the Crown as perhaps being an overreaching of the original intent of the bill. One other aspect of the amendment I was happy to see come forward for the first time was the acceptance of the principle that where there is a pattern of offences by persons acting in concert, and I am talking about indictable offences other than those in the list, the pattern of activities on the part of organized crime could be the subject of an application for authorization to wiretap.

The term "organized crime" is not a legal term. It is not in any of our formal jurisprudence. However, I feel confident that our judiciary, as they attempt to assess the applications that come before them for authorizations, and as they are met with arguments by Attorneys General and other agents on certain groups of minor offences which form part of a pattern of activities which are a part of organized crime, will provide the flesh and bones of that term and soon develop a jurisprudence unto itself. This will be useful. It will meet the needs of both freedom and the law enforcement officers as they carry out their duties.

In acknowledging that the amendment put forward by the hon. member for Sarnia-Lambton is acceptable to me and I believe to my party, I wholeheartedly concur in his suggestion and his repeating of the fact that the primary emphasis of this bill is perhaps not that which has been the subject of discussion throughout much of this debate; it is to prohibit wiretapping; it is to prohibit the possession, purchase or sale of electronic eavesdropping devices and prohibit the disclosure of information obtained as a result of illegal wiretapping. Throughout all our dealings with this bill and this amendment we must never lose sight of the fact that these three prohibitions are the main object of the exercise in which we are engaged. The country needs these prohibitions, and needs them soon.

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, I am disappointed that we have now come to the point of expanding the amendment originally introduced by the hon. member for St. Paul's (Mr. Atkey). A very valid question was asked across the floor of the House as to what offences will be left after we have extended them to the list just quoted by the hon. member on the government side. I am reluctant to accept this new list. It seems we are extending it to every major offence.

I want to give some particulars of the offences that in my opinion obviously lead to abuse of this immoral activity of wiretapping. The amendment seeks to allow wiretapping for purposes of the Narcotic Control Act and the Food and Drugs Act in areas of trafficking, or being in possession for the purpose of trafficking. If we think back to the kind of scenario we could expect as soon as we have a police force seeking to obtain evidence against someone being in possession of drugs, not necessarily for the purpose of trafficking, obviously it is a *fait accompli*. They would have a prima facie case of wiretapping against anyone they suspected to be in possession. They probably would not know the amount of the drug, and they would not be able to say definitely whether it was there for mere possession and use or whether it was in possession for the purpose of trafficking.

Therefore, under this amendment you open the whole door to wiretapping for every kid who is smoking a marijuana cigarette. It is certainly common knowledge that the use of marijuana among the younger generation has reached epidemic proportions. We have evidence that over 50 per cent of high school children have used the drug. I do not condone the use of marijuana, but with something used as extensively as this I do not think we should be expanding this provision so as to wiretap every kid at high school who happens to have a marijuana cigarette. Yet under the terms of this amendment that would be the result, and this is why I cannot accept it.

● (1730)

I am pleased there have been some negotiations between the hon. member for St. Paul's and the justice minister which removes some of the proposals, but I must say I am concerned that within this list of offences we still have section 62 which deals with sedition. This allows the police to wiretap conversations to determine whether a private conversation between one person and another advocates the forceful overthrow of the government. This is a pretty serious and severe step in terms of freedom of speech. Therefore I would oppose the section on sedition being included in the particular amendment; and I might also say it was included within the original amendment to the bill of the hon. member for St. Paul's.

As I look at these offences I observe we have already dealt with trying to control bootlegging, the possession of alcoholic spirits and conversations that may or may not be seditious held between private persons. Certainly there are areas where one could suspect political eavesdropping. Any offence in connection with the operation of a public office could easily lend itself to political surveillance. The real lesson is that once you get into the issue of wiretapping you open a bottomless pit.

I should like to come back to the original point which we made in this House last week, and it is this. We can tamper with the bill all we want, we can try to amend it and then amend our amendments and go round in circles. But the trouble is that we are dealing with an immoral activity, and it is immoral activity on the part of the police. Amend the bill all you like, but you will still not make it a satisfactory bill. My party will oppose the subamendment presented to the House to amend the motion of the hon. member for St. Paul's.

Mr. Joe Hueglin (Niagara Falls): Mr. Speaker, this is a debate which very largely has been entered into by members of the legal profession. As one who has had very little connection with the law except in so far as it has acted to protect me, I have been very interested in what has been transpiring during this debate. My intervention is to very greatly commend these members for the efforts and the time they have spent here. A balance is being developed and achieved in this bill, largely, I believe, as a result of the urgings of Conservative members. It is a fine example of our system in operation as between opposition parties and the government.

There are two important philosophies included within this bill. The first is that no unauthorized individual should be able to exercise electronic surveillance over any other citizen in this country. This is one of the most important things that has been done here to protect ourselves. What we have seen with Watergate and other

different matters is very much on people's minds today. In addition, there should be stern penalties for such an invasion. Because a law without penalties is meaningless.

The second philosophy is that authorized representatives of the government, having obtained their authority from a judge of the land first of all, be empowered to use these modern devices, these things that have made our lives different from all other lives in the past, to fight against those who, by their acts, harm the well-being of innocent citizens. It is clear that individuals should be forbidden the right to invade the privacy of others. It is equally clear that those empowered to protect us all must be provided with the most up to date means of so doing.

This bill will empower the police to use these devices, not in a manner where they can be misused but, rather, in a manner that ensures that such surveillance is always regulated so there is no temptation for those few individuals who exist in every profession to abuse their power.

As a result of suggestions put forward by Conservative members, the original bill is being improved. It is being improved in that no law enforcement officer will be placed in the postion of having to take the risk that his evidence will be thrown out of court because he acted first and sought permission later, or because of some minor technicality that might develop. This is something that very often plays upon the mind of those outside the legal profession: a minor technicality can cause a case to be thrown out of court, and it seems to them that justice sometimes is not done as a result. Thus we are ensuring use of evidence that is needed to convict criminals.

Under the changes that I hope will be accepted, many of which are on their way to acceptance, there will be a roster system among judges so that permission may be obtained at any time, night or day, to meet a sudden emergency need for authorization. Secondly, the judges shall accept the evidence as long as permission has been granted in substance, whether or not the technical aspects of the granting have been met in every way. It is very important that our police and law enforcement officers be able to obtain quickly something that is needed for the public good.

This bill protects individuals from each other. It allows the police to use modern means to combat crime, and provides that they can obtain this authority at any time of need and not have to face the problem of seeing hard evidence thrown out because a "t" was not crossed and an "i" was not dotted. I welcome this bill in its amended form because it will be a step in two directions: it ensures the preservation of one individual from another, and it offers assistance to law enforcement officers in their actions to control the criminal elements in our society. These are steps that can be accepted by all who are concerned about liberty under the protection of the law and its agents.

Today the two principles of protection of individual liberty and protection and security of individuals from lawless elements are being extremely well put together in this bill. This is taking place, from what I have seen, as a result of give and take between government and opposition. As a result of the urgings of our members, the police will be allowed to have all necessary powers to fight lawless elements in areas in which they threaten the safety of both individuals and the state. The bill will clearly state the necessary steps that the police must take, and at the same time it will preserve the essential privacy of those who have done no wrong from unneeded invasion. This bill, if it proceeds along the path that seems likely today, may very well be remembered as one of the finest that this parliament has yet produced.

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

Some hon. Members: Question.

Mr. Deputy Speaker: The question is on the amendment to motion No. 2 moved by the hon. member for Sarnia-Lambton (Mr. Cullen). All those in favour will please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: All those in favour will please say nay.

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the yeas have it.

And more than five members having risen:

● (1740)

Mr. Deputy Speaker: Pursuant to agreement reached earlier, the division on the amendment will be deferred until a later stage. I gather it is the understanding of the House that we will now proceed to motion No. 3 standing in the name of the right hon. member for Prince Albert (Mr. Diefenbaker). Am I correct in that regard?

Mr. Knowles (Winnipeg North Centre): Question.

[*Translation*]

Mr. Raynald Guay (Parliamentary Secretary to Minister of Justice): Mr. Speaker, I read very attentively the amendment proposed by the right hon. member for Prince Albert (Mr. Diefenbaker). Because of the late hour, let me simply move an amendment which reads as follows:

That Motion No. 3 to amend Bill C-176, An Act to amend the Criminal Code, the Crown Liability Act and the Official Secrets Act, be amended by

(*a*) striking out the following words and numbers appearing in lines 3 and 4 of paragraph (*b*):

"lines 23 to 28 inclusive at page 11"

and substituting the following:

"lines 1 to 14 at page 10, the words "or a permit given under subsection 178.15(1)" in lines 27 and 28 at page 11 " ; " and

(*b*) adding to paragraph (*b*) the following:

"Applications to specially appointed judges

178.15 (1) Notwithstanding section 178.12, an application for an authorization may be made *ex parte* to a judge of a superior court of criminal jurisdiction, or a judge as defined in section 482, designated from time to time by the Chief Justice, by a peace officer specially designated in writing for the purposes of this section by

(*a*) the Solicitor General of Canada, if the offence is one in respect of which proceedings, if any, may be instituted by the Government of Canada and conducted by or on behalf of the Attorney General of Canada, or

(*b*) the Attorney General of a province, in respect of any other offence in the province,

if the urgency of the situation requires interception of private communications to commence before an authorization could, with reasonable diligence, be obtained under section 178.13.

Authorizations in emergency

(2) Where the judge to whom an application is made pursuant to subsection (1) is satisfied that the urgency of the situation requires that interception of private communications commence before an authorization could, with reasonable diligence, be obtained pursuant to section 178.13, he may, on such terms and conditions, if any, as he considers advisable, give an authorization in writing for a period of up to 36 hours.

Certain interceptions deemed not lawful

(3) For the purpose of section 178.16 only, an interception of a private communication in accordance with an authorization given pursuant to this section shall be deemed not to have been lawfully made unless the judge who gave the authorization or, if such judge is unable to act, a judge of the same jurisdiction, certifies that if the application for the authorization had been made to him pursuant to section 178.12 he would have given the authorization.

"Chief Justice" defined

(4) In this section, "Chief Justice" means

(*a*) in the Province of Ontario, the Chief Justice of the Supreme Court,

(*b*) in the Province of Quebec, the Chief Justice of the Court of Queen's Bench (Crown side),

(*c*) in the Provinces of Nova Scotia, New Brunswick, Prince Edward Island, Alberta and Newfoundland respectively, the Chief Justice of the Supreme Court,

(*d*) in the Province of British Columbia, the Chief Justice of the Supreme Court,

(*e*) in the Provinces of Manitoba and Saskatchewan respectively, the Chief Justice of the Court of the Queen's Bench,

(*f*) in the Yukon Territory, the Chief Justice of the Territorial Court,

(*g*) in the Northwest Territories, the Chief Justice of the Territorial Court."

Mr. Speaker, may I be permitted to table, in both official languages, the amendments I move, seconded by the hon. member for Beauce (Mr. Caron) to Motion No. 3 moved by the right hon. member for Prince Albert (Mr. Diefenbaker).

[*English*]

Mr. Deputy Speaker: The House has heard the motion presented by the hon. member for Lévis (Mr. Guay), seconded by the hon. member for Beauce (Mr. Caron). If I read the motion again it would take us beyond six o'clock. I assume copies have been made available. The motion contains some technical aspects, but perhaps the right hon. member for Prince Albert (Mr. Diefenbaker) would wish to speak first on its acceptability.

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, on May 8 I spoke in the House concerning this bill. That was before the bill came before the committee, where it was considered at great length. While I made various criticisms in general, I think I could epitomize my criticism by pointing out that the feeling was that, while I was opposed in general to wiretapping, I realized that circumstances would arise from time to time that could justify this course being followed, provided no open season was permissible for police officers, enforcement officers, Attorneys General or the Solicitor General to allow wiretapping to take place without judicial approval in advance.

The essence of proposed section 178.15 as originally placed before the House would have allowed the Attorney General of a province, the Solicitor General of Canada or an agent specially designated in writing for the purposes of the section by the Attorney General of a province or the Solicitor General of Canada, if he were satisfied that circumstances existed which would justify the granting of authorization for the interception of private communications, but the urgency of the situation required that interceptions should commence before an authorization could with reasonable diligence be obtained, on such terms and conditions if any as he considered advisable to grant a permit for the interception of private communications between persons, and that right would exist for a period of 36 hours. To me that constitutes the embodiment of a most dangerous provision whereby the right to privacy of Canadians would be subject to an invasion which after 36 hours could result in dangerous implications to the freedom of the individual.

I said that as far as the general principle was concerned, I was opposed to it. But realizing the expansion of crime which is taking place and the difficulty of assuring justice to the nation, while at the same time assuring the freedom of the individual against insidious attacks by those who would take shortcuts through our system of justice, perhaps this could be considered a proper course.

● (1750)

We argued very strongly. I do not wish to name all the hon. members who took part, but I would say a word of commendation not only in respect of the hon. member for St. Paul's (Mr. Atkey) but also the hon. member for New Westminster (Mr. Leggatt), who in the amendment he offered to this House represented in essence what I have argued for and against. I think all of us will appreciate the fact that while strong words were expressed, because of the nature of this bill, essentially those words were based on the fact that only under a judicial system properly enforced can there be that freedom that gives equality to each and every one of us.

Crime is rampant. There is no question about that. Contempt is shown today for police officers to a degree that did not exist when I came into this House. While police officers always must be subject to the searchlight of public opinion, they have the right to ask that citizens stand behind them and support them when they are doing their duty. All of us who have the viewpoints I expressed on May 8 realize since that date, as was mentioned earlier this afternoon, the revelations of Watergate mean that parliament must be careful. It is difficult to understand what has happened in Washington and to realize that the finest principles of justice in the British tradition were swept aside by a coterie surrounding the President who placed the welfare of a political party above the needs and the welfare of the state.

Much has been made of the fact that there is international crime and that it is difficult to secure convictions. I was amazed to read in the report of the Mounted Police that in Canada, in one year beginning April 1, 1971, there were police reports and investigations concerning rack-

eteering and organized gangsters in respect of 95 cases. That is a tremendous challenge to the law enforcement officers of our country and, above all, to the assurance that Canadians shall be protected against the invasion of those who find it advantageous, monetarily and otherwise, to establish themselves in Canada.

Because of this I again repeat a suggestion I have made on other occasions. It is, whatever may be the advantages of the legislation now before this House, the time has come for the establishment of a royal commission on crime, representative of federal and provincial governments, to look into this question which has become in our nation a multimillion dollar racket which requires, above everything else, the fullest investigation and the fullest knowledge of the subject.

The hour approaches six o'clock. If the House will permit, I will in a moment suggest our adjournment. Suffice it to say at this time that the amendment brought forward by the hon. gentleman is representative of an endeavour to ensure the preservation of the rule of the law under the judiciary. It removes many of the dangers, if not all the dangers, reflected in the section as it stood originally. While I will not go so far as to say it satisfies everyone, it represents an example of what parliament can do when in the face of criticism from the opposition, joined by members supporting the government, there is recognition that it is in this place that freedom is assured. I think that in this amendment, to which I will later make somewhat extended reference, there has been a give and take which has removed a major portion of the stigma in the bill as originally introduced.

Mr. Deputy Speaker: Despite the condition of our clocks, perhaps it could be recognized now as being six o'clock. Accordingly, this House stands adjourned until two o'clock tomorrow.

At six o'clock the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, November 29, 1973

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*Translation*]

FINANCE, TRADE AND ECONOMIC AFFAIRS

Fourth report in both official languages of Standing Committee on Finance, Trade and Economic Affairs—Mr. Trudel.

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

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[*English*]

INDIAN AFFAIRS

RETURN OF LAND TO MIDDLE RIVER BAND—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Frank Howard (Skeena): Mr. Speaker, I rise pursuant to Standing Order 43 to seek the unanimous concurrence of the House to move a motion in a case of urgent and pressing necessity, namely, the continual delay in the Department of Indian Affairs and Northern Development in returning certain lands to a particular band of Indian people in Nova Scotia. I would therefore move, seconded by the hon. member for Comox-Alberni (Mr. Barnett):

That this House authorize the Standing Committee on Indian Affairs and Northern Development to inquire into the reasons why the Department of Indian Affairs and Northern Development is not taking steps to have certain Indian reserve land which was improperly alienated returned to the domain and authority of the Middle River Indian Band in Nova Scotia.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity.

* * *

HOUSING

SOCIAL AND NATIVE HOUSING POLICIES—DISMISSAL OF WALTER RUDNICKI—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I rise under the provisions of Standing Order 43. The matter of urgent and pressing necessity arises from events that took place this morning in the Supplementary Estimates Committee. At that committee a majority accepted a motion expressing the desire to request the Standing Committee on Health, Welfare and Social Affairs to inquire immediately into the operations of Central Mortgage and Housing Corporation as they relate to social housing policy, native housing policy and the dismissal of Mr. Walter Rudnicki. For procedural reasons the matter was not fully resolved in the committee this morning. I therefore move, seconded by the hon. member for Broadview (Mr. Gilbert):

That the Committee on Health, Welfare and Social Affairs be instructed to inquire immediately into the above-mentioned matters and that such an inquiry request the appearance as a witness of Mr. Walter Rudnicki.

Mr. Speaker: Is there unanimous consent.

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity.

* * *

LABOUR CONDITIONS

POSSIBLE UNEMPLOYMENT CAUSED BY BUNKER OIL SHORTAGE—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Paddy Neale (Vancouver East): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. In view of the very serious world-wide shortage of bunker oil for international merchant shipping and the threat this shortage poses to all Canadian industry, including merchant shipping, I move, seconded by the hon. member for Nickel Belt (Mr. Rodriguez):

That this House instruct the Minister of Manpower and Immigration to table immediately in the House the contingency plans at his disposal to minimize the increase in unemployment which will surely result this winter in many parts of the country from the scarcity of this crucial energy resource.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent.

[*Translation*]

ENERGY

PROPOSED OIL PIPELINE EXTENSION TO MONTREAL—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Henry Latulippe (Compton): Mr. Speaker, under Standing Order 43, I ask the unanimous consent of the House to propose a motion of extremely urgent necessity.

Since the energy crisis entails serious problems, the government should give first consideration to the extension of the pipeline from Sarnia to Montreal. In addition, the House should specially examine the most efficient means to finance the project. Since it is a collective project, I move, seconded by the hon. member for Lotbinière (Mr. Fortin):

That this project be carried out.

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

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity and the hon. member's motion cannot be put.

* * *

[*English*]

UNEMPLOYMENT INSURANCE

DISENTITLEMENTS IMPOSED BY BENEFIT CONTROL OFFICERS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, I rise under the provisions of Standing Order 43. In view of the revelations by the Unemployment Insurance Advisory Committee that overzealous activities on the part of benefit control officers resulted in large numbers of claimants being unjustly disqualified from benefits to which they were rightly entitled, and in view of the minister's admission to the House yesterday that he is aware of the occurrence of such excesses on the part of the benefit control officers, I move, seconded by the hon. member for Vancouver East (Mr. Neale):

That this House instruct the minister to undertake, with his department, a case by case review of all disentitlements and disqualifications imposed by benefit control officers between January 1, 1973 and November 1, 1973, with a view to ensuring that all improperly disqualified claimants receive their just entitlement.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity.

[Mr. Speaker.]

EXTERNAL AFFAIRS

STATEMENT BY MINISTER ON LEAKING OF CONFIDENTIAL COMMUNICATIONS

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, in the House on November 16 I expressed my concern on the matter of recent leaks of confidential government communications. I should like to stress that this is indeed an extremely serious matter. If allowed to continue, such practices could impair our relations with other countries and undermine the effective conduct of government business with foreign governments. Here in Ottawa, it would also interfere with exchanges of information essential to the conduct of business among government departments and agencies. It is therefore imperative that the matter be dealt with without delay.

What is involved, I suggest, is not our attitude toward this or that government of Chile. What is involved is also not a matter of whether we feel concern over the hardships or dangers for a good many people arising from the events in Chile. On this matter, I would have thought there would be little or no disagreement among most Canadians.

● (1410)

What is involved is simply a question of whether confidential communications are to be secure. On this matter, too, I would hope that most, if not all, Canadians would agree.

I am very much aware of the concern of this House on this matter. On November 16, the hon. member for Esquimalt-Saanich (Mr. Munro) inquired whether there had been an investigation with a view to a possible dismissal for the divulgence of classified documents from my department. At that time, I replied that an investigation was under way. This investigation has been a very thorough one and has necessarily taken a little time and a good deal of effort. As a result of these inquiries, I am confident that we have identified the person responsible for the leaks. That person is being informed. The long established procedures for dealing with such cases will now be followed.

I am hopeful that the action we are now taking will ensure that a breach of trust of this kind will not recur. I see no need to identify publicly the person responsible. Since there has been some suggestion that the telegrams may have come from someone in the Department of External Affairs and since that might give the worrying impression that those who are regularly handling the country's most sensitive diplomatic communications are not to be trusted with them, I should say immediately and categorically that these telegrams were not leaked by anyone in that department or at any of our missions abroad. It would not be in the public interest to go further regarding the source of the leak.

I should inform the House that one of the messages to which public reference has been made is not a genuine telegram. It is in fact a message specially prepared by the security services of my department to help in identifying the location of the leaks.

CANADA LABOUR CODE

PROVISION FOR APPOINTMENT OF INDUSTRIAL INQUIRY COMMISSION TO SETTLE STRIKES OR LOCKOUTS AGAINST NATIONAL OR PUBLIC INTEREST

Mr. Duncan M. Beattie (Hamilton Mountain) moved for leave to introduce Bill C-234, to amend the Canada Labour Code.

Some hon. Members: Explain.

Mr. Beattie (Hamilton Mountain): The purpose of this bill, Mr. Speaker, is to amend the industrial relations part of the Canada Labour Code to provide that, where a strike or lockout is against the national or public interest, the government may appoint an Industrial Inquiry Commission to make a final and binding settlement subject to government variation and adoption. Forthwith upon the appointment of the commission the strike or lockout, apprehended or occurring in respect of such dispute or difference, is prohibited; no employee shall strike and no employer shall lock out his employees—

Mr. Speaker: Order, please. I hesitate to interrupt the hon. member, but we had a similar incident a few days ago when I thought a member went a little too far in giving the brief explanation that is allowed under the terms of Standing Order 68(2). I would hope hon. members would not depart from that well-established practice.

Is it the pleasure of the House that the hon. member shall have leave to introduce the said bill?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There seems to be unanimity. Is it the pleasure of the House to adopt the said motion?

Mr. Nelson: On a point of order, Mr. Speaker, the motion was not seconded by the hon. member for Burnaby-Seymour (Mr. Nelson).

An hon. Member: Thank God.

Mr. Speaker: By the hon. member for Burnaby-Richmond-Delta (Mr. Reynolds).

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

* * *

HOUSE OF COMMONS

PRESENCE IN GALLERY OF WIDOW OF LATE PRESIDENT OF CHILE

Mr. Barnett J. Danson (York North): Mr. Speaker, I rise on a point of order. I should like to draw to your attention and to the attention of the House that we have with us in the gallery today Mrs. Salvador Allende, widow of the late president of Chile.

Some hon. Members: Hear, hear!

Oral Questions

ORAL QUESTION PERIOD

[*English*]

ENERGY

OIL—INTENTION OF SUPPLYING COMPANIES REGARDING RESORT TO "FORCE MAJEURE" CLAUSE RESPECTING DELIVERIES TO CANADA

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I wish to direct a question to the Minister of Energy, Mines and Resources who said in the House on November 27, as found on page 8171 of *Hansard*, with regard to suppliers of oil who are now making reference to *force majeure*.

I am not sure whether they have done so specifically so far or merely indicated their intention to do so.

I ask the minister whether he has now had an opportunity to make inquiries as to what supplying companies have indicated an intention to resort to a *force majeure* clause with regard to the cutting back, or possible cutting back, of deliveries of oil to Canada from non-Arab countries?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, the hon. gentleman will have seen a number of rather categorical statements by some of the Canadian refiners as to the present situation, although their remarks were also hedged with regard to the future. At the moment we do not have any definite indication, except perhaps an indication in the *Globe and Mail*, of a specific interruption for the future. But as I pointed out to the hon. gentleman several days ago, and repeated yesterday, we have through the technical liaison committee the indication that if the trend of international interruption continues this is a condition which may be invoked.

Mr. Stanfield: Mr. Speaker, I would like to give the minister every opportunity to tell the House what inquiries he has made this week since making his statement on Monday night to determine what supplying companies have indicated they may resort to invoking a *force majeure* clause with regard to deliveries to Canada, because this is a matter of the greatest importance and the minister has made a public statement as well as statements in the House. I am sure the House wants to give the minister every opportunity to indicate whether or not he had any basis in fact for the assertion he made.

Mr. Macdonald (Rosedale): Mr. Speaker, to repeat again, the basis was on the advice received from the industry through the technical liaison committee.

Mr. Stanfield: As the minister is the responsible minister with regard to this matter and as he has indicated to the Canadian people that they may be confronted by shortages, and particularly as certain major companies in Canada have indicated they know nothing about this, has he made any inquiries himself with regard to what companies in Canada might be affected by a *force majeure* clause and what companies supplying Canada from non-Arabian sources might be affected, or is the minister simply trying to hide behind some technical committee he has established, failing to get the information himself and

refusing to indicate to the House whether in fact there is any substance to his statement?

Mr. Macdonald (Rosedale): Mr. Speaker, the hon. member can make what assertions he likes, but I would point out to him again, and to the House, that the express purpose of the technical advisory committee on petroleum supply and demand is to provide that kind of liaison between agencies of government and the industry for the purpose of determining what the supply and demand situation is at the present time, and will be through this coming winter, with regard to petroleum. On that basis my officials have been meeting regularly with representatives of the companies. This is the vehicle in the first place for keeping in touch with the supply situation as it may be now and as it may be in the future, specifically the vehicle for the information we receive from the industry at a time when we wanted to determine the greatest possible exposure for Canadians in the winter to come to determine what the possible risk was—

● (1420)

An hon. Member: Why don't you answer the question?

Mr. Macdonald (Rosedale): —and that is the figure I gave to the House. I am sure the hon. member would be the first member of the House to take exception if we had not made it clear what we thought the exposure was and at a later date it turned out to be much greater than anticipated.

Mr. Stanfield: After all his delays and his refusal to give the House information may I ask the minister whether, even at this date, he will make inquiries to ascertain what substance in fact there is to this allegation that supplying companies from non-Arab sources have indicated an intention to resort to a *force majeure* clause, and what this amounts to in fact in terms of barrels of oil per day? Will the minister now undertake these inquiries and give this information to the House?

Mr. Macdonald (Rosedale): Mr. Speaker, I will undertake that we will continue to use the technical committee for the purpose of keeping in touch with the industry, and this, on any sensible basis, is the way to handle it, by continuing liaison with the industry.

Mr. David Lewis (York South): Mr. Speaker, I have a supplementary question. On this saga of the *force majeure* clause may I put the following question to the minister, and perhaps we can get a simple and straightforward answer.

An hon. Member: I doubt it.

An hon. Member: Oh, no!

Mr. Bell: It will be simple.

Mr. Lewis: Do his answers amount to this, Mr. Speaker, that he had no indication of any intention from any source to use the *force majeure* clause, that his attention was brought to the fact that such a clause existed in the contracts between Canadian companies and supplying companies and if it were invoked the result he indicated would be the result to come? Is that the kind of hypothetical position that he found it necessary to frighten the Canadian people with?

[Mr. Stanfield.]

Mr. Macdonald (Rosedale): Mr. Speaker, we sought to find out from the industry the kind of risk for the balance of this winter that Canadians could be exposed to. It was for that purpose that we made inquiries, and we received an indication that with a continuation of the deterioration of the international supply situation this interruption could take place, and on the basis of this interruption we made a calculation of what the drop in supply would be. That is the simple, straightforward situation.

Mr. Lewis: Do I also understand from the minister's answers over the days that this so-called information came to him through the industry members on the advisory committee? If so, has he gone back to those industry members since these questions have been asked beginning on Monday to inquire whether they have any harder information than the information on which he has spoken before or is the situation the same, that there is no actual intention expressed by any company to cut back?

Mr. Macdonald (Rosedale): Mr. Speaker, all indications are that there is no actual intention, certainly not as expressed by the companies.

Some hon. Members: Oh, oh!

Mr. Macdonald (Rosedale): We are indeed keeping in continuing liaison through the committee, and this seems to be the most sensible administrative way to keep in touch with the industry on a continuing basis.

Mr. Speaker: Order, please. The Chair will recognize the hon. member for York South for a last supplementary at this point, followed by the hon. member for Témiscamingue.

Mr. Lewis: Thank you, Mr. Speaker. Everyone will approve of the minister keeping in touch with the situation but a lot of us would not approve of frightening the Canadian people if it is not necessary to do so.

Some hon. Members: Hear, hear!

Mr. Lewis: Mr. Speaker, will the minister now undertake to the House that he will report on a regular basis on whether or not any direct intention has been expressed by any supplying company and the extent to which that might affect the supply of oil, and who these companies are, so that the Canadian people and members of the House can be informed on a regular, daily basis as to whether or not the fear he has created is justified?

Mr. Macdonald (Rosedale): Mr. Speaker, the hon. gentleman, I am sure, would want me to make perfectly clear to Canadians the kind of risk we face. If the hon. gentleman will not accuse me of frightening Canadians each time a fresh development occurs of trying to create fear, I will do my best to keep him informed.

[*Translation*]

OIL—POSITION OF GOVERNMENT RESPECTING "FORCE MAJEURE" CLAUSE IN CONTRACTS

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I should like to ask a supplementary of the Minister of Energy, Mines and Resources.

In view of the fact that, by invoking the *force majeure* clause which has been mentioned in the past few days, some countries seem not to want to live up to agreements previously signed with Canada and that this has provoked no reaction, does the Canadian government have to comply with the signed contracts and can this *force majeure* clause be invoked to protect our Canadian citizens?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I should point out that these contracts were the result of negotiations between foreign companies and Canadian refineries. If we had a different system in Canada, such as a national oil corporation, then the Canadian government could perhaps negotiate direct commitments from the exporting countries. However, we have had now for many years a system whereby crude oil deliveries are the result of transactions concluded between two companies. We depend on Canadian companies to keep us informed about developments on the crude oil market, and if there is a crisis, we keep them informed in order to minimize interruption of supplies to Canadians.

Mr. Caouette (Témiscamingue): Mr. Speaker, I should like to ask a supplementary.

Mr. Speaker: Order, please. I am sorry to interrupt the hon. member, but the hon. member for Yukon is rising on a question of privilege.

[*English*]

The hon. member for Yukon rises on a question of privilege.

Mr. Nielsen: Mr. Speaker, I rise on a question of privilege having to do with the answers of the Minister of Energy, Mines and Resources and affecting all members of the House. We all heard the minister say a moment ago he had received no indication from any of the supplying companies of an intention to invoke the *force majeure* clause. Yesterday, as recorded on page 8227 of *Hansard,* I questioned the minister on this score and quoted from page 8172 of *Hansard* his reply to a question put by the hon. member for Calgary South. The minister had given this answer:

—my understanding is that it has been a decision of the supplying companies, and it may be related under the conditions of the contracts they have with other countries to other supply obligations.

The language used today by the minister, as well as that on page 8172 which I have just quoted, was in both cases, in the past tense, leaving a clear indication that he had received an indication from supplying companies of an invention to invoke a *force majeure* clause. However, it got worse later. Yesterday, as recorded on page 8227 of *Hansard*, in response to my question the minister quoted his own words from page 8179 of *Hansard*, where he had said with respect to the application of *force majeure*.

My understanding at the moment is that this redistribution has not taken place but the companies have indicated there is a prospective interruption under the *force majeure* provision of the supplying contracts.

Mr. Speaker, one or the other is true. The minister is not entitled, especially in circumstances as serious as these, to mislead the House to the extent that he has done—not only this House, but all Canadians.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

● (1430)

Mr. Macdonald (Rosedale): Mr. Speaker, I rise on the same question of privilege. I stated on Monday night and I have repeated at least half a dozen times, if not more, that we were talking about the prospective application of the *force majeure* clause during the course of the present winter. That is the clear context of my remarks. If he chooses to do so, the hon. member may take a sentence or two out of the rather extensive exchange that has occurred in this regard to allege something else. However, if taken in the whole context I think there can be no doubt about it. I just wonder why he seeks to keep twisting the words in this way.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. It appears to the Chair that the point raised by the hon. member for Yukon is a continuation of the debate which took place yesterday and earlier today during the question period. I really do not think it can be resolved by way of a question of privilege.

Mr. Nielsen: Mr. Speaker, I am afraid the minister has compounded the error and given rise to a further question of privilege on my part. He has accused me of taking his answer out of context.

Some hon. Members: Oh, oh!

Mr. Nielsen: Members can read what he said. I hear groans from members opposite. In an attempt to extricate himself from his difficulties the minister, not the Leader of the Opposition or the leader of the New Democratic Party, is the one twisting matters here. It is the minister. I quoted him precisely and wholly from answers he gave the day before yesterday, yesterday and today.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please.

[*Translation*]

Mr. Caouette (Témiscamingue): Mr. Speaker, before asking a supplementary, I would like to rise on a question of privilege. I thank the hon. member for Yukon for his lack of courtesy. In fact, as I was going to ask a supplementary he rose on a question of privilege, something we

from the Social Credit Party do not do when the hon. member's leader asks up to five questions in a row. I do not know if children are badly brought up in the Yukon, but the hon. member for Yukon is certainly uncouth to act in this fashion.

[*English*]

Mr. Speaker: Order, please. I do not know how that was translated, but in French I am not sure whether it was entirely parliamentary.

[*Translation*]

I ask for the co-operation of the hon. member for Témiscamingue as well as on all other hon. members to come back to the oral questions period and to forget for a moment about questions of privilege.

REFUSAL OF GOLDEN EAGLE CANADA LIMITED TO DELIVER FUEL OIL IN RIMOUSKI AND MONT-JOLI

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I would like to put a supplementary to the Minister of Energy, Mines and Resources.

Yesterday I asked a question with regard to the Golden Eagle Canada Limited. I was advised once again this morning that this company has set quotas for retailers and that, since November 26, it has told gas and heating fuel retailers in Mont-Joli and Rimouski that it will be unable to deliver any heating fuel before the December 1 price increase. Has the minister looked into the matter?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I apologize to the hon. member. I had hoped to get an answer to his question this afternoon. As I have not received it, I shall inquire into it. It seems to me that, if such is the case, it is unfair and that steps should be taken to ensure that the company put a stop to that practice. I apologize once again and assure the hon. member that I shall look into the matter.

* * *

[*English*]

CONSUMER AFFAIRS

GASOLINE PRICE INCREASES—MINISTER'S POSITION—INVESTIGATION UNDER COMBINES ACT

Right Hon. J. G. Diefenbaker (Prince Albert): As always, Mr. Speaker, I will try to pour oil on troubled waters. I direct my question to the Minister of Consumer and Corporate Affairs. In the minister's position of looking after matters of inflation in our country, did he agree to the increase of five cents a gallon for gasoline commencing December 1?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, I share the concern about the matter the right hon. member has mentioned, not only with other members of the cabinet but hopefully with him and all other members of the House. I can only say that I take part in formulating and sharing decisions of cabinet like all other ministers.

[Mr. Caouette (Témiscamingue).]

Mr. Diefenbaker: Was the minister advised by his department that as far back as August increases in the price of gasoline were taking place that were difficult to explain on the basis of cost? Did he have any investigation made under the Combines Investigation Act with regard to those gasoline price increases before the difficulties began in the Middle East?

Mr. Gray: Mr. Speaker, parliament has given me authority to have increases in prices looked into only to the extent they may indicate possible breaches of the Combines Investigation Act. As has been reported to the House on several occasions, as a result of a complaint by six citizens, made public by them, a formal inquiry under the act has been under way for the past several months covering the whole range of activities of the petroleum industry.

Mr. Diefenbaker: Has it been brought to the minister's attention that the Mount Royal Liberal Association at the convention of the Liberal Party here in September brought forth a resolution calling on the Minister of Consumer and Corporate Affairs, under the Combines Investigation Act, to look into the operation of the increase in the cost of gasoline? Did he receive that resolution and did he act on it?

Mr. Speaker: Order, please. The hon. member for Vancouver South.

Mr. Diefenbaker: Mr. Speaker, it was a resolution of the Liberal Party of Canada from the Prime Minister's constituency. Surely that would receive the attention of the minister.

Mr. Speaker: Order, please.

* * *

ENERGY

KIND OF POSSIBLE OIL SHORTAGES IN BRITISH COLUMBIA

Mr. John A. Fraser (Vancouver South): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. In his statement Monday night the minister said that "Eastern Canada and, to a lesser extent, British Columbia, will feel the shortages most." In view of information recently received from the B.C. Energy Commission that to the best of their knowledge there is no cause for concern and there will be sufficient gasoline and home heating oil in British Columbia this winter, can the minister advise what shortages he was referring to in British Columbia?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Anticipated shortages of middle distillate and residual oil, both of which come from the United States.

Mr. Fraser: Can the minister advise upon what facts he bases his concern regarding possible shortages of other oils for industrial purposes and whether these facts have been communicated to the B.C. Energy Commission?

Mr. Macdonald (Rosedale): Mr. Speaker, I could not be sure on the latter point. The source of the information would be the National Energy Board and my own officials.

OIL—INTENTION OF SUPPLYING COMPANIES REGARDING RESORT TO "FORCE MAJEURE" CLAUSE RESPECTING DELIVERIES TO CANADA

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, my supplementary question is for the Minister of Energy, Mines and Resources. In view of the statement made yesterday in a speech in Toronto by Mr. L. J. Bolger, general manager of Shell Canada, and I quote—

Mr. Speaker: Order, please. I think the hon. member will appreciate that the question should be asked directly. If hon. members quote resolutions passed outside the House, speeches and reports in newspapers in support of questions, I think we get away from good practice. I would hope the hon. member would find a way to ask the question without referring specifically to a statement made outside the House.

Mr. Hees: Further to this statement that the minister's department was long ago made aware of the intention of these companies to invoke the *force majeure* clause, does the minister still claim he was given this information only a few days ago? If that is the case, will he undertake to make better use of information which was made available to his department a long time ago?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): I thank the hon. member for his counsel.

Mr. Hees: Well, for heaven's sake, use it.

* * *

● (1440)

EXTERNAL AFFAIRS

STEPS TO ASSIST CHILEAN REFUGEES WISHING TO COME TO CANADA

Mr. Andrew Brewin (Greenwood): Mr. Speaker, my question is addressed to the Secretary of State for External Affairs, although the Minister of Manpower and Immigration may wish to deal with it. The Secretary of State for External Affairs told the House on Monday that he had received, or was receiving, reports from the teams sent to Chile to look into the question of expediting the admission to Canada of refugees. He said he would report to the House. Has the cabinet looked into these recommendations and is the hon. gentleman prepared to report to the House?

Hon. Robert K. Andras (Minister of Manpower and Immigration): With the hon. member's indulgence, I should like to answer the question. The missions have returned from South America. We have been talking to them and I expect to make a statement on this matter in the House tomorrow.

ENERGY

INQUIRY AS TO APPOINTMENT OF CABINET COMMITTEE TO DEAL WITH CRISIS

Hon. J. A. MacLean (Malpeque): Mr. Speaker, I should like to direct a question to the Prime Minister. Has he appointed a cabinet committee to deal with the general subject of the energy crisis in all its phases and the effects it may have on the economy in a great number of ways if not properly met?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the subject is being discussed within the present structure of cabinet.

Mr. MacLean: Would the Prime Minister tell us briefly what are the guidelines drawn up for this committee within cabinet, if I understand him properly, and who is the minister in over-all charge of this responsibility?

Mr. Trudeau: The Minister of Energy, Mines and Resources is mainly responsible for bringing documentation and proposals to cabinet, and the situation is being discussed by his colleagues.

* * *

AGRICULTURE

REQUEST FOR STATEMENT ON FERTILIZER AND CHEMICAL SUPPLY SITUATION

Mr. H. W. Danforth (Kent-Essex): Mr. Speaker, my question is for the Minister of Agriculture. Will he make a detailed statement on motions concerning the Canadian supply situation with respect to fertilizer and agricultural chemicals, bearing in mind that any shortage could seriously affect production and bring about a drastic increase in food prices? I ask this question because of the minister's optimism when replying to questions in the House on the subject, an optimism which is not shared by his provincial counterparts.

Hon. E. F. Whelan (Minister of Agriculture): I will certainly consider the hon. member's request. We are compiling all the facts. Reports are coming in from the fertilizer manufacturers and as soon as they are in suitable form I will give the hon. member's suggestion serious consideration.

* * *

[*Translation*]

UNEMPLOYMENT INSURANCE

REQUEST THAT FINES IMPOSED ON CERTAIN PEOPLE BE REPAID

Mr. Gilles Caouette (Charlevoix): Mr. Speaker, I should like to put a question to the Minister of Manpower and Immigration.

In view of the fact that persons who receive unemployment insurance benefits sometimes make mistakes in their statements, they are penalized and often have to reimburse the benefits they received, can the minister tell the

House what penalties will be imposed on the civil servants who are being zealous and misuse the rules; can he also tell us whether the fines unjustly imposed on persons who received benefits will be reimbursed with interest?

[*English*]

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I do not accept the premise of the question.

[*Translation*]

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

Does the minister recall the statement he made yesterday and the story reported in *La Presse* recapitulating what I just said?

* * *

[*English*]

EXTERNAL AFFAIRS

IMPRISONMENT OF THOMAS SERJEANT IN TANZANIA—REPRESENTATIONS BY CANADA

Mr. Walter Carter (St. John's West): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. Yesterday in the House, in reply to a question put to him with respect to the imprisonment in Tanzania of a Canadian citizen, Thomas Serjeant, the minister indicated that the Canadian consulate in that country was informed of the imprisonment on October 6 and that the family of the imprisoned man was notified shortly thereafter. In fact, however, the family of the imprisoned man was not informed until November 6. I am sure the minister did not intend to mislead the House, but perhaps he would wish to correct the record and, in doing so, explain the time lapse between the date the Canadian consulate knew about the imprisonment and the date when his family was informed?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, the events followed in this order. As the hon. member has said, Mr. Serjeant was placed in detention on September 26. On October 6 we were informed and applied immediately for consular access, which was obtained on October 15. At that time, at Mr. Serjeant's request, the embassy informed his brother in England of the incident and contacted a British lawyer.

Mr. Carter: I am sure the hon. gentleman is not trying to mislead the House, but obviously there is some conflict between the statement he has made and information I have received from the Serjeant family. I have a telegram here which I received this morning from the brother of the imprisoned man. It states: "Received first notice of brother's imprisonment on November 6, not October 15". This is a very serious matter and I think the minister should explain it.

Mr. Sharp: I regret if I have misled the House in any way, but this is the information I have obtained from my officials.

Mr. R. Gordon L. Fairweather (Fundy-Royal): Has the ambassador of Tanzania been asked for an explanation of this extraordinary, extra-legal procedure which has been perpetrated against a citizen of this country?

Mr. Sharp: Yes, Mr. Speaker. The High Commissioner of Tanzania has been asked to call.

Mr. Fairweather: Has he been asked to call, or has he called? What is the explanation for this?

Mr. Sharp: The explanation, as I said to the House yesterday, is that Mr. Serjeant is being detained in connection with what are called matters of state security. Like the hon. member, I regret this kind of procedure. It is not the sort of thing to which we are accustomed in this country. We have made strong representations on a number of occasions directly in Tanzania and we are now asking the High Commissioner to call so as to reinforce those representations.

Mr. Fairweather: I have a supplementary question for the Prime Minister. I thought this question might come up so I gave notice to his office. In view of the fact that President Nyerere is head of a country which is a member of the Commonwealth, will the Prime Minister intervene personally following what, on the face of it, is a most illiberal and extra-legal action against a citizen of this country?

Right Hon. P. E. Trudeau (Prime Minister): At this stage I wish to identify myself with the feelings expressed by the Secretary of State for External Affairs. Detaining people for a long period of time without laying charges is a procedure for which I have great distaste; it is one against which the government has been protesting assiduously. I am sure the exchanges of these past days, and of today, will be brought to the attention of the government of Tanzania.

Mr. Speaker: Order, please. I will recognize the hon. member for St. John's West, but hon. members will appreciate that there are only a few minutes left before the end of the question period and that if we allow three or four supplementaries on each question, as we are doing in relation to this important matter, the number of members the Chair will be able to recognize will be limited.

Mr. Carter: I have a very short supplementary to the Secretary of State for External Affairs. Can he tell the House when the High Commissioner for Tanzania was first called in by his department to discuss this very important matter?

● (1450)

Mr. Sharp: Mr. Speaker, we always consider it more effective to deal directly with the government concerned rather than with their representative here, but in order to reinforce the representations we have made directly in Dar es Salaam we are calling in the High Commissioner.

THE CANADIAN ECONOMY

SUGGESTED INTRODUCTION OF NEW MONETARY AND FISCAL POLICIES TO PREVENT SERIOUS RECESSION

Mr. James Gillies (Don Valley): Mr. Speaker, my question is directed to the Minister of Finance. In view of the particularly disappointing performance of the economy in the third quarter, as demonstrated by the recent GNP statistics, a performance which from the minister's statement he apparently did not expect, will he tell the House and the nation when the government is going to bring in new monetary and fiscal policies so the economy will not slide into a serious recession?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I indicated when a similar question was asked about the fact that the gross domestic product was weak in the third quarter that that was a reflection of the loss in man-days because of strikes, particularly the railway strike. I also indicated that it reflected not a shortage in demand but a shortage in supply related particularly to unskilled labour, skilled labour and materials.

Some hon. Members: Oh, oh!

Mr. Turner (Ottawa-Carleton): Statistics Canada indicates that we have now reached record levels of unfilled orders and there is a continuing strong demand by business for investment goods indicating the underlying strength of the economy.

Mr. Gillies: Is it the position of the government that, when Canada has the highest unemployment rate of any industrialized country in the world and the third fastest rate of inflation, the economy is operating well?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I have said, and I repeat, that the economy is operating at very close to capacity and that the problem on both the price side and the unemployment side reflects not a shortage of demand but a shortage of supply.

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CENTRAL MORTGAGE AND HOUSING CORPORATION

DISMISSAL OF WALTER RUDNICKI—REQUEST FOR STATEMENT BY MINISTER AND INVESTIGATION BY COMMITTEE

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Minister of State for Urban Affairs. In view of the fact a majority of the members of the miscellaneous estimates committee this morning requested a full investigation of the dismissal of Mr. Walter Rudnicki and the policy questions connected therewith, and in view of the minister's own assurance following the meeting that he was interested in having the matter aired, would he undertake to make a statement in the House tomorrow?

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, I will not be in the House tomorrow. I will be in Regina and Edmonton talking to the ministers of housing in an attempt to further the implementation of Bill C-133. I was at the miscellaneous estimates committee meeting this morning with Mr. Teron—

Mr. Speaker: Order, please. Perhaps I might be allowed to take exception both to the question and the answer being given by the minister in that they refer to a proceedings in a committee. I think the question can be asked directly without bringing in matters relating to the proceedings of a committee, which is out of order.

Mr. Broadbent: In view of the fact the supplementary estimates of the minister's department were not voted upon this morning, would he make a request of the steering committee that one of the time periods still remaining for discussion of supplementary estimates be allocated to the estimates of his department in order that we can clear up this matter which, according to his expressed desire, he has an interest in doing?

Mr. Basford: Mr. Speaker, as I am not on the committee or the steering committee I do not know what times are still available, but I would be happy to co-operate with the steering committee as much as possible.

* * *

AIR CANADA

REPORTED BREAKDOWN OF NEGOTIATIONS WITH AIRLINE EMPLOYEES ASSOCIATION—GOVERNMENT ACTION

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, my question is for the Minister of Transport. In view of the extra special need for a healthy passenger transportation system during the upcoming Christmas period, would the minister indicate whether he was informed that earlier this afternoon the Canadian Airline Employees Association broke off negotiations with Air Canada? Can he also indicate the core of the problem and whether he plans to do anything about it?

Hon. Jean Marchand (Minister of Transport): This is the first news I have had of this, Mr. Speaker. As usual, they get in touch with you before they get in touch with me.

Some hon. Members: Oh, oh!

Mr. Marchand (Langelier): However, I would suggest that you get in touch with the Minister of Labour who is in charge of labour relations in this government.

Mr. Don Mazankowski (Vegreville): Mr. Speaker, I have a supplementary question for the Minister of Transport. In view of the fact the Chairman of Air Canada is presently in the city of Ottawa, is it the minister's intention to consult with him and discuss this very important matter with the hope of averting a strike during the Christmas rush?

Mr. Marchand (Langelier): Mr. Speaker, I understand that the Chairman of Air Canada has been appearing before the committee for two days and I would think that

the hon. member has had a good opportunity to ask him about this.

* * *

CANADIAN BROADCASTING CORPORATION

REQUEST THAT NIGHTLY TELEVISION NEWS BROADCAST BE MOVED AHEAD TO 10 P.M. TO SAVE ENERGY

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, I have a question for the Secretary of State. In view of the critical energy shortage, would the minister consider having the CBC national news moved ahead one hour to 10 o'clock across the country? A great many people stay up to hear the news, and if this were done it would save a great deal of electricity, gas and oil.

Some hon. Members: Hear, hear!

Hon. James Hugh Faulkner (Secretary of State): Mr. Speaker, I think that is a very interesting suggestion.

* * *

HEALTH

REQUEST FOR INVESTIGATION OF DEATH OF TWO LABORATORY TECHNICIANS AT SASKATOON UNIVERSITY HOSPITAL AND BLOOD IMPORTED FROM UNITED STATES

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, my question is for the Minister of National Health and Welfare. Will he conduct an inquiry, as requested by the Saskatoon University Hospital laboratory technicians, into the deaths of two fellow workers that have been linked with hepatitis due to infected American blood samples used for testing?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, this matter falls under the purview of the Saskatchewan government since it deals with an incident which occurred in an hospital under provincial jurisdiction. Obviously, the department will be pleased to co-operate as much as possible in the inquiry which the Saskatchewan government will want to make in that connection.

[*English*]

Mr. McKenzie: As requested earlier, will the minister conduct an inquiry into the export of blood from the United States used for testing in Canada that carries infectious hepatitis which has caused two deaths?

[*Translation*]

Mr. Lalonde: Mr. Speaker, there is no need for a special inquiry in that connection. We have looked into this situation and taken the usual precautions regarding the importation of blood into Canada. It seems impossible right now to make a complete and thorough check in order to detect the presence of the problem raised by the hon. member before such blood enters Canada and before we had the time to make very elaborate tests.

[Mr. Marchand (Langelier).]

[*English*]

ENERGY

STUDY OF CANADA'S FUTURE URANIUM REQUIREMENTS IN LIGHT OF PROPOSED SALE BY DENISON MINES TO JAPAN

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources. In view of the inaccurate predictions to date of Canada's energy reserves, has the minister's department conducted a thorough study to determine Canada's future needs for uranium, and will he reveal such details to the House in order to satisfy members that the $800 million sale of uranium to Japan by Denison Mines is surplus to Canada's future nuclear energy requirements?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, uranium reserves have been estimated by my department in connection with the preparation of phase one of the energy analysis. I might say in regard to the sale that it would require an application by the vendor to the Atomic Energy Control Board for permission to export the commodity. It is my intention to see what the terms of the application are and then consider what further action we might take with regard to it.

Mr. Symes: Mr. Speaker, is the minister prepared, if necessary, to impose export and price controls on uranium so that Canadian energy interests are protected?

Mr. Macdonald (Rosedale): Mr. Speaker, there are already those controls under the law.

* * *

● (1500)

[*Translation*]

THE ARTS

REQUEST FOR FINANCIAL ASSISTANCE TO MONTREAL SYMPHONY ORCHESTRA

Mr. Georges-C. Lachance (Lafontaine): Mr. Speaker, I wish to direct a question to the right hon. Prime Minister, and perhaps you will be indulgent enough to let me ask the supplementary question that I wanted to ask yesterday.

Can the Prime Minister say whether he has received a letter from the directors of the Montreal Symphony Orchestra stating that it will cease its activities as of December 20 if it is not helped by federal, provincial, or municipal governments? It is an extremely important matter for it is the oldest orchestra in Canada.

Mr. Speaker: Order, please. The Prime Minister would perhaps answer the question, after which I will recognize the hon. Leader of the Official Opposition.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I have indeed received such a letter some time ago. I do think that it is a most important matter, especially for the future of this orchestra and of the cultural life of Montreal and of the province. I have answered and my answer is in the hands of the directors. I hope that we

could somehow be of help under certain conditions. I think that it is up to them to determine their future directions.

[*English*]

Mr. Speaker: Order, please. Hon. members will appreciate that we have gone beyond the time allotted to the question period. It expired a few minutes ago. Would the member resume his seat?

[*Translation*]

The hon. member will be allowed to ask his supplementary question and afterwards, as I said a moment ago, the Chair will recognize the hon. Leader of the Opposition.

Mr. Lachance: Mr. Speaker, the supplementary question I wanted to ask yesterday relates to the statement of the hon. Minister of Energy, Mines and Resources . . .

Mr. Speaker: Order, please. The hon. member has been recognized for one question, but it seems to me he could ask his other question tomorrow.

* * *

[*English*]

ENERGY

OIL—POSITION OF GOVERNMENT ON RIGHT OF COMPANIES TO REALLOCATE CANADIAN SUPPLIES FROM NON-ARAB SOURCES

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to direct a question to the Minister of Energy, Mines and Resources. Does he know of any occurrence which would justify any companies supplying Canada with petroleum from non-Arab sources cutting back unilaterally or reallocating Canadian supplies?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, if there is a general interruption of international supplies this would be the basis for cutting back.

Mr. Stanfield: A supplementary question, Mr. Speaker.

Mr. Speaker: Order, please. A number of hon. members are seeking supplementaries on this subject. Obviously, we could go on for quite a while on the same subject. The Chair recognizes the Leader of the Opposition but when he is finished I will have to call orders of the day. The supplementaries could be asked tomorrow, including that of the hon. member for Lafontaine.

Mr. Stanfield: Mr. Speaker, I should like to ask the Prime Minister whether it is the position of his government that international companies supplying oil to Canada from non-Arab sources have the right to reallocate these supplies on the ground of sharing cutbacks on an equitable basis, or is it the position of the government that any such reallocation should be based upon the decisions of governments, including the government of Canada, rather than on decisions of international oil companies?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, referring to the rights of those companies in legal terms, I expect this is a contractual matter; it would be a question of seeing whether such a right does exist in contractual law. But insofar as the question of whether they have a political or moral right to do so is concerned, I would refer the Leader of the Opposition to my answer yesterday in the House. I am glad to hear that his party would support our party if we had to use non-legal means to ensure security of supply to the Canadian people.

Mr. Speaker: Orders of the day. I believe the hon. member for Saint John-Lancaster is rising on the usual point of order.

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Bell: Mr. Speaker, I just want to ask the government House leader about the business for the next few days and as far into December as the minister is able to go.

Mr. MacEachen: Mr. Speaker, we will continue with Bill C-176, the wiretapping bill, and when it is completed we will begin the second reading of Bill C-233, the Federal-Provincial Fiscal Arrangements Act and following that Bill C-191, the Parole Act, and Bill C-190, the Canada Pension Plan.

I should mention to hon. members that it is my hope to give notice of a bill affecting the oil situation which might be given first reading on Monday. If that should happen I would want to call it early in the week.

Mr. Macquarrie: Mr. Speaker, considering the fact that two weeks ago the Minister of National Health and Welfare said that unless Bill C-211 was passed by the House by November 30 the cheques would not be available by January 1, why has this measure not been put before the House?

Some hon. Members: Hear, hear!

Mr. MacEachen: Mr. Speaker, I am keeping in close touch with my colleague and I should say to my hon. friend that the bill will be brought forward in time to meet the needs of the beneficiaries of the bill.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, with regard to the family allowances bill, which requires only third reading, I wonder whether the government House leader would consult with the opposition parties in the House to see whether there would be agreement to give that bill third reading without debate. My question implies that we would be willing to do so this afternoon. Would he also bring on the Canada Pension Plan Bill No. 2, for third reading since it also is supposed to come into effect in January?

Mr. MacEachen: Mr. Speaker, I will be happy to consult with the House leaders and, if possible, reach similar agreements on other measures of importance.

Mr. Ritchie: Mr. Speaker, I wonder if the President of the Privy Council would indicate when the matter of

redistribution will be referred to the appropriate House committee?

Mr. MacEachen: Mr. Speaker, I have done research on this subject and I hope to have it brought forward and the subject matter sent to the committee on privileges and elections the moment its work is finished on the Election Expenses Act.

Mr. Macquarrie: Mr. Speaker, in order to expedite the proceedings I should like to restate that our party is prepared to move at once on Bill C-211 if the minister is prepared to do so.

Some hon. Members: Now!

GOVERNMENT ORDERS

[*English*]

PROTECTION OF PRIVACY BILL

CREATION OF OFFENCES RELATED TO INTERCEPTION OF PRIVATE COMMUNICATIONS BY CERTAIN DEVICES

The House resumed, from Wednesday, November 28, consideration of Bill 176, to amend the Criminal Code, the Crown Liability Act and the Official Secrets Act, as reported (with amendments) from the Standing Committee on Justice and Legal Affairs; motion No. 3 (Mr. Diefenbaker) and the amendment thereto of Mr. Guay (Lévis).

Mr. Speaker: Order, please. May we have order, please. When the House adjourned yesterday we were considering motion No. 3 in the name of the hon. member for Prince Albert (Mr. Diefenbaker) and I believe he still has the floor. I am not clear on whether or not his remarks were completed.

Mr. Diefenbaker: Mr. Speaker, I wish to speak on a question of order. I am not now speaking to the motion. I understood that the Minister of Justice (Mr. Lang) had decided on another amendment, and that that amendment would be brought forward now, so we would really start all over again. I do not know what he has to say about that. My information was that the amendment moved yesterday has been found lacking in certain particulars, and therefore the government would find it necessary to have a new amendment brought before the House.

Mr. Lang: Mr. Speaker, there are some amendments of a technical nature which I would propose to bring forward if the amendment moved by my parliamentary secretary were indeed adopted by the House. There has been some discussion about the omission in the amendment which was put forward of subsection (5) which had been contained in the original section. I think it would be quite in order for an hon. member to move that that subsection be added in one form or another, and I think the hon. member for St. Paul's is prepared to do that in a moment.

[Mr. Ritchie.]

• (1510)

Mr. Diefenbaker: With your leave, Sir, that amendment could be moved now so we deal with the problem instead of doing it section by section or in a series.

Mr. Lang: The specific words that would be required to be added to the amendment by the parliamentary secretary would be the deletion of the words in the original amendment of the right hon. gentleman in subparagraph (b) reading "lines 1 to 13 inclusive at page 9". If those words in the original motion were also deleted by the amendment, then if there were agreement to add those words to the amendment, it would complete the picture for the amendment now before the House.

Mr. Diefenbaker: I ask that the amendment be completed so that I would know what I was dealing with, Mr. Speaker. Yesterday, I started on the original amendment to my motion, and now we have the additional amendment. In so far as the latter is concerned, it will be dealt with by the hon. member for St. Paul's who will also refer to certain further particulars that should be incorporated in the amendment to my motion. With that in mind, I will proceed to deal with this matter in a general way.

It will be recalled that last May—I think it was on May 8—I spoke on this matter and pointed out the serious danger to freedom within our country in view of the area that was covered in the motion in respect of emergencies. Indeed, the door was left wide open to taking two positions: one, that the House was abolishing wiretapping, was preventing anyone from dealing in wiretapping devices or being in possession thereof, and two, there was this wide open section whereby in an emergency there was no need to appeal for the support and authorization of a member of the judiciary. I took a strong stand against this.

The judiciary constitutes the only defence of our freedom within this country, and without the judiciary giving the authority to invade privacy, the idea of freedom of speech, of association, and all the other freedoms under the law would be meaningless. Indeed, I found a very interesting article only last evening while reading among the vital speeches of the day a speech made by the Hon. John N. Mitchell, Attorney General of the United States, delivered in Dallas, Taxas on August 13, 1969. It was in my file. It deals with wiretapping, and in the light of what has happened at Watergate it is particularly appropriate to make a reference to it. He said:

> As you know, the Attorney General is the President's lawyer and takes presidential guidance as to the type of America—the type of "ordered liberty under law" that this administration wants for our citizens.
>
> Thus, permit me to remind you of some of the principles enunciated by President Nixon in his inaugural address, and I quote.
>
> "The laws have caught up with our conscience. What remains is to give life to what is the law."

That was in 1969. Then, he deals with the problem of wiretapping and he says:

> Most recognized law enforcement experts have repeatedly stated that wiretapping is our most useful tool in obtaining information about this organized criminal syndicate.
>
> Because wiretapping is an invasion of privacy, a judgment must be made as to whether it is "reasonable" to wiretap in a particular case in order to obtain information that is necessary to combat organized crime.

Congress addressed itself to this issue in Title III of the Omnibus Crime bill of 1968. It authorized the Department of Justice to instal electronic eavesdropping devices on organized racketeers by application to a court and upon a showing of probable cause.

Up to that point the United States legislation is similar to the legislation that we have before us. Then he went on:

—I also insisted—and continue to insist—that each application and full supporting papers be personally presented to me for my evaluation.

So, the Attorney General of the United States in the pre-Watergate days believed that wiretapping was dangerous, and that not only should there be judicial approval by an authorization given but in addition there should be the careful perusal and consideration by the Attorney General of the U.S. to the end that injustice should not be permitted to be legalized.

When I raised this matter first, I met quite a reaction. The hon. member for Windsor-Walkerville (Mr. MacGuigan) is not here so I will not refer to him, although he did to me in my absence. But the argument advanced went across this country. People began to realize the danger and there was a flood of complaint and condemnation of this emergency section in every part of Canada, making due allowance for the hon. member who said that in one province it was regarded as necessary.

On Friday I spoke and reiterated the strongest objection, not based upon a desire to preserve and protect wrongdoers but to ensure that a law that applies to wrongdoers cannot be used against other Canadians who have committed no crime. That is what happened in the United States in connection with Watergate, where a coterie of individuals decided that they had a God given right by the propinquity they enjoyed to the president to destroy or endeavour to destroy those who did not see eye to eye politically with the President of the United States.

● (1520)

I will say this for the Minister of Justice (Mr. Lang). He pressed this bill in its original form with all the power at his command, but he listened to argument. And while he brushed aside what I had to say last May, what was heresy in May has become orthodoxy for him in November. That is what happens. If the House of Commons discharges its responsibilities, if the minister is prepared to listen, then ultimately out of a concensus this institution can arrive at legislation beneficial to all Canadians.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: The minister had an amendment moved last evening. He had discussed it with me yesterday morning. He produced what he thought would meet the general tenor of my strong objections, which was that the judiciary shall not be bypassed, no matter what the emergency, in view of the hundreds of judges that we have. I thought we had only 600 judges. The hon. member for Ottawa-Carleton (Mr. Turner) raised the number, I think, to 900. In any event, within the purview of the definition of the judiciary I presume that number is very close to actuality. I pointed out this question: if you cannot find a judge how are you going to find your agent? How are you going to find the Attorney General of the province within which the offence allegedly has been committed? How are you going to find the Solicitor General?

The amendment that was suggested and moved last evening is one that actually meets in general the whole thrust of the argument I advanced. However, I would make a couple of suggestions.

Provision was made therein that:

Where the judge to whom an application is made pursuant to subsection (1) is satisfied that the urgency of the situation requires that interception of private communications commence before an authorization could, with reasonable diligence, be obtained—

That is pursuant to the judicial portion of the bill.

—he may, on such terms and conditions, if any, as he considers advisable, give an authorization—

I suggested, and the minister accepted the suggestion, that the authorization should not be one of these telephonic authorizations.

Mr. Speaker: I am sorry to interrupt the right hon. gentleman for a moment, but I must remind him that his time has expired. I have to inquire whether there is unanimous consent to allow the right hon. member to continue.

Some hon. Members: Agreed.

Mr. Diefenbaker: My thanks. As I was saying, it should not be one of these telephonic authorizations, nor of the type of the northern outdoor courts that were referred to by the hon. member for the Yukon (Mr. Nielsen), who pointed out yesterday that he was able to get an ex parte order from a judge who was 200 miles away on a fishing trip. That kind of thing cannot be done if this amendment is accepted. There has to be an authorization from a judge, and it must be a written authorization. If there were action taken without a written authorization, action on the part of a police officer would be a nullity, ineffective, and unusable.

Then, there was no provision for a time limit in the draft that the minister brought to my attention, and I urged that the same period of 36 hours should be the limit under the amendment. Sir, I am not one who gloats over changes that are made. Parliament used to operate this way in the days of Mr. King, in the darkest days of war, but I do find that some hon. members do not operate this way, and I do not except the hon. member for Windsor-Walkerville (Mr. MacGuigan) who, in my absence the other day, chose to make a personal attack. That does not worry me one bit. He showed how right the original bill was. He gave it his approval. Anyone who might think anything to the contrary belonged outside the purview of those who regard law and order as important, not only in universities but in the law courts. He poured forth ridicule.

I am not going to read all he said because I will have another opportunity on third reading, if he chooses to get into the debate again. However, by the time the minister got through introducing this amendment yesterday, I may say I have never seen a rug pulled from under an hon. gentleman to the extent that one was pulled from under the hon. member for Windsor-Walkerville. If the hon. gentleman has any alibis I will be glad to hear them, but I simply point out to him that parliament is a place you

have to get used to, and no member in this House, speaking with the authority he endeavoured to impart to his words, ever was figuratively so taken out to the woodshed as he was yesterday afternoon. I will say no more, unless the hon. gentleman makes another speech in my absence. Then, I will operate without anaesthetic.

This is a good amendment. There are shortcomings in it. There are alterations that can be made and that ought to be made. These will be pointed out. It is parliament at its best when we can disagree as strongly as we have on this bill, and yet the government finally recognizes that the opposition has produced views that are worthy of consideration in the interests of the freedom of Canadians.

When this matter originally came up in the committee on the thirteenth day of the sixth month of 1972, the minister explained that there was not any need to worry about it because, as he said, the committee should appreciate that what would very seriously narrow if not practically eliminate the emergency power would be the acceptance of anything along the line I have suggested. He said:

The emergency power is put in because there may be times when the circumstances require quick action and a judge is not available in the immediate period to give a warrant.

Then he was asked by a well known member of the bar, the hon. member of Calgary North (Mr. Woolliams):

How are you going to control police and peace officers from always considering everything as an emergency?

The minister replied:

Well, I think there are two controls essentially. One, of course, is the general political one, because the person using the power has to be specially designated by the Attorney General or the Solicitor General and, therefore, there is an immediate political responsibility. In addition, there is a requirement, in the normal course, to follow up with an application to a judge for any of the evidence that is involved to be made use of and that would certainly be an opportunity for judicial comment as well upon the use of the emergency power.

Now, look at what has been accepted by the minister. I presume it will even appeal to the finer sensibilities of the hon. member for Windsor-Walkerville, who took on all the authority of a judge and a jury and who just obliterated anyone who dared to have a view contrary to the views he expressed. There is still hope for him, however, when he comes to vote on this measure on Tuesday, and on third reading, because I will be here to watch him. If he is prepared to get up and vote, I shall relish the dessert of crow of which he will be partaking. There is one thing about the House of Commons: never allow yourself, however attractive the temptation may be, to get out on the end of a limb and then come off that limb. The hon. member will learn with the passing years, that that is a good rule.

● (1530)

To summarize, Mr. Speaker, there is more joy in Heaven than a sinner who returns—the hon. member for Winnipeg North Centre (Mr. Knowles) cannot help me on that even though he is a member of the clergy!

Mr. Knowles (Winnipeg North Centre): I can tell the hon. member he is misquoting it.

[Mr. Diefenbaker.]

Mr. Diefenbaker: His memory is good! There is joy here in this House of Commons. Having advertently, I suppose, supported a course by a committee on this particular item, the government has learned as a result of the argument in this House that what it was about to have enacted would have been dangerous to freedom in our country. Indeed, the organization that was set up by the Department of the Solicitor General known as the Police and Security Planning and Analysis Group, in the hands of those unknowns and unidentifieds, would have the power to destroy political opponents by Star Chamber operations. I am glad the government has decided that this was wrong. Indeed, if this measure had been passed in its original form, I feel sure that the Bill of Rights would have been resorted to, and with success.

Some hon. Members: Hear, hear!

Mr. MacGuigan: Mr. Speaker, I am glad to have the assurance of the right hon. gentleman that he expects me to be here enough years to acquire the experience which he thinks I need. I hesitated to interrupt the right hon. member while he was speaking with a point of privilege because I did not want to interrupt the flow of his oratory. I should like to say, however, that I did not speak in his absence the other day. As a matter of fact, I had hoped that he would be here and he was here when I began. He was sitting right behind the hon. member for St. Paul's (Mr. Atkey) but when I first mentioned his name he left, voluntarily. Perhaps he did not hear me, but the fact is that I thought he was going to be here and I had hoped he would be.

Mr. Diefenbaker: Mr. Speaker, I have no hesitation in accepting the hon. member's explanation. When he started off so blandly I expected he would continue in that vein.

Mr. Speaker: The hon. member for New Westminster (Mr. Leggatt).

Mr. Leggatt: Mr. Speaker, I defer to the hon. member for Saint-Hyacinthe (Mr. Wagner) as I believe he has other commitments.

Mr. Speaker: The hon. member for Saint-Hyacinthe (Mr. Wagner).

Mr. Claude Wagner (Saint-Hyacinthe): Thank you, Mr. Speaker, and may I thank my colleague, the hon. member for New Westminster (Mr. Leggatt) for this great courtesy. May I also say, Mr. Speaker, that it is always a privilege to speak immediately after the right hon. member for Prince Albert (Mr. Diefenbaker). It is a privilege and at the same time a challenge to follow such a statesman.

[*Translation*]

I do not think there is anywhere in Canada, today, a former prime minister or a prime minister in office who can hold a candle to the right hon. member for Prince Albert (Mr. Diefenbaker) who is known as the father of the Canadian Bill of Rights and who has shown so much wisdom and statesmanship in the administration of this country.

Mr. Speaker, I intend to be very brief because my colleagues and especially the hon. member for St. Paul's (Mr. Atkey) and the hon. member for Fundy-Royal (Mr. Fair-

weather) have expounded at length the position of our party.

I am proud to support the amendments introduced by them and designed to make this legislation more meaningful and humane. I am all the more proud that this amended legislation is now in full agreement with the objectives of protecting society and the rights of the citizen.

I am glad I am in the same position as the right hon. member for Prince Albert (Mr. Diefenbaker) because, like him, I am often away from the House. I smile because whenever I am away my opponents are quick to divert the debates with personal attacks against the member for Saint-Hyacinthe. I am not surprised and even slightly amused. This shows the extent of their interest in me and also their anxiety but, of course, all depends on who throw those accusations.

I am proud today to be in a better company than the two hon. members who, on Tuesday afternoon, took pleasure in abusing me.

I know that it is perhaps a custom for some people, but it is a custom that will soon come to an end.

I read the comments of the hon. member for Louis-Hébert (Mrs. Morin), and I am sure it is useless to give her too much publicity, since the editor of *Le Devoir* took care of that this morning. I could perhaps quote part of Mr. Laplante's article which reads as follows:

> Even if Mr. Choquette had already been especially tolerant of police abuse, Mrs. Morin is second to none as regards fearing self-created illusions.

There is no doubt, Mr. Speaker, that the hon. member for Louis-Hébert has now deserved the fate of her predecessor and that she will soon be appointed consult in Louisiana, provided that she can learn to master every shade of the creole language a little more skilfully than the subtleties of law. It is therefore useless to repeat what the hon. member said in this House, but she seems to think that only the Liberal party respects law and order. Moreover, as reported at page 8182 of *Hansard*, she said:

> So, the two parties across the Chamber . . .

I suppose that she meant the Official Opposition and the New Democratic Party.

> So, the two parties across the Chamber should not be surprised if they do not find any support in the province of Quebec. They do not stand for law and order.

Mr. Speaker, I am able to match my efforts to maintain social peace and law and order in Quebec against those of the hon. member for Louis-Hébert or any other member of this House.

Mrs. Morin: Before 1972.

Mr. Wagner: Before 1972, says the hon. member for Louis-Hébert, because the fact that I became a Conservative changes everything in her opinion. The principles remain the same, the man also, but the hon. member is attracted by the colour.

Mr. Speaker, I suppose that the hon. member would like me to say something like this:

[*English*]

Perhaps this lady would like me to say for instance, "yes, there is danger from within and without—we need law and order". Is that what the hon. member would like me to say?

[*Translation*]

Is that what you want?

Mr. Speaker: Order. The hon. member should address the Chair.

Mr. Wagner: Of course, Mr. Speaker. I am sorry.

I resume the quotation:

[*English*]

> Yes, without law and order our nation cannot survive . . . Elect us and we shall restore law and order.

[*Translation*]

The hon. member for Louis-Hébert is smiling and heartily accepts a quotation that is to her liking.

[*English*]

● (1540)

> We shall by law and order be respected among the nations of the world. Without law and order our republic shall fall . . .

[*Translation*]

And the lady from Louis-Hébert keeps on smiling. Those are the words she would like to hear—

Mr. Speaker: Order. I doubt whether the hon. member is abiding a well-established parliamentary tradition when he refers to another member as the gentleman or the lady from Louis-Hébert. He may refer to another member, but not in that way.

Mr. Wagner: You are absolutely right, Mr. Speaker. Besides, when one reads the remarks of the member for Louis-Hébert, one wonders whether they are those of a lady or a man.

Mrs. Morin: I read the speeches you made before 1972.

Mr. Wagner: So the member for Louis-Hébert who is now interjecting is very satisfied with the words I have just quoted. I say to her, Mr. Speaker, that they come from an electoral speech made in Hamburg in 1932 by Adolf Hitler.

Mr. Speaker—

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

Mr. Speaker: Order please. The hon. member for Louis-Hébert (Mrs. Morin) rises on a question of privilege.

Mrs. Morin: Would the hon. member tell us when he intends to deal with the bill before us?

Mr. Wagner: Right now, Mr. Speaker. I am in good company today with the Official Opposition, and I try to improve this legislation. Of course, I would be remiss if I did not mention the Parliamentary Secretary to the Minister of Justice (Mr. Guay). As a matter of fact, I heard a lot about him in Quebec City last Tuesday. They are quite anxious to have the next election called as soon as possible.

I must say, Mr. Speaker, that I find it very unfortunate that the hon. member for Lévis, the Parliamentary Secretary to the Minister of Justice,—of course he is just a parliamentary secretary and as you know, it is not the cowl that makes the monk— had the guts to rise in this House and say certain things. I quote, Mr. Speaker, from page 8193 of *Hansard* of November 27, 1973. The hon. member for Lévis says so many things! I quote:

I can well remember the time when he was minister of justice—

Because, obviously, he speaks about the hon. member for Saint-Hyacinthe.

—in Quebec. I am not asking him to answer for his mandate. What did he do to improve the legislation within his department? What did he do in the field of law or penal reform? This is what I am asking him.

The man asking me those questions is the one who in 1970, at the time of the Liberal party leadership convention in Quebec, travelled through various areas with me praising the Minister of Justice and saying how he could administer the province of Quebec and ensure social peace, how right he was in his interpretation of the Constitution of Canada when my opponent simply wanted to lie flat before the right hon. Prime Minister (Mr. Trudeau). It is that very same member who asks today where is your record? As he will recall, the record started with the creation of a Department of Justice that did not exist in the province of Quebec. Then there was a judicial reform not only through action but through legislation and internal administration, the creation of a Justice Advisory Board in the province of Quebec, the creation of welfare courts in all ridings of the province, when there were just a few, the extension of legal aid all over the province. Finally and particularly there was the creation across the province of not only a better spirit and belief in a justice equal for all, but also the launching of an active fight against crime and not only inquiries that are witch hunts like those going on now in the province of Quebec. That is what the then Quebec Minister of Justice did.

But Mr. Speaker, the important thing is—

Mr. Guay (Lévis): Mr. Speaker, I rise on a question of privilege.

Mr. Speaker: Order. The hon. member for Lévis is rising on a question of privilege.

Mr. Guay (Lévis): Mr. Speaker, the hon. member for Saint-Hyacinthe (Mr. Wagner) involved me quite directly by saying that I had supported him at the leadership convention in 1970. I fully agree with him, but I want to point out that I supported him because he was talking about law and order in the province of Quebec. He is the one who has changed his mind. He is the turncoat, not me.

Mr. Speaker: Order. I apologize to the hon. member of Saint-Hyacinthe who has the floor.

Mr. Wagner: Mr. Speaker, respect for law and order is never an end in itself in a society. Law and order are a condition without which a given society cannot flourish. But those who would have law and order as an ideal, an end, a goal to achieve through any means, any compromise, those people err. In the province of Quebec, at least from 1964 to 1966, the law was respected, and all were

[Mr. Wagner.]

equal before the law, to such an extent that, at one point, when two Liberal members sitting by my side in the legislature were found guilty of having accepted bribes, they were brought before courts, like any other citizen, because justice was the same for all. That is something to be proved by actions, not by speeches.

Today, Mr. Speaker, what is going on in Quebec? That is the very reason for the bill. Barely a few hours ago, the Quebec Bar Association, and I am proud of its action, published a news release which reads as follows:

. . . the Quebec Bar Association seriously censors the Quebec Minister of Justice, Mr. Choquette, for having approved the illegal actions of policemen who installed wiretaps in lawyers' offices in Montreal.

Permit me a digression. The hon. member for Louis-Hébert (Mrs. Morin) was saying a while back that the police was not involved in what happened in the lawyers' offices. On the other hand, Mr. Choquette said that it was indeed the work of the police. The press release continues:

The Bar finds it aberrant and inadmissible that the Quebec Minister of Justice would care so little for basic democratic principles, such as professional secrecy and the inviolability of offices and private residences.

The Bar is extremely worred about the invasion of privacy suggested by the minister's attitude and considers that, with the authorization of the Minister of Justice, the offices of judges, politicans and senior government officials can now be wiretapped, which is a direct menace to the relations between citizens and these professionals, that were usually protected by the seal of secrecy.

Mr. Speaker, I would rather be in the company of the official opposition, of hon. members from other parties and of members of the Montreal Bar than in the company of the hon. members for Louis-Hébert and for Lévis.

It is unfortunate that now, when we discuss this problem, we see in the province of Quebec that wiretapping applies first of course to the Société Saint-Jean-Baptiste on the pretext that it is a hazard to national security. This has been done for six months. It is then applied to lawyers and it will soon be applied to judges or notaries, real estate brokers, federal politicians, on the pretext that government security is endangered.

Mr. Speaker, I intend to endanger the security of those who administer the government, of those who fail to do what the people want, who do not give them the great social justice, who cannot find the solutions to unemployment, to the rise in the cost of living—

Mr. Speaker: Order, please. I hope that the hon. member will now come to the motion before the House, namely the motion moved by the right hon. member for Prince Albert (Mr. Diefenbaker) and to the amendment. I think the hon. member is straying a little from the subject.

Mr. Wagner: You are quite right, Mr. Speaker.

[*English*]

● (1550)

Mr. Muir: Mr. Speaker, I rise on a point of order. Very rarely do I have occasion to disagree with anything Your Honour might say, but if the hon. member for Louis-Hébert (Mrs. Morin) can spend most of her time castigating individuals in the House on certain matters, surely the hon. member who is now speaking should have an oppor-

tunity to reply. If the heat gets too great in the kitchen, to use the old cliché, the hon. member for Louis-Hébert knows what she can do. I think the hon. member for St. Hyacinthe (Mr. Wagner) should be allowed to follow that line.

Mr. Speaker: I do not disagree with the suggestion made by the hon. member. My understanding was that the hon. member for St. Hyacinthe had completed that part of his remarks and had gone on to other subjects.

[*Translation*]

Mr. Wagner: I appreciate your advice, Mr. Speaker, and it is with pleasure that I shall pursue in a different vein, while pointing out the real danger existing now as regards the rights of the individual, especially in the province of Quebec, where I live and of which I am proud to be a representative. And it is because of the existence of such a danger that I wanted to contribute to this debate. I wanted to say publicly that police officers themselves expect the law to protect them. Besides they are unwilling to lend themselves to such wiretapping for partisan or political purposes. They want to be protected as regards be the inviolability of the citizens' homes and they said so to me themselves.

Last week, I had the opportunity of speaking to officers about an inquiry on organized crime in Montreal. They agreed that we should pass a law strict enough to provide for the protection of all citizens.

Unfortunately when I see in the province of Quebec that Minister of Justice who wears a revolver in a shoulder holster and who would like now to keep both hands on the wiretap, I say to myself: It is about time that members of the federal Parliament say something. And if the only way to improve a bill is by making it worthy of a civilized society, it is by doing what we are doing now, I believe, that we are discharging that duty.

Mr. Speaker, I do not wish to abuse the time of the House. I note with great pleasure that there is unanimity, not only on this side of the House, but among the members of the press and within the agencies that take a special interest in the political and social life in this country. That brings comfort to us and indicates that we are in the right direction.

Even with the amendments that the Minister of Justice (Mr. Lang) or the parliament will approve we will not have yet attained perfection. Indeed, we will never attain perfection but at least we will have succeeded in reducing to a certain extent serious injustice that will happen if these amendments are not accepted.

I would urge all my colleagues in this House to go beyond that legislation and to become more concerned, in matters of justice for instance, that the decisions of courts be respected, that criminals be rehabilitated in a more realistic and planned way, that our prison guards be better paid and in the complete administration of justice that we have not the impression that the big ones are always winners and the small ones always losers.

To conclude, Mr. Speaker, it seems to me that we still have a long way to go before we could be proud to have perfect justice in our society; we have already started with my colleagues from Fundy-Royal (Mr. Fairweather), St. Paul's (Mr. Atkey) and Prince Albert (Mr. Diefenbaker), and also thanks to others as the hon. member for New Westminster (Mr. Leggatt) and others we will have gone through an important and historical stage in this House.

[*English*]

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, there are two motions on the order paper standing in my name, motions Nos. 4 and 12. With Your Honour's permission and the permission of the House, I should like leave to withdraw those motions. They both deal with the emergency permit section and are substantially similar to the one presented by the right hon. member. With the consent of the House, I would like to withdraw those and then make some remarks.

Mr. Deputy Speaker: The House has heard the suggestion of the hon. member for New Westminster (Mr. Leggatt) that motions Nos. 4 and 12 standing in his name be withdrawn. Does the hon. member have the unanimous consent of the House to make this request?

Some hon. Members: Agreed.

Mr. Deputy Speaker: The motions are accordingly withdrawn.

Motions Nos. 4 and 12 withdrawn.

Mr. Leggatt: I wish to thank the House for its consideration. Dealing with the emergency permit clause we attempted to delete from the bill, I wish to say that although we are not delighted, the amendment does go a very long way toward meeting the objections of many of us on this side of the House. I cannot do too much more than echo some of the remarks of the right hon. member with regard to the amendments which have been presented. I am impressed that this parliament in this minority situation is working extremely well, efficiently and in favour of the citizens in terms of liberty of the people. That is good.

The amendment which has been presented substantially satisfied the objection we have, namely that we should use the judiciary and rely upon the rule of law in this country rather than avoid it. Someone once said that liberty is a very delicate flower. You can take a flower and make it wilt in imperceptible degrees. The emergency permit clause which was included in this bill would have gone in the direction of wilting a little bit more that very delicate flower which we in this country treasure so much. I am pleased we have had an accommodation in this matter. Our party will support the position taken by the right hon. member on this issue. When this amendment comes to a vote, we intend to vote with the right hon. member.

I am still somewhat concerned about a number of other clauses in the bill. I presume I would be out of order to deal with them at this point. However, I want to refer briefly to something I mentioned yesterday on a point of order. In spite of what the hon. member for Louis-Hébert (Mrs. Morin) told the House, the Montreal *Gazette* reported yesterday that two police officers in Quebec had bugged two lawyers offices. People say this is a lawyers' debate. Lawyers are always involved in this kind of thing. However, the right of every single citizen in this country is involved, as well as the precious right of a lawyer and

his client to consult in confidence. If that right is attacked and removed, then we will have witnessed one of the most serious attacks on principle that could take place in this country. The hon. member for Louis-Hebert can shrug her shoulders and say we have to have law and order. Such practices do not fall within the ambit of law and order in the civilized sense that most of with western traditions have been brought up to know and understand. That kind of thing cannot be permitted to continue.

I want to quote one of the more important remarks made by the Quebec Minister of Justice concerning a question he was asked in the House, as reported in the Montreal *Gazette*. When he was asked about bugging, his answer was—

Mr. Deputy Speaker: The hon. member for Louis-Hébert is rising on a question of privilege.

• (1600)

[*Translation*]

Mrs. Morin: Mr. Speaker, according to the hon. member, I said in my speech that lawyers' offices in Montreal had been wiretapped by the police. I do not remember at all saying that in my speech and I would like the hon. member to withdraw his comments.

[*English*]

Mr. Leggatt: It was made during an interjection, and not during a speech. I do not think it is any less valid to say that the information given to the House was quite incorrect. It is recorded in *Hansard* as the hon. member would see if she would check the remarks made during that day's debate. However, I would certainly accept the point she has made.

I should like to quote the minister of justice of Quebec in reference to the bugging of these law offices. This was his answer: "I cannot control all these systems; I cannot control every police investigation in Quebec, that would be impossible." Now, if the Minister of Justice cannot control the police, if he cannot control investigations in the Province of Quebec, we are in a sad state. This bill needs to be passed. It needs to be tight, because the statement I have just cited is one of the most damaging admissions which any minister of justice could make. I am not singling out Mr. Choquette because he happens to be the minister of justice in Quebec; the same statement could well be made by attorneys General in other provinces throughout the country, since the law is the same in the Province of Quebec as it is in any other province.

When the minister of justice says he cannot control every police investigation in the Province of Quebec it becomes even more pertinent that I remind hon. members of the presence on the order paper of an amendment which attempts to remove the use of the agency procedure for which provision is presently made in the bill. If we pass the bill in its present form so as to allow the use of designated, authorized agents, I submit that the same lack of control about which the minister of justice complained in the Province of Quebec will not be remedied, and on this and other grounds I urge support for that particular amendment.

[Mr. Leggatt.]

Hon. Otto E. Lang (Minister of Justice): In the course of debate on this bill an important point was made by myself and by other members of the House, namely that the inclusion of a judge in the process provided an added degree of protection. In addition to the political responsibility of the Attorney General and the required designation of persons to exercise that responsibility on his behalf, additional protection would be afforded. This approach is, I think, made even more valid by the events of which we have lately learned and gives added reason for the inclusion of a judge in the process. The hon. member for New Westminster (Mr. Leggatt) does not seem to have been, on the whole, an ardent supporter of the arrangement of the inclusion of the judge, but no doubt he now appreciates that there was a good deal of wisdom in that proposal.

I am pleased indeed that the right hon. member for Prince Albert (Mr. Diefenbaker), my fellow member from Saskatchewan, finds that the amendment now before the House is acceptable. It is well known throughout the country that the right hon. gentleman is outstanding in a number of respects. I may say on the one hand, without hesitation, that he is recognized as one of the most eloquent spokesmen for the cause of civil liberty and freedom in this country.

Some hon. Members: Hear, hear!

Mr. Lang: Without pretending to copy his style, may I say, he is well recognized, too, as one of the foremost tilters at windmills in Canadian history.

Mr. Diefenbaker: I have had lots of opportunities, looking at the government. Tilting at windbags, also.

Some hon. Members: Oh, oh!

Mr. Lang: In the political process it is sometimes difficult to know whether he is speaking eloquently for civil liberties or tilting at another windmill. I did make a suggestion earlier that the eloquence he used in the initial stages of this bill was more a tilting at windmills than a defence of liberty because of the protection included in the bill and because of the basic need on occasion to enable swift action to be taken. However, we have managed to bring together the cause of liberty and the attraction of the windmill, and we have been able to find a solution which includes the judge in the process in circumstances where electronic intrusion is required in an urgent situation in the cause of justice, and in the course of law enforcement and investigation.

I appreciate the attitude taken by hon. members in trying to find solutions of this sort in the course of the development of this law. The bill stands, I must say again, as an extremely important measure designed for the protection of privacy in our country. We are creating, for the first time, offences in respect of intrusion into that privacy while at the same time trying to keep a balance which allows for the proper use of electronic devices by law enforcement officers. I am pleased, indeed, that the House is agreeing to the amendment put forward by my parliamentary secretary.

Mr. Leggatt: On a question of privilege, Mr. Speaker. In his remarks the minister indicated I had somehow changed my views in the course of the study of this bill. I should like to point out that I introduced an amendment to remove the emergency clause from it. I voted in favour of an amendment to remove the emergency clause in committee, and I supported this position throughout the entire debate from the time the bill was first read. So, I think it is unfair to suggest there has been any inconsistency on my part.

Mr. Lang: On the same question of privilege—

Mr. Deputy Speaker: This is really not a question of privilege, but since hon. members are trying to get their positions clearly on record perhaps I could be permitted to recognize the Minister of Justice on the same point.

Mr. Lang: I would just like to make it clear that I agree completely with the point the hon. member for New Westminster has made. My point was this: I thought he was beginning to see the value of including the judge in the process of granting permits and that this, perhaps, was an important change of heart. I did not claim I had his word on that, though.

Mr. Leggatt: On the same question, Mr. Speaker—

Mr. Deputy Speaker: Again, perhaps, with consent, the hon. member for New Westminster.

Mr. Leggatt: On that point, with regard to the inclusion of a judge, during the first reading, the second reading and throughout the debates in committee I always voted in favour of including judicial approval in relation to all the clauses, including the emergency clause. Of course, we have now got to the point where the minister has brought back the judge. There has been no question, as far as I am concerned, that we should always have used the judicial process for the approval of wiretaps.

Mr. Knowles (Winnipeg North Centre): It is the minister who has seen the light.

Mr. Ron Atkey (St. Paul's): Mr. Speaker, since I had the opportunity of speaking on the main motion I shall be very brief in my comments on the amendment standing in the name of the parliamentary secretary to the minister to the motion of the right hon. member for Prince Albert (Mr. Diefenbaker). I direct my remarks to certain technical problems which the amendment appears to involve. I apologize for being absent from the chamber for a minute or two; perhaps I missed any comments the minister may have relating to some of these technical shortcomings which I understand he will be attempting to clarify or correct through an amendment of his own or in the name of one of his hon. friends on that side of the House.

As it now reads, the amendment does not require a peace officer or a judge who grants the authorization to comply with any reporting requirement pursuant to the annual report of the Attorneys General or the Solicitor General. This may be an oversight and the appropriate correction can be made, through cross-reference, in due course. Similarly, it may be unfortunate that the amendment should choose to use the term "peace officer". An earlier amendment used the term "agent" and this at least was consistent with the other language used in the bill. I say this bearing in mind that there are certain reporting requirements affecting agents, specifically the requirement that agents be named in the annual reports of the Attorneys General and the Solicitor General. I would hope that a housekeeping amendment might be brought in to provide for the naming of these peace officers who are to be granted this extraordinary power for an emergency operation by a judge for a period of 36 hours. Again, I think it is important for the protection of the citizens of Canada that ultimately there be some publicity as to the machinery to put this particular section into operation.

• (1610)

Lastly, Mr. Speaker, I think there has to be some built-in protection in this admittedly important emergency section to guard against its possible continual and repeated use. I think it was intended by the minister, and certainly by the right hon. member for Prince Albert, that this be an extraordinary section used only in emergency situations when it is not possible to comply with the requirements of Sections 178.12 and 178.13. One of the methods suggested in the standing committee to guard against repeated and continual use of the emergency section to the exclusion of the regular section, was an amendment put forward in the name of the hon. member for Halton (Mr. O'Connor). It was adopted in the bill as reported back from the committee as sub-section (5) to Section 178.15.

Of course, the original motion moved in the name of the right hon. gentleman quite rightly sought to delete the entire section which, of course, followed the intention of the motion in the name of the hon. member for Halton because that was the course of action sought at that particular time; that is, to get rid of Section 178.15 in its entirety. Now that we have the revised version of Section 178.15, which is apparently acceptable to all members of the House, somehow the additional protection against continual use was dropped. I would propose that the section be reinserted at the end of Section 178.15, and I propose to do this by way of a subamendment to the proposed amendment by the hon. member for Lévis (Mr. Guay) to Motion No. 3. Therefore, Mr. Speaker, I should like to move, seconded by the hon. member for Fundy-Royal (Mr. Fairweather):

> That the proposed amendment of Mr. Guay (Lévis) to Motion No. 3 be amended by deleting the first three lines of paragraph (a) of the amendment and substituting the following:
>
> (a) striking out the following words and numbers appearing in lines 2 to 4 of paragraph (b): "lines 1 to 13 inclusive at page 9 and lines 23 to 28 inclusive at page 11".

In so moving the subamendment, Mr. Speaker, I believe I stay within the spirit of the amendment proposed in the name of the hon. member for Lévis, and certainly within the very strict spirit of the bill as reported back from the standing committee.

Mr. Deputy Speaker: The house has heard the proposed subamendment by the hon. member for St. Paul's (Mr. Atkey). Without going into all the niceties of it, I would presume it fits within the spirit of Mr. Speaker's ruling at approximately this time yesterday in respect of another

proposed subamendment, but if anyone has a point of order to raise I will be pleased to reserve my decision.

Some hon. Members: Agreed.

Mr. Deputy Speaker: I take it there is no question about the propriety of the subamendment?

Mr. Atkey: Mr. Speaker, I rise on a point of order. In my haste to draft the motion before you I think I did make one minor error. Rather than coming back with a further sub-subamendment it might be in order for me to provide Your Honour with the correction at the present time. May I proceed?

Mr. Deputy Speaker: Yes.

Mr. Atkey: The corrected subamendment would read as follows:

That the proposed amendment of Mr. Guay (Lévis) to Motion No. 3 be amended by deleting the first three lines of paragraph (a) of the amendment and substituting the following:

(a) striking out the following words and numbers appearing in lines 1 to 13 inclusive—

With respect, Mr. Speaker, as the hon. member suggested, I think I am going to have to eat some crow. I think my original version is correct.

Mr. Deputy Speaker: As I read the hon. member's writing that is right. The last lines refer to lines 1 to 13 inclusive at page 9 and lines 23 to 28 inclusive at page 11. I do not know that there are copies available to other members, but I was going to ask whether hon. members wished this matter reserved in order that the amendment could be typed out and circulated. I am in the hands of the House.

Mr. Lang: Mr. Speaker, we have discussed this matter and we are agreeable to proceeding with the proposed subamendment. We are agreeable to the change.

Mr. Leggatt: Likewise, Mr. Speaker, we have discussed this proposal with the hon. member and we are happy to support the amendment.

Mr. Deputy Speaker: Is the House then ready for the question on the subamendment proposed by the hon. member for St. Paul's?

Some hon. Members: Question.

Mr. Deputy Speaker: Is it the pleasure of the House to adopt the said amendment proposed by the hon. member for St. Paul's?

Some hon. Members: Agreed.

Subamendment (Mr. Atkey) agreed to.

Mr. Deputy Speaker: The question now is on the amendment proposed by Mr. Guay (Lévis). Is it the pleasure of the House to adopt the amendment as just amended?

Some hon. Members: Agreed.

Amendment (Mr. Guay, Lévis) agreed to.

[Mr. Deputy Speaker.]

Mr. Deputy Speaker: We now move to the main motion standing in the name of the right hon. member for Prince Albert (Mr. Diefenbaker). Is it the pleasure of the House to adopt that motion as amended within the last few minutes?

Some hon. Members: Agreed.

Motion No. 3 (Mr. Diefenbaker) as amended agreed to.

Mr. Lang: Mr. Speaker, I should like to ask the indulgence of the House in respect of a total of six procedural matters. First of all, I would seek the consent of the House to the withdrawal of motion No. 11 which deals with this same section. It was designed to correct a typographical error and is clearly no longer necessary. That motion went to division and was, as the hon. member for Winnipeg North Centre (Mr. Knowles) quite properly described it, footless or functus.

Mr. Knowles (Winnipeg North Centre): "Functus" was the word I used.

Mr. Lang: I would ask for the consent of the House to the withdrawal of motion No. 11 standing in my name.

Mr. Deputy Speaker: The House has heard the suggestion of the hon. Minister of Justice (Mr. Lang) that motion No. 11 be withdrawn. Is this agreed?

Some hon. Members: Agreed.

Motion No. 11 (Mr. Lang) withdrawn.

Mr. Lang: Mr. Speaker, I have four amendments of a consequential nature designed to change those portions of the act which deal with "permit". They ought to refer to "authorizations" under Section 178.15(2). With your leave, Mr. Speaker, perhaps I might move all four motions.

• (1620)

Mr. Speaker, I move, seconded by the Minister of Labour (Mr. Munro):

That Bill C-176 be amended by striking out line 12 on page one and substituting the following:

'given under section 178.13 or subsection 178.15(2);'

Second, I move:

That Bill C-176 be amended by striking out line 38 on page two and substituting the following:

'with any such authorization;'

Third, I move:

That Bill C-176 be amended by striking out

(a) lines 10 to 14 on page 15 and substituting the following:

'(b) authorizations given under section 178.15 for which peace officers to be named in the report who were specially designated by him for the purposes of that section made application,' and

(b) lines 29 to 32 on page 18 and substituting the following:

'(b) authorizations given under section 178.15 for which peace officers specially designated by him for the purposes of that section made application,'

Fourth, I move:

That Bill C-176 be amended by striking out line 37 and 38 on page 17 and substituting:

'tion referred to in subsection (2), set forth'

Mr. Deputy Speaker: Order, please. The House has heard the motions of the Minister of Justice, seconded by the Minister of Labour (Mr. Munro) in respect of four amendments, as a consequence of earlier proceedings this afternoon. Is it the pleasure of the House to adopt the four motions as presented by the minister?

Some hon. Members: Agreed.

Motions (Mr. Lang) agreed to.

Mr. Lang: Mr. Speaker, before proceeding to the next items, which I take it would be Nos. 19 and 20, I should like to indicate that there has been discussion and seems to be general agreement—and if that should be so I would appreciate it being made an order of the House—that the divisions which may be standing, and which may stand after the report stage debate is completed, be voted upon when orders of the day are called on Tuesday next and, if it is thought desirable by the House leaders, that third reading might proceed following that voting.

Mr. Diefenbaker: Mr. Speaker, I am not so sure about that. So far as the voting is concerned sometime on Tuesday is all right, but there should be no denial of the right of discussion on third reading.

Mr. Lang: There was no intention to indicate that there would be any denial of the right of discussion.

Mr. Diefenbaker: The minister said that immediately after the orders of the day a vote would be taken.

Mr. Lang: The vote would be taken, then third reading would be called and there could be debate.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I see no need to defer the votes until Tuesday, but if that is agreed to we will go along with it and also join in the necessary unanimous consent so that the third reading motion may be called, and debated if desirable, on the same day the report stage divisions take place.

Mr. Deputy Speaker: The House has heard the suggestion of the Minister of Justice that the divisions at the report stage on Bill C-176 take place after the routine proceedings and the question period on Tuesday next, to be followed after the divisions by the motion for third reading and any debate which arises from that motion. Is this agreeable?

Some hon. Members: Agreed.

Mr. Deputy Speaker: Is the hon. member for St. Paul's rising on a point of order?

Mr. Atkey: No, Mr. Speaker. I am rising to speak to the next motion to be called which I believe is motion No. 19.

Mr. Deputy Speaker: With regard to motions Nos. 19 and 20 it is the feeling of the Chair, perhaps hopefully shared by the hon. member, that they might be grouped for the purpose of the debate and that an affirmative vote on motion No. 19 would also dispose of motion No. 20. Does any point of order arise from this?

Mr. Knowles (Winnipeg North Centre): What would a negative vote do?

Mr. Deputy Speaker: Is the hon. member for St. Paul's rising on the point of order raised by the Chair?

Mr. Atkey: Mr. Speaker, I anticipated the suggestion made by the Chair, but I should point out to Your Honour and to hon. members that motion No. 19 really is a housekeeping type of motion made, I think, with the agreement of the majority of the members of the committee. It relates to cleaning up an amendment which had been passed prior to the subsequent adoption of further amendments which made necessary the motion standing in my name. I think it would facilitate discussion on the main issue, as brought to the floor by motion No. 20 in the name of the Minister of Justice, if we would first deal with motion No. 19 and get it out of the way. Then, we would have a clear run on motion No. 20.

Mr. Lang: Mr. Speaker, I would agree with that. Essentially, I have no argument whatever with the motion standing in the name of the hon. member for St. Paul's, assuming that section remains in the bill. I think, so long as it does not interfere with the right to have a full debate on the section remaining in the bill, we would find the change proposed by the hon. member for St. Paul's agreeable and then we could have debate on the main question.

Mr. Deputy Speaker: I take it that it is the wish that the House proceed to the consideration of motion No. 19.

Mr. Ron Atkey (St. Paul's) moved:

No. 19

That Bill C-176 to amend the Criminal Code, the Crown Liability Act and the Official Secrets Act, be amended in clause 2 by deleting lines 8 to 12 inclusive at page 19 and substituting therefor:

'in the case of a warrant issued under section 16(2) of the *Official Secrets Act*.'

Motion (Mr. Atkey) agreed to.

Hon. Otto E. Lang (Minister of Justice) moved:

No. 20

That Bill C-176, to amend the Criminal Code, The Crown Liability Act and the Official Secrets Act, be amended by striking out lines 38 to 43 at page 18 and lines 1 to 26 at page 19.

He said: Mr. Speaker, the purpose of putting this motion before the House is to have the House consider once again the question of the utility, on the one hand, of requiring notice such as this to be given and, on the other hand, of examining the problems which may be created by requiring that notice and considering, therefore, the balance of convenience which is involved. The section refers strictly to those cases where authorizations have been obtained. Therefore, it should be obvious to hon. members that we are dealing with an area wherein investigation is going on by law enforcement officers, where they have presented a case to a judge and obtained the necessary authorization to use an electronic device and that that use of the electronic device has served its purpose. It is at that point the question arises whether notice should be given to the person who was the subject of that particular kind of investigation.

● (1630)

I really ask what great value is served by that. I can only see one negative aspect, that if you do not get a notice at some point in time, you know there are no legal authorizations of electronic devices against you so you can rest easy that for the three previous months you have not been the subject of this kind of investigation. We are talking about the area of legal authorization, and there is no question of giving notice and then taking advantage of other sections of the law to pursue an illegal use of these devices. In the case of the illegal use of these devices, there is no question of notice being required under the section because it clearly deals with authorization. The section itself has a number of problems, including the fact that notice is required to be given to the subject of surveillance, and in some cases there is a great difficulty in knowing exactly who the subject of surveillance is in relation to a particular electronic intrusion. The person whose conversation may have been under investigation or whose activities are under investigation may not have ended up at the place where the electronic intrusion is placed.

That is the kind of possibility that exists, and yet he would presumably have to receive notice. The major problem is that investigations by the police into the most serious levels of crime are sometimes extremely long and difficult matters. They can last a number of years, not just a number of days, weeks or months, and it may well be that an electronic intrusion is required at a certain stage in the procedure of such an investigation. The very last thing that justice would require is that the person under a continuing investigation be advised by the police that that investigation is going on. In some cases this could completely destroy the whole effort and process of our law enforcement officers to bring to justice the person whose conduct they are investigating. In some cases it is known that police in their investigation could get to the point where they could lay a charge in regard to some lesser offence but will none the less take the proper decision to continue the investigation and not lay the charge because laying the charge would have revealed that the investigation was underway. This indicates how important it is that there be no such indication of an investigation taking place.

It should be noted also that we do not require the police to give notice to citizens of other forms of investigation which they are undertaking or of investigations which they have undertaken and discontinued. One could make an argument regarding why such a procedure is not desirable, but especially in regard to investigations made in these circumstances where there was sufficient concern about the possible committing of an offence by the person in question that authorization was granted and he is now to be given notice of the fact that authorization has taken place. As indicated, these investigations in some cases go on for several years. In the section as it is presently worded, the only thing that can be done is for the judge within 90 days to either require the notice or extend the determined period of time. It is doubtful whether he would be able to extend it long enough to cover the situation where an investigation has continued a long time. In addition, it means going back to the courts. When no useful purpose is served, I wonder whether we should go back to the courts in this manner and take up more of their time in this process.

[Mr. Lang.]

There is the case of the smuggling of heroin into Canada where an investigation had gone on for two years or so. After several years, the police were able to move in and obtain first hand evidence of drug trafficking on the part of particular criminals, who subsequently received long sentences. In this case, the police officers employed electronic devices at some early stage in the investigation which took two years to come to its culmination. If a report had had to be given, a notification to the suspects of the fact that they were under investigation and the police therefore were on to them, this would certainly have been adequate warning to them. The possibility of detection would have ended, not only of them in the commission of the serious offence of trafficking and possession of heroin, but in addition an adequate warning would have been given to them so that they could have disposed of the drug in other ways and got it successfully into Canada. In that case, this was prevented because of the long and careful investigation which involved an electronic intrusion at an early stage of the case.

I ask hon. members to consider that kind of problem. There could be many such cases. I ask them most earnestly to consider this matter and weigh it against the advantage they see in a report going to the person who is under surveillance. Therefore, I ask the support of hon. members, some of whom may or may not have been in the committee, in looking at the difficulty which has been caused in the investigative processes if this kind of notice is required. I ask hon. members to support the conclusion at which I arrived which led me to move the deletion of this section because the harm to the cause of law enforcement far outweighs any advantage that can be read into the reporting provisions. Accordingly, I ask hon. members to support this amendment in my name.

Mr. Ron Atkey (St. Paul's): Mr. Speaker, this is yet another attempt by the Minister of Justice (Mr. Lang) to overturn an amendment adopted by a majority vote in the Committee on Justice and Legal Affairs. The vote that he is seeking to overturn this time was carried in that committee by ten votes to eight. I am afraid that the minister has missed the point of the amendment. I thought this may have happened in the committee, but having heard the minister this afternoon, I am convinced that he missed the point.

The main purpose of the notice requirement is to keep the whole system honest, to keep the system forthright, to cause the Attorney General or his agents or the Solicitor General or his agents to think twice before proceeding with an application under section 178.12 or the emergency section 178.15. It is yet another important check of the use of the dangerous device of electronic surveillance. Far from attempting to put an unnecessary roadblock in the way of law enforcement, it is an important device by which the machinery of justice in its use of electronic surveillance can be brought out into the open after the event, and with certain adequate safeguards that meet virtually all of the objections which have been raised by the minister.

There is a second reason for this amendment. It is an amendment which applies to authorization which has been legally obtained, in that the reporting requirement makes the offence and damage sections of the bill much more meaningful. It will assist an individual Canadian, in the first instance, to know whether he has been the victim of a legal wiretap. Indeed if a Canadian discovers electronic surveillance equipment, and in due course does not receive the adequate notice to which he would be entitled under this amendment, then obviously he has good reason to suspect that he may have been the victim of an illegal tap. In that case, he has the very meaningful damage section open to him whereby he can proceed against the perpetrator of that illegal surveillance for punitive damages to the extent of $5,000, and he can seek to have that individual prosecuted in the criminal courts where the individual can face a penalty of up to five years' imprisonment.

● (1640)

But without the notice section, who is ever going to know? Certainly, the evidence placed before a judge on an application for authorization is not going to be a matter of public record. Certainly, the hearing at which an authorization is obtained is not a public hearing. It is an ex parte hearing in secret, and I think it is clear from the evidence of the police or law enforcement officials, put before the Justice Committee at various proceedings in this and the last parliament, that the police or law enforcement officials themselves are not going to make available the evidence that was used to obtain the authorization. Obviously, that is going to be secret documentation. At some point there has to be accountability, and unless we have this notice section, which the majority of the Justice Committee saw fit to include, we will not have the openness and public accountability which any system of legal electronic surveillance really requires in a free and democratic society.

The original motion which I placed before the standing committee was not spun out of thin air. It was not spun out of my imagination, or the imagination of any individual member of the committee. Indeed, it was the product of the standing committee of the last parliament, a committee which was dominated by a majority of Liberal government supporters, a committee which presented a very excellent report to the House on March 11, 1970. I would like to quote at length from that committee report, because I think the rationale for the amendment which we are debating today was very clearly put forth in it.

> The Committee recommends that every order authorizing the interception of communications specify that the responsible Minister must notify the person who was the object of the surveillance, in writing, within 90 days of the termination of the interception; and that the fact of notification be certified by the responsible Minister to the Court issuing the authorization order. An exception to this rule should be made in the case of an interception involving espionage or sabotage on behalf of a foreign power, or where the responsible Minister certifies to the judge granting the authorization, prior to the expiration of the 90-day period that the investigation is continuing and the judge is of the opinion that the interests of justice require that a delay of a determinate reasonable length be granted.

It is really pursuant to that majority committee report—I repeat a committee dominated by Liberal government supporters—that the amendment was put forward in the standing committee of this parliament, and it carried.

Again, to illustrate that the committee itself was not spinning its ideas out of thin air, and indeed had subsequent confirmation of some of the rationale behind the suggestion of a notice rule, let me refer to some submissions made by the Canadian Civil Liberties Association when it reported to the Standing Committee on Justice and Legal Affairs on June 6, 1972. I am now going to quote from the brief of the Civil Liberties Association of Canada presented that day.

> But not all electronic bugs will culminate in public hearings. Thus, their victims may never learn of the intrusions they have sustained. In order to minimize the surreptitious character of the process, we believe that the bill should contain a provision requiring notification to the victim within a reasonable period after the termination of the surveillance. Such notification would enable the innocent victim to seek redress where the surveillance might have been improper. Moreover, the requirement of notice would create another political deterrent to widespread and needless bugging. Telling the victim is the perfect complement to disclosing the statistics. The prospect of more angry people might serve to restrain much needless bugging.
>
> We note that such a provision was included in the U.S. statute, Professor Blakey's proposals and the recommendations of this Committee. It is regrettable that the government did not see fit to include it in Bill C-6. We submit, therefore, that you should try again.

Those words of the Civil Liberties Association tell it all. The majority of the standing committee in the previous parliament recommended a section like this but, for reasons which were not clearly explained, the government chose not to adopt the recommendation. And again, the Civil Liberties Association, making reference to U.S. authorities, to the very excellent evidence of Robert Blakey, professor of law at Notre Dame law school in the United States, and indeed to other statements made in the public domain at that time, came forward and said to the committee, "Have a try again; have another go." The committee in this enlightened parliament did, and we were successful. This is the amendment which the minister now seeks to remove.

I was interested in the minister's comment that one of the particular problems with the wording of the clause before us was that it was very difficult to determine who would be the object of surveillance. I find that strange when it was the minister himself, in committee, who suggested the use of those particular words. The amendment, in the form in which it was originally put, contained the words "any person whose private communication has been intercepted." Those words are obviously much wider than the words which are now in the present bill. Indeed, it was in order to accommodate some of the minister's concerns in committee that the words "those who were the object of the interception" were adopted in the amendment which is now part of the bill.

If I may draw an analogy to show why we need a notice section such as this, I may say it is similar to the situation involving credit reporting agencies where information that potentially invades the privacy of the individual is kept by a commercial concern, and is capable of being passed on by computer and other records to virtually anyone willing to pay for that information. In a number of the provinces legislation is being developed, a principal provision of which is to require disclosure to the individual citizen, so that he has an opportunity to see his file and to correct it. I think that is a wise provision. Similarly, I

would suggest that a notice provision here is a wise provision. If there is some hanky-panky, if there is a possibility of illegality in the wiretap against an individual, indeed if there is anything wrong with the process, the requirement that after 90 days the person who was the victim of the tap be notified is going to bring it all out into the open and provide some additional protection.

To answer some of the concerns of the minister that important criminal investigations may well be hampered by this sort of provision, particularly those sorts of investigations which go on for several years, quite clearly subclause (2)(b) provides for the sort of exemptions that the police can obtain from the original granting judge to cover those situations. Certainly, it was never my intent to hamper that type of important investigation, and I have already stated in this House that electronic eavesdropping can be a valuable tool of law enforcement, particularly in the fight against organized crime.

● (1650)

If one examines the wording of section 178.23(2)(b), Mr. Speaker, one sees that it is possible to get an exemption:

> Where the Attorney General of the province in which the application is made or the Solicitor General of Canada, as the case may be, certifies within the said 90 days in a manner prescribed by regulations to the judge who granted the authorization that the investigation is continuing and the judge is of the opinion that the interests of justice require that a delay of a determinate reasonable length be granted, in which case the judge may grant a determinate reasonable delay.

The minister suggests that some investigations by their very nature may take one, two or three years. He referred to the very important case involving the smuggling of heroin into Canada. I think that was a case for the proper use of wiretaps, Mr. Speaker. I would have seen nothing wrong in that situation with the police going to the Attorney General and having him, through his counsel, go back to the original judge, and say, "It is going to take not six, 12 or 18 months but two years to crack this case. Can you give us an exemption from the notice requirement?" I think any reasonable judge would grant an exemption, Mr. Speaker. If he were satisfied of the necessity for it, I think he would grant a determinate exemption of two years. So, I think that everything the minister seeks to achieve is possible in the words of this bill.

Finally, to answer an additional concern of the minister, he points out that in other forms of investigation the police and the law enforcement officers are not required to give the sort of notice which this section contemplates. I agree with that and I think that statement really indicates the minister's lack of understanding of what is being attempted with this particular amendment.

There are many in this House, I suspect the majority, who find that law enforcement and investigation through the use of a wiretap is a much different device or bag of tricks than all the other types of investigation and law enforcement devices in use. There is a certain immorality involved with electronic surveillance that is not involved with other types of police investigation. I think it is quite justifiable, as part of the philosophy of myself and others, that wiretapping and electronic surveillance be treated as a special type of situation. That, as contemplated here, is the requirement of notice.

[Mr. Atkey.]

I want to refer to comments made by hon. members in committee, and in particular and with apologies to the hon. member for Saint-Hyacinthe (Mr. Wagner) who is in his seat. I should like to refer to one statement that he made in committee which I think is particularly compelling in view of his experience politically, legally and judicially. I should like to quote from the proceedings of the Standing Committee on Justice and Legal Affairs for November 8, 1973 at page 28:20 where the hon. member said:

> I have no hesitation in repeating what I think about electronic espionage. And now, as a legislator, and no longer as an Attorney General only concerned with the enforcement of laws, but as a legislator who is mainly concerned with the rights of citizens who are affected by the enforcement of this act, I question the advisability of broadening the act to allow police or federal or provincial ministries of justice to engage in wiretapping without the strict control that would result from this amendment which ensures that persons exposed to this are notified; and I say this because it seems to me that an in-depth study of this amendment will enable us to point to the abuses that might be brought if the act goes through without this amendment. Without this amendment, wiretapping would become a crutch for the administrators of justice, who would be implicitly admitting their inability to deal with the rising crime rate.

The hon. gentleman concluded by saying:

> —let me say that the use of wiretapping must be limited to precise circumstances, and must be made known at the appropriate time to all those involved.

That statement was put so well that I could not improve upon it, Mr. Speaker, and so I saw the necessity of reading it at this time.

The last point that I would raise, Mr. Speaker, is the other type of exemption that exists from the notice requirement in the form in which it is now drafted. As the section was amended by motion No. 19, there is an exception for situations where there is electronic surveillance involving espionage, sabotage, or other types of subversive activity, sections which were provided for under amendments in this bill to the Official Secrets Act.

I think virtually all members of this House agree that that is a special type of situation in which it would be quite unreasonable to require any form of notice to be given to the persons who are the object of that type of interception. I commend the RCMP security service, and through them and for them the Solicitor General who were so honest and forthright in coming before our committee and indicating the sort of installations and operations that were in use in this country and the necessity for them. I also commend the Solicitor General for arranging for an in camera briefing for members of the committee to indicate the nature of existing operations. It improved my understanding of the nature of that particular process and, accordingly, I have no hesitation in providing an exemption for the notice requirement for all operations under that section of the act.

There is an important protection for Canadians in terms of public knowledge of security service installations by virtue of the reporting requirement on the Solicitor General to table in this House on an annual basis, the number of such security service wiretaps and the extent to which they have been successful, as well as a general assessment of the whole process. That was an amendment brought about by the minister in committee. It is to his credit that

he listened to the speeches of hon. members on second reading and in committee.

May I conclude, Mr. Speaker, by reiterating the position I took initially in my remarks today. We are concerned here with requiring the police and Attorneys General to give a second look to situations where they are asked to put on electronic surveillance. This provision is not going to hamper them unduly; it is merely going to make them a little more careful and cautious. I think such a provision is in the interests of the liberty and freedom of all Canadians and should be adopted. The bill should be maintained in the form in which it was reported back from committee.

Some hon. Members: Hear, hear!

Mr. Deputy Speaker: Order, please. The Chair will recognize the hon. member for New Westminster at eight o'clock.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Vancouver Kingsway (Mrs. MacInnis)—Canadian Economy—Increase in cost of food—possible programs to supply food to those on low incomes; the hon. member for Hillsborough (Mr. Macquarrie)—Welfare—Method for fulfilling Prime Minister's promise of fuel cost assistance to needy; the hon. member for Comox-Alberni (Mr. Barnett)—Immigration—Indians—Rejection of Jay Treaty by government.

Is the hon. parliamentary secretary rising on a point of order?

GOVERNMENT ORDERS

[*Translation*]

PROTECTION OF PRIVACY BILL

CREATION OF OFFENCES RELATED TO INTERCEPTION OF PRIVATE COMMUNICATIONS BY CERTAIN DEVICES

The House resumed consideration of Bill C-176, to amend the Criminal Code, the Crown Liability Act and the Official Secrets Act, as reported (with amendments) from the Standing Committee on Justice and Legal Affairs; motion No. 3 (Mr. Diefenbaker) and the amendment thereto of (Mr. Guay (Lévis).

Mr. Raynald Guay (Parliamentary Secretary to Minister of Justice): Mr. Speaker . . .

[*English*]

Mr. Deputy Speaker: Is the parliamentary secretary rising on a point of order?

[*Translation*]

Mr. Guay (Lévis): Mr. Speaker, it is just that upon reading subsection (1) of section 178.16 in Bill C-176, line 21 on page 9, I noticed that there was a translation mistake. What reads "it unless" in English has been translated by "ou la". It should be "à moins".

[*English*]

Mr. Deputy Speaker: The House has noted the point made by the hon. parliamentary secretary about the spelling correction in the French version of the bill we have just been considering. Is it agreed that this correction be made?

Some hon. Members: Agreed.

Mr. Lefebvre: Mr. Speaker, I rise on a point of order regarding private members' hour. There has been discussion and I think there would be agreement that the first five or six minutes of this hour be devoted to order No. 164 standing in the name of the hon. member for Ottawa East (Mr. Gauthier) on Bill C-232. We would then proceed with the order standing in the name of the hon. member for Toronto-Lakeshore (Mr. Grier), No. 96.

Mr. Deputy Speaker: Are the suggested proceedings for private members' hour agreeable? The hon. member for Huron (Mr. McKinley).

Mr. McKinley: Mr. Speaker, we would agree to this arrangement with the stipulation that the first item could take a few more than five or six minutes, but a very few more.

● (1700)

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, we agree that the limit must be not more than ten minutes from now, in other words, 5.13 p.m.

Some hon. Members: Agreed.

Mr. Deputy Speaker: Before I call on the hon. member for Ottawa East, I wish to make something clear. I gather that it is the wish of hon. members that we proceed with all stages of Bill C-232. If that is so, the unanimous consent of the House will be required for the bill to be read the second time and referred to Committee of the Whole.

Some hon. Members: Agreed.

Mr. Deputy Speaker: Is it agreed that I make this amendment to the motion, in putting the motion?

Some hon. Members: Agreed.

Electoral Boundaries Readjustment Act

PRIVATE MEMBERS' PUBLIC BILLS

[*English*]

ELECTORAL BOUNDARIES READJUSTMENT ACT

CHANGE IN NAME OF CONSTITUENCY FROM OTTAWA EAST TO OTTAWA-VANIER

Mr. Jean-Robert Gauthier (Ottawa East) moved that Bill C-232, respecting the Electoral Boundaries Readjustment Act, be read the second time and referred to Committee of the Whole.

[*Translation*]

He said: Mr. Speaker, I am indebted to my colleagues and I thank you.

The purpose of this bill is to change the name of my electoral district to Ottawa-Vanier. This change is in order to identify better the geographic and democraphic facts of my riding.

Bounded by the city of Ottawa, Vanier is included in my electoral district. The name Ottawa-Vanier will reflect more adequately the geographic fact of my riding wherein lie the two cities.

[*English*]

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, within the stricture of the time limit laid down by the hon. member for Winnipeg North Centre (Mr. Knowles), I suggest that this bill has the complete support of members of my side of the House. We have always wanted riding names to be associated as closely as possible with the ridings for which they stand. In my case, in view of redistribution, I have great sympathy for that principle. I hope, if it becomes necessary for me to bring in a bill or motion with regard to my riding, that I can count on the support of the hon. member for Ottawa East (Mr. Gauthier) if he happens to be here.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, bearing in mind the time limit which has been established, may I, too, simply say that we are happy to agree to this bill. We accept the underlying principle and we join with all members in saying how pleased we are to see the name of our late, distinguished Governor General Vanier included in the name of an Ottawa riding.

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

Clause 1 agreed to.

The Assistant Deputy Chairman: Shall I rise and report the bill?

Some hon. Members: Agreed.

Bill reported, read the third time and passed.

The Acting Speaker (Mr. Boulanger): Order, please. The House will now proceed to the consideration of private members' business as listed on today's order paper, namely, notices of motions, private bills and public bills.

[Mr. Deputy Speaker.]

PRIVATE MEMBERS' MOTIONS FOR PAPERS

[*English*]

FINANCE

REQUEST FOR COPY OF PROGRAM FORECAST BY TREASURY BOARD INCLUDING BUDGETS A,B,X

Mr. Terry Grier (Toronto-Lakeshore) moved:

That an Order of the House do issue for a complete copy (including budgets A, B, X) of the Program Forecast (Program Review) by the Treasury Board for the latest year for which Parliament approved departmental expenditures.

He said: Mr. Speaker, on previous occasions I have advanced arguments in support of motions very similar to the one we are now considering. So far, it appears that these arguments have not found favour with government members. I want to summarize some of them quickly and introduce new evidence which I think will lend further weight to the basic proposition which underlies this motion and its companion motions. Very simply it is this: that more information must be made available to members of parliament so that they may the better discharge their fundamental responsibilities of approving government spending programs and government legislative initiatives. I contend that information provided to members of parliament—and I know this is true for members of provincial legislatures as well—by the government for the purpose of scrutinizing activities of government is very slim indeed.

In my judgment, Canadian governments have an obsessive tendency to secrecy, and operate on the principle that unless documents prepared somewhere in the bowels of the huge administration are specifically labelled as public, those documents must be regarded as being confidential. I am challenging the implicit conclusion that what parliament shall have the right to know shall be that which the government agrees to reveal. I believe it is important in a democracy like ours for the public, and for members who are representatives of the public, to be given access to more information relating to the creation of government policy, the options which were open to the government as it chose that policy and the rationale which lies behind it.

I am not arguing against all secrecy; I am not taking an extreme position. I readily concede that there are certain kinds of documents and information which it would not be in the public interest or national interest, as distinct from the government's partisan interest, to reveal. I am not suggesting, therefore, that no document should ever be withheld; however, I suggest that there are very real limits to the sacrosanctity of government material. It is quite proper and fitting that the government should recognize that members of parliament have a right to some of the information and some of the material which is compiled and accumulated at such vast expense in the public service.

● (1710)

I suggest that a lack of information seriously impedes the ability of parliament to do its job properly, its most ancient job of expressing grievance in voting supply. I have argued that in the past. I will not repeat the argument fully. In the absence of hard information, members

of parliament too easily fall into a reflex partisan position and say yea or nay, depending on the colour of their political uniform rather than on the basis of evidence which might be made available to them.

Members of our party, including myself, have presented motions in this House calling for evaluation reports. There are many motions standing in my name similar to the one before us this afternoon. It is by no accident that in this motion I have called for the program forecast, including budgets A, B, X, in this case of Treasury Board and in other cases of other departments. I was interested in discovering how few members of parliament know what budgets A, B, X are, including some members on the government side who participated in similar debates in earlier weeks in opposition to my motion. One had the grace to admit he really did not know what he was opposing.

Budgets A, B, X is a document which contains three forms of calculations. Each department submits its budget to Treasury Board in the course of preparation of the main estimates. Budget A contains a forecast of the cost of continuing the current programs of that department for another year. Budget B contains a list of cost estimates of new programs which that department would like to introduce and for which it would like to receive permission. Budget X indicates those programs the government would be prepared to scrap or abandon if it were necessary to do so in order to clear the funds for the project outlined in Budget B. In those three straight forward calculations there lies a very interesting and informative story about the kinds of priorities and considerations that have gone into the preparation of the government's program. That kind of document symbolizes the sort of information I have in mind when I talk about parliament's need and right to know.

We need more than the estimates in the massive blue book. We need more information than is usually divulged by ministers and their officials at committee meetings. I have only been a member of this House for a year, but my experience has been that ministers are reluctant to divulge any more information than they possibly have to, and much of the committee meeting consists of dragging from a minister information that it would have been much more sensible for him to have volunteered at the beginning. Some ministers act as though they are on trial at these committee hearings. They say as little as they can. Frankly, the committees are not as informative as I would have thought.

I contrast that reality with the prospect of a committee hearing at which the members of the committee have previously been given much more background information concerning the government's decision to proceed in a particular direction. I thought the questioning would at least touch on the substance rather than the shadow of the issue and in that way, the public interest would be served. I can see that may be a forelorn and naïve viewpoint. I may lose that illusion quickly, but I think it would be a pity if that illusion were shattered.

A couple of years ago the hon. member for Selkirk (Mr. Rowland) raised a very similar matter. At that time he challenged the government's policy which requires that documents be confidential unless otherwise designated. He suggested that policy should be reversed and that government documents should be public unless otherwise designated. I read the speech the hon. member made at that time and the rather unconvincing reply with which it was greeted. I want to summarize two or three points which he made that are worth repeating. He said, and I quote:

—there is an increasing desire on the part of the public to participate more directly in the making of the decisions which inevitably affect them.

He went on to say his challenge to the government policy arose, and I quote:

—out of the belief that the power of the legislature to control the cabinet has been diminishing and ought to be increased.

Speaking for the last parliament, that certainly would have been a valid proposition.

In our society information is power.

If democracy in this country is to be served, there is much to be said for a balance of power between the legislature and the executive.

The hon. member for Selkirk made a point which I want to reiterate, develop slightly and leave as my final thought. He said:

To permit access to government documents as a natural right would not destroy our democratic system but, rather, would enhance it. We would not be the first country to adopt such a law. For over 200 years Sweden has provided open access to official documents and provided full information to any citizen about administrative activities.

I did a little checking on that reference. Indeed, I find that the Swedish government in making a proposition, which is a reasoned argument for legislation, before the Swedish Riksdag, must provide certain information, and I quote from a text entitled "The Parliament of Sweden":

A proposition concerning a law or an important item of expenditure must provide all the necessary information about the facts; similarly it must contain the statements of opinion from administrative agencies and organizations which the government is obliged by the Instrument of Government to consult before arriving at its own attitude towards the measure.

In other words, in presenting a legislative proposal to the Swedish parliament, the government appends the working documents and evaluations which led to the creation of that proposal. I hasten to add for those members who may suspect I am promoting the socialist cause by quoting the Swedish precedent that this particular requirement or instrument of government long antedates the administration of the social democratic regime in Sweden. It is one which has been operative for many years in Sweden. The procedure is followed by the government in nearly all cases when legislation is presented, with the main exception, as hon. members might guess, of measures which involve national security.

● (1720)

I hope very much that those who are speaking on this motion from the government side today will address themselves to the substance of the argument I am making in favour of greater provision of information to members of parliament. This is the central element in the motion and others like it. I trust we shall not have recourse to debate such as has taken place in the past on similar motions

when government members have been satisfied merely to recite the somewhat dubious accomplishments of the departments in which they are interested. I hope we can deal with the central issue which characterizes this motion.

Mr. Breau: Would the hon. member permit a question? If it is so important in a political democracy that all position papers and evaluations within parties—and, after all, the government is a party—should be disclosed, does he accept the proposition that position papers prepared for his own party by his own party's research staff should be made public before a decision has been taken on them?

Mr. Grier: I notice the hon. member finds some difficulty in distinguishing between a party and the government. That is, perhaps, a tendency peculiar to his own party. I am sure, though, he must recognize that there is a world of difference between documents belonging to a government, which, incidentally, is not a party, and those belonging to his own party. I am not interested in asking for the documents of the Liberal caucus, nor am I interested in revealing the documents of the NDP caucus. Neither of us has any obligation but to our own members. The government, on the other hand, has an obligation to the country and to parliament, and it is to this obligation I am addressing myself.

Mr. Breau: I appreciate the distinction the hon. member has made, but the example I used was merely by way of illustration. I was asking whether the NDP would agree to give up its sources of information before it had made up its mind on policy.

Mr. J.-J. Blais (Nipissing): I take great pleasure in rising to speak on this measure, and I hope my contribution will assist in setting out the position because I think the issue is indeed an important one and one which deserves considerable attention. It goes to the root of the whole principle of parliamentary democracy.

I was not informed of the situation in Sweden. I should like the hon. member, if he has no objection, to provide me with the document he has cited so that I could perhaps pursue the matter further on my own. I did take strong exception to the remark he made to the effect that those contributing to the debate from this side of the House had contented themselves by reciting departmental accomplishments. I have read the speeches and I did not find this to be the case at all. I found that the position he took was very clear but that the arguments presented by liberal members were equally clear.

There is one consideration which pervades the whole issue. It is that the NDP, for obvious reasons, are most interested in finding out how government works since they have not had any experience of government at the federal level. The Liberal Party, on the other hand, has held the reins of power in this country for a considerable time—

Mr. Knowles (Winnipeg North Centre): For far too long.

Mr. Blais: —and gained considerable experience while doing so. Surely, the hon. member for Winnipeg North Centre (Mr. Knowles) would be the first to agree that his contributions to the legislation presented to this House has been substantial. He has done this in the context of our parliamentary procedure.

Looking at the tradition of Canadian and, indeed, British parliamentary development we find that initially there was regency, or monarchy. The decision-making process resided in one person. Subsequently, as government became more complex, the regent sought the advice of advisers who surrounded him and a cabinet system developed. In England, popular pressure demanded a constitution, and a constitutional monarchy was formed. The people secured power through the creation of a parliament and it was determined that the advisers to the Crown, the government, should be chosen from the members of this parliament and would be responsible to parliament for decisions taken. So, the members of the government are deemed to be the monarch's advisers. Because of the complexity of government in a modern age, they, in turn, have secured the assistance of advisers who are called civil servants.

I am taking some time trying to explain this because I am under the impression that some of my constituents really do not know how government works. This debate might provide clarification of the process. To a considerable extent, the Crown's advisers depend upon the civil service. We have developed, in addition, a tradition that whatever intercourse there may be between the Crown's advisors and those civil servants is a matter which is kept within strict limits of confidentiality. This follows from the fact that the government is not held responsible to parliament until a political decision has been made, that is until advice has been given to the Crown. Perhaps it is a fiction nowadays, but this is the way in which government and parliament have developed. So, government has kept confidential the documents which assisted in arriving at decisions because its responsibility to parliament and the people is to answer only after decisions have been taken. They have preserved the prerogative of keeping whatever advice they have received confidential. Over the years, the system has functioned very well. I might add that under the committee system, after decisions have been made, opportunities are available to members of parliament to demand explanations and ask for reasons why certain things have been done.

• (1730)

The hon. member for Toronto-Lakeshore (Mr. Grier) wishes to take this matter one step further. He wants to push it so that parliament has the power over decision-making, prior to decisions being made, by reviewing administrative documents submitted to the cabinet by individual ministers. On reading his motion, he seeks to have produced not only budgets A, B and X but also the program forecasts. He wants the whole kit and caboodle; and he wants it all produced to individual members of parliament before the decisions are made. What is even worse, after decisions are made by the government, he wants to have the power of hindsight in respect of all those documents so he can review the decision-making process and try to pick holes in it.

Surely at this time, when the whole country finds that perhaps the parliamentary process is not as fast as it ought

to be, when the executive arm of the government is not as powerful as it ought to be—indeed with this parliament—decisions are difficult to make, particularly in a time of crisis, because of the parliamentary set-up. The hon. member, by demanding the production of these documents made available to ministers or to the Treasury Board, or budgets prepared prior to the drafting of the estimates, would be delaying the whole parliamentary process. I am sure he does not want to do that, but I suggest that would be the result of his request. He would be hamstringing the whole executive decision-making process of government. Indeed, this would be most harmful to the process of government in Canada.

When the hon. member spoke on May 24, and I read his speech with great attention, he admitted that when presenting a motion like this he felt, with his lay brain—I mean in the sense of his uninformed brain, because he is not an accountant and neither am I—there would be great difficulty sorting through all this mass of information covering 1,200 pages which, when translated, amounts to almost twice as many pages. Perhaps I should read what he said as it appears at page 4068 of *Hansard* for May 24:

> At the moment members of parliament basically have available to them information contained in the blue book of estimates, which is a veritable sea of figures. Perhaps a member who has been here for a generation or longer may be able to find his way through them, but most of us have not been here for that long.

Perhaps he had in mind the hon. member for Winnipeg North Centre.

An hon. Member: He has been here for three generations.

Mr. Blais: Perhaps you are right; maybe even longer. In that statement the hon. member is mouthing words which I have thought. If we have trouble going through the estimates in the blue book, then think of the tremendous difficulty and the insurmountable chore we would have in reviewing the entire background of the long-winded programs which civil servants prepare and submit to their ministers. Think of all the mass of figures put down by those little accountants, with their little pencils in their little offices in respect of their little programs, in order to persuade their ministers of the value of their ideas. It is almost impossible to imagine the difficulty we might incur.

If we could devise a system whereby we could really analyse and completely digest all the information provided by civil servants so that someone like myself could come to a reasonable conclusion about a given program, then I would agree with the hon. member for Toronto-Lakeshore that we should look at such exposition or analysis. This is something I could understand. Perhaps I could then understand the principle being followed.

When we look at the whole process of government and the way ideas are fed into the system, we can see how impossible it becomes to expect that all this information leading to government policy could be analysed, classified and fed to someone who has trouble with the blue book. Perhaps it is understandable that he cannot fathom the blue book. I, too, have ideas and being on the government side I have greater hopes that my ideas might receive favour than does the hon. member for Toronto-Lakeshore who may be sitting in the opposition for some time. I may be less frustrated and, therefore, not as sympathetic as the hon. member and his colleagues toward the idea of seeing the inner workings of government.

In any event, when I submit an idea, an opinion, a view or a program it goes into the pipeline at the party caucus. If a minister thinks there is some merit in the idea and that it might receive a sympathetic view from his departmental officials, he will feed it through the department pipeline. If his officials then decide the idea is good, it will be resubmitted to the cabinet. One can easily understand why there is such a tremendous amount of information and why this procedure takes such a long time.

After this whole procedure, the minister may incorporate the idea into one of his programs and submit it to the Treasury Board. He might then say, "Mr. President of the Treasury Board, these are the programs that will advance civilization through eon, eon and eon." He might suggest that they are programs that would assist in advancing Canadianism. Then when the President of the Treasury Board or the members themselves have considered the program, someone might say, "It is a very good idea perhaps 20 years from now, but today it does not have a chance because the Tories across the way are yapping again about the size of the budget." There is a lot of feedback of this type in respect of government involvement.

In any event, there is this kind of interplay. The hon. member for Toronto-Lakeshore would like to grab the whole works, the whole kit and caboodle. He suggested it is difficult to understand budgets A, B and X, and I would suggest that he could not possibly understand all the information that goes into decision-making. I would urge the hon. member to consult civil servants he may know. I understand that lately hon. members over there have a good relationship with civil servants, particularly those in the foreign affairs department. Perhaps he could gain access to information in that way.

At the risk of being a little facetious, I would suggest to the hon. member that the blue book is a very complete document. I agree that there may be ways of ameliorating the difficulties of sorting through all the information in this book in order that members can ask relevant questions in respect of the direction the government is taking. It is also my suggestion that hon. members are apt to refer to items in the blue book which will attract the public's attention, perhaps because of some political vulnerability. Those are the items which receive the attention of hon. members in the opposition benches. It is the right of hon. members to refer to small items that may be of embarrassment to the government. Perhaps they see this as a way of discharging their responsibility.

Let me suggest to hon. members opposite that if they did not waste time in the miscellaneous estimates committee and in the public accounts committee by raising points of order and all sorts of unnecessary balderdash, but really concentrated on the estimates, a reasonable analysis could be made and relevant questions could be asked. Perhaps in this way the system might work much better. But that is not the fault of the government; it is the fault of the opposition. It is all well and good to say we want to be nice guys, but sure as hang—

Forecast by Treasury Board

• (1740)

Mr. Baker: You will go to confession, won't you, tomorrow?

Mr. Blais: If the hon. member for Grenville-Carleton (Mr. Baker) who made that comment had cleanliness and was himself pure in respect of many of the things of which I accuse the opposition benches, I would kneel here and confess before this whole body.

Mr. Baker: We will suspend debate and allow you to do so.

Mr. Blais: But because I lead not only a very active but a very chaste and honest life, I would take up very little time of the House and I am afraid it would be boring fare indeed. Perhaps at this time I might simply wish hon. members opposite all the luck in the world in attempting to ameliorate the system. However, I suggest there are methods and means available to them should they use the wisdom God has given them and employ it in the proper way.

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I do not know whether the hon. member for Nipissing (Mr. Blais) will take my advice to attend confession. I suppose that is his choice. Failing that, I suppose with regard to the last five minutes of his speech he could wash out his mouth with soap and that might satisfy most of us.

The hon. member for Toronto-Lakeshore (Mr. Grier) has raised a very important matter, which the hon. member for Nipissing commented upon and referred to as delaying tactics in respect of the operations of our committees. I confess to hon. members of the House who have been here longer than me that my opportunity to observe the operations of the committees has not been as extentive as theirs. But if it is the purpose of committees to permit members of parliament to examine the estimates and get behind the estimates, then I think the committee system in this House is failing. The results of the failure are exhibited in the frustrations which must be apparent when one reads the record of many of the committees which examine estimates.

This morning we were considering estimates in the Standing Committee on Miscellaneous Estimates. There are matters which affect a particular body, namely, Central Mortgage and Housing Corporation, that transcend in importance—the enemies of this point of view might call this political—the issues in the estimates. Those, unfortunately, are the only times when dealing with estimates that members of parliament have an opportunity to speak to the bureaucrats—in the case of CMHC this morning—or the minister in order to examine an issue which is current. So I think members of the opposition can be forgiven, when they suspect something is wrong or have information that something is wrong, if they use that one occasion to get at the information.

So far as estimates are concerned, this parliament imposed closure in any event, and the hon. member for Gloucester (Mr. Breau) knows it. Even when the estimates are considered, as in the case of Supplementary Estimates A, those estimates will at least be reported automatically by the committee on December 10 no matter what parliament may do. That shows another aspect of the futility of the system. That is the only occasion—using the example of this morning—when members of parliament can examine an issue of the day. I am the first to admit that perhaps in dealing with estimates this might not be the best place to do it. Of course not. But it is the only place.

The next thing with which we might deal is the question period in this House of Commons when members of parliament ask for information. I suppose that if members opposite would remove from their hearts all their political prejudices, they would have to agree with me that the performance of the government in respect of the question period, so far as being candid is concerned, has been lamentable in the past few days. The deeper this government gets into trouble, the more meaningless the answers are to the questions put to it. We represent the public who want to receive answers to questions.

Another aspect of this question is the order paper. There have been discussions in this House about the slowness of the government in answering questions. It seems to me that questions are answered and information provided on the basis of what is politically embarrassing. If it is not politically embarrassing, then of course answers come forth in due course. But if it is politically embarrassing, the members of the opposition have to raise points of order to obtain answers. Lastly, I want to say that it may well be that members who support the government can go to caucus, or straight to ministers as colleagues, and within the secrecy of the caucus obtain the answers they want. That may be the situation, but I am not so sure it is with this government. But the opposition does not have that opportunity. I suppose the purpose behind the motion proposed by the hon. member for Toronto-Lakeshore is that the members of this House of Commons, who represent all the people of Canada, should be provided the same opportunity.

It seems to me that we are creating, because of the way in which this government has chosen to operate within the parliamentary system, an elite. The parliamentary system was never meant to be operated on the basis that only a few could use the instruments of power in their hands without at least accounting for their actions before the Parliament of Canada. This accounting can be done in many ways. It can be done all together by way of votes.

Another matter raised by the hon. member for Toronto-Lakeshore was that information is power. As the public service grows, as government involvement in the community and business and in other spheres of our country grows, so does the power of the government grow. If that is to be the way in which we are to proceed in this country and it is acceptable to the people of this country, then who am I to say that it is not right? On the other side of the equation, there should be a similar growth in the parliamentary body to examine, to scrutinize, to analyse and to submit to cross-examination members of the government who supply the background material from which that decision was made. I say this because the parliamentary equation is getting somewhat out of balance. If there is any evidence of that, it is the operation of the question period, the committee system as it relates to estimates—

and I relate it only to estimates, not to legislation—the operation of the order paper, and other matters.

• (1750)

The hon. member for Toronto-Lakeshore has suggested that governments, when presenting a bill to the House or presenting an estimate, have to produce what he has called the working papers. I think that is perhaps a reasonable suggestion and one this government should consider. But I think the government should consider something else. I think that at the beginning of each parliamentary session a special parliamentary committee should be established, one that would be called the parliamentary committee on program review, to which the documents, namely the program forecast and program review, could be referred. It would be made up of members of this House, and their sole duty would be, not just to examine estimates in the very shallow way they are examined now but to examine the working papers. The members of the public service and of the government would not appear at the committee sitting next to the chairman, but would appear there as witnesses subject to cross-examination, not merely to the polite inquiries which are addressed to them now.

I think we could go one step further and perhaps consider the advisability of bringing back into the committee of the whole House the estimates of the departments. It may be that some are so complex that we could not have them all before the House for all the departments during a session, but perhaps the opposition could be given the choice of departments with which they wanted to deal in a particular year. Those estimates would be brought into this chamber under the light of publicity, and they would be examined in such a way that partisan chairmen—as is the case in some committees—could not exercise their will as I have seen them do.

I think it is important to consider this, and I would ask the government to consider it because there must be a diminution of power in the sense of the government gathering information unto itself and for itself. Otherwise, our system will not function. As the backbenchers of the government party have become the ciphers of power over there, we find ourselves becoming ciphers of lack of knowledge because of the system which has proved itself to be inadequate. Our country would be stronger, our people wiser and our parliament better if some suggestion such as the one of the hon. member were adopted.

Some hon. Members: Question.

Mr. J. A. Jerome (Sudbury): Mr. Speaker, I wanted to intervene for just a moment.

Mr. Knowles (Winnipeg North Centre): You are not the one who was supposed to do so.

Mr. Jerome: I wanted to take exception to one remark made in the speech of the hon. member for Grenville-Carleton (Mr. Baker). He suggested that after all the work we have done to set up the committee system under the new rules, and to send to the committees automatically all the estimates in order that a small group of members who want to take the trouble to inform themselves and who are energetic enough to develop some expertise in the area, who have the will and the desire to make that effort, have the opportunity to get not just one minister at a time, as is the case in the House, but several ministers and indeed officials from several departments who are concerned with the subject matter under review and in this way ensure that the round of questioning gives every questioner several opportunities to run a point into the ground.

The hon. member would rather have the estimates back here in the House, where he has a much larger crowd of people lining up to ask questions and much more difficulty in pinning down a minister and keeping him here until he has come up with a satisfactory answer. What has happened is that the present system has given to energetic members in the ranks opposite an unprecedented opportunity to place a minister in this position before the committee and to question him until they are satisfied. The shocking fact about it is that in almost every instance insufficient work is done by members opposite, despite the extensive research facilities provided to them. This failing in the opposition may be overlooked. What cannot be overlooked is their temerity and gall in trying to lay the blame at the feet of chairmen of committees and accusing them of not being impartial and objective, which adds insult to injury and caused me to rise to my feet in this debate.

The Acting Speaker (Mr. Boulanger): Order, please. We have a clock problem. As hon. members can see, the clock to my right shows 6.50, but the clock facing me shows six o'clock. It is now six o'clock.

[*Translation*]

It being six o'clock, I do now leave the chair until eight o'clock p.m. At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

PROTECTION OF PRIVACY BILL

CREATION OF OFFENCES RELATED TO INTERCEPTION OF PRIVATE COMMUNICATIONS BY CERTAIN DEVICES

The House resumed consideration of Bill C-176, to amend the Criminal Code, the Crown Liability Act and the Official Secrets Act, as reported (with amendments) from the Standing Committee on Justice and Legal Affairs; and motion No. 20 (Mr. Lang).

Mr. Ron Atkey (St. Paul's): I rise on a point of order, Mr. Speaker, at the commencement of tonight's proceedings with a view to indicating that it is my intention to withdraw motion No. 1, which is to provide a change in the title of the bill. I do this at this time to facilitate the business of the House and to indicate to hon. members the nature of the balance of our work here tonight. I may say, in the course of withdrawing this motion, that I do not in

any way withdraw from remarks made in pursuance of this amending motion in the Standing Committee on Justice and Legal Affairs, where I clearly indicated that its purpose was to draw to the attention of the government and the people of Canada the fact that with the protection of privacy—

The Acting Speaker (Mr. Laniel): Order, please. We should do this in a more orderly way. If the hon. member plans to say a few words on motion No. 1 while he is withdrawing it, I would suggest that for the moment at least we stand motion No. 20, which is before the House, and return to it afterwards. Is this agreed?

Some hon. Members: Agreed.

Mr. Atkey: Thank you, Mr. Speaker. I also thank hon. members for allowing me a moment or two to explain the reason for the withdrawal. There is much yet to be done in the protection of privacy. This bill, which attempts to provide protection for Canadians against bugging, wiretapping and other forms of electronic eavesdropping is a start but, as I have indicated, in many cases it is only the tip of the iceberg.

To its credit, the government has recognized that there is much to be done in the field of the protection of privacy through the commissioning of a task force report entitled "Privacy and Computers." All Canadians should be alerted to the dangers which this excellent report, brought forward in December, 1972, outlines in detail. I refer only to the dangers of medical data banks, computer credit data banks, police computers and other forms of computer data banks in this country and in the country to the south of us. We see from this that there is virtually no law in existence now to provide any protection for Canadians on such questions as access, security of information—

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order, but I assure the hon. member that it is a friendly point of order. We have no objection to his request to withdraw motion No. 1, but if in the process he is permitted to say a few words about it, one of my colleagues would like to do the same thing.

The Acting Speaker (Mr. Laniel): Order. The point raised by the hon. member for Winnipeg North Centre (Mr. Knowles) is well taken. Actually, at this time there is no question before the House. The Chair has the option of putting motion No. 1 to the House if the hon. member wants to speak to it. If he does, then of course the Chair will have to allow other hon. members to speak to the motion.

I think it is an unfair practice under our normal procedures to take advantage of a motion being put and being the sole person to speak to it and then to withdraw it. That is not being fair to hon. members. Therefore I would ask the hon. member for St. Paul's (Mr. Atkey) to make the choice. If the reason for withdrawing the motion at this time has to be explained in the House, then the Chair will have to allow other hon. members to comment on it.

• (2010)

Mr. Atkey: Mr. Speaker, I will withdraw the motion. As hon. members appreciate, those of us in the opposition have perhaps extracted our pound of flesh, and I felt that it was not desirable or in the interests of the swift passage of this bill to proceed any further with the motion. With your permission and the permission of hon. members, I would request leave to withdraw motion No. 1.

[Mr. Atkey.]

Mr. Lang: Mr. Speaker, we certainly would be agreeable to that. I think the withdrawal is far more sensible than the original motion.

Mr. Leggatt: On a point of order, Mr. Speaker, we are also agreeable to that, but we certainly do not agree with the comment of the Minister of Justice (Mr. Lang) that the suggested title of the bill was put in facetiously. In fact, I am somewhat disappointed it was withdrawn, because it probably more accurately describes the bill that we are going to be faced with on Tuesday than the present title.

The Acting Speaker (Mr. Laniel): Hon. members have heard the hon. member for St. Paul's. Does the House give unanimous consent that motion No. 1 standing in his name be withdrawn?

Some hon. Members: Agreed.

Motion No. 1 (Mr. Atkey) withdrawn.

The Acting Speaker (Mr. Laniel): The House will now revert to motion No. 20 standing in the name of the Minister of Justice (Mr. Lang).

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, I listened with great care to the remarks of the Minister of Justice (Mr. Lang) in dealing with the motion now before us. If I could summarize what he said, it would be in these few words—what real value is there in the notification section? The mere fact that the minister asked that question indicates a great deal to this House.

Mr. Lang: I also showed the cost.

Mr. Leggatt: We know the minister is concerned with cost. I am sure we all are, but many of us are very concerned with rights. I can understand the minister's approach to this subject, Mr. Speaker, when he asked the question, what value has notification, because anyone who asks that does not really understand what the right to privacy means. The right to privacy is a substantive right, and when the government or the Crown or the police take away that right from an innocent citizen, surely the very least that could be done is to notify the citizen that his rights have been attacked and taken away. That is what the committee said and said very wisely.

It is interesting that there was some concern within the NDP caucus some time ago about the bugging on a Wednesday of a private caucus meeting of our party. In that case the CTV at least had the decency to notify us that they had illegally intercepted our deliberations.

Mr. Lang: When they were caught.

Mr. Leggatt: Not when they were caught, Mr. Speaker: I think they notified us out of a sheer question of the morality of the issue. I am surprised that the minister takes the position he does with regard to this particular

amendment, because it is the simple, moral and decent thing to do to notify a private citizen whose conversations have been intercepted, and intercepted legally under the bill. I have heard from the minister about the famous heroin case for about four days. I refer to the famous heroin case that was brought about through the use of wiretaps. I fail to see how this particular section to which the minister objects would have in any way impeded the success of that investigation, because section 178.23(2)(b) clearly provides:

where the Attorney General of the province in which the application is made or the Solicitor General of Canada, as the case may be, certifies within the said 90 days in a manner prescribed by regulations to the judge who granted the authorization that the investigation is continuing and the judge is of the opinion that the interests of justice require that a delay of a determinate reasonable length be granted, in which case the judge may grant a determinate reasonable delay.

It is very clear, Mr. Speaker, that the case the minister has presented to the House is that this section would have created difficulty. It would have created no difficulty at all. The real issue is that the minister does not want to go to the judge. It is an inconvenience, it is a nuisance to go to the judge. We on this side of the House do not consider it a nuisance or an inconvenience, and we have confidence in the judiciary of this country to exercise its rights fairly and properly for the protection of the citizens of the country.

Some hon. Members: Hear, hear!

Mr. Leggatt: I do not have too much to add. Certainly we in this party vigorously oppose the attempt to destroy the good work of the committee. I fail to see the logic of the minister's argument on this. This is a rather vital section for those of us who believe that privacy is a substantive right and the Crown, the government or anybody can only take that right away under very special and extreme circumstances. This is not, obviously, the view that the minister takes. It is interesting that in the 1400s it was an offence in England to eavesdrop. They were very wise then. This is the right that we should all protect, Mr. Speaker, and we in this party certainly hope this motion fails when it comes to a vote.

Some hon. Members: Hear, hear!

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I am sorry that the minister takes such a callous attitude toward this particular section. He and his officials had ample warning that the committee was very likely to move in the way it did on the matter of notice. The committee studying the bill this time recommended notice, and the committee studying the bill the last time around recommended that notice be given. During second reading many hon. members begged the minister to consider this recommendation. I did so at the time because I knew that the draftsmen at the minister's disposal would put the matter of notice in accurate language to cover the sense of the former committee's recommendation and also what many of us felt should be incorporated into the law.

When the minister appeared before the committee, many of us again urged upon him the need to provide legislative language to cover this notice provision. It should not be any surprise at all to the minister that the committee decided, or redecided if you like, that some notice of this invasion of a substantive right had to be given if the thrust of the act, which the minister claims is a great advance in the law, was to be given effect.

There have been many allusions to Watergate over the past few weeks. I am not going to delay proceedings very much by recounting all the shabbiness of that event. But I think the attention of hon. members should be drawn, if they have not seen it already, to an article by Morton Halperin, who is known to some people in this capital and who was a consultant to the U.S. Secretary of State, Dr. Henry Kissinger.

● (2020)

In the New York *Times* of May 31, Morton and Ina Halperin wrote an article entitled "The outrage of wiretaps". The article speaks of the wiretap placed on their telephone. Actually, the wiretap was continued even after Mr. Halperin had left the employ of the government of the United States. The wiretap first went on when he was an adviser to the presidential candidate, George McGovern. It is a poignant article, a sad article, a miserable article, because it tells the grubby story of people who have no respect for privacy.

We all, of course, give credit where it is due in the famous heroin case. But for every heroin case there are many Halperins in this world. In the case of the Halperins, the grandmother was ill. Those who were listening heard the request for medical assistance; heard the chatter of the Halperin children as they called back and forth to their friends; heard the conversation of husband and wife as they asked each other to do chores that all of us are asked to do in the ordinary family context.

It is because of such outrages that we need the notice provision. Other members may be bothered by other aspects of this bill. What has bothered me is this: the citizen who has been subject to a wiretap should have some notice of it if no prosecution results. This is the fourth time that we have asked for this notice provision to be included. The Standing Committee on Justice and Legal Affairs asked for this notice. I was very reassured by the speech of the hon. member for New Westminster (Mr. Leggatt) and I hope that once again the majority of members of this House will, when the deferred vote on this matter comes up next Tuesday, support the considered decision taken by the Standing Committee on Justice and Legal Affairs in 1973, and taken a couple of years ago when the matter was before us then.

In this case, as in other cases when the minister has been willing to make accommodation, I hope we can come to an accommodation on the urgent, important and serious matter of giving notice to one who has been subject to intrusion, subject to outrage, but who has not been prosecuted as a result of that outrage. I am urging hon. members to stand firm on this provision, as the committee did. I am glad to say that members of my party and of the NDP were supported on this issue by other liberal Liberals.

The minister likes to talk across the floor about my being in an ivory tower, and so on. I have long since ceased being bothered by epithets. Perhaps once in a while I am in an ivory tower. Perhaps once in a while it is time for an ordinary member of parliament who is not carrying

a brief for any particular group in society but is carrying it, hopefully, for all society, to bring forward amendments to a statute like this in the manner I have suggested, because if the bill were left in its original form it would not be a good piece of legislation but would be legislation which the minister and the government would live to regret.

Mr. John Gilbert (Broadview): Mr. Speaker, an hon. member speaking on another motion suggested that the Minister of Justice (Mr. Lang) is competent but rigid. The more I see him in operation, the more I think that statement is true. A standing committee in a previous parliament made a recommendation which the Standing Committee on Justice and Legal Affairs saw fit to incorporate in this legislation. However, the Minister of Justice has got his deputy ministers busy again in trying to undo the work of the committee. That makes me very sad and underlines the minister's rigidity.

It was the hon. member for Fundy-Royal (Mr. Fairweather) who gave the thrust and strength to the particular amendment we are considering. I recall well that in early meetings it was he who saw the injustice of certain provisions that were included in the bill when it went to committee. The Minister of Justice, I think, called the hon. member for Fundy-Royal a man in an ivory tower and an impractical ideologist.

Mr. Lang: I did not do that.

Mr. Gilbert: Mr. Speaker, I prefer the ivory tower, impractical idealist for Fundy-Royal at any time to the Minister of Justice who has such rigid attitudes. The hon. member for Fundy-Royal senses the true meaning of this bill and he wants to give full protection to all Canadians. I know the Minister of Justice has often spoken about the famous heroin case. I suggest that he told students about this when he was dean of the law school out west.

Mr. Knowles (Winnipeg North Centre): He may be out there again next year.

Mr. Gilbert: He tries to use his experiences with the heroin case, or with rape cases or what have you, to terrify members and put fear into their hearts. That is not worthy of the Minister of Justice.

I now wish to refer the words of a learned judge, Mr. Justice Louis Brandeis of the United States, who said on this point that experience should teach us to be most on our guard to protect liberty when the government's purposes are beneficent. Men born to freedom are naturally alert to repel the invasion of their liberty by evil-minded movers. The greatest dangers to liberty lurk in the insidious encroachment by men of zeal, well-meaning but without understanding. Those are appropriate words of a very learned judge.

On behalf of the New Democratic Party may I say that we are very proud to see someone of the stature and experience of the hon. member for Fundy-Royal serving as a member of this House and, more especially, as a member of the committee. He certainly gave the committee leadership. He is concerned about the protection of the public and he has pointed to the direction in which we should go. The minister may say the hon. member lives in an ivory tower. I suggest it would be better if the minister were to take a less rigid stance, as I think his present attitude detracts from his strength. I have always considered the minister as a person who could give moral leadership. In this instance he has fallen short of his potential. Fortunately, there are members like the hon. member for Fundy-Royal who can give us leadership.

We of the NDP will strongly oppose the motion moved by the minister.

Mr. Knowles (Winnipeg North Centre): The minister should withdraw.

Mr. Trevor Morgan (St. Catharines): Mr. Speaker, it is a privilege to rise and support the position taken by the hon. member for Fundy-Royal (Mr. Fairweather). Too often in the annals of this country, not only in parliament but in society generally, all too few people will take a strong philosophical view. Perhaps the minister will say "ideological" or he may refer to an ivory tower. I suggest the minister lives in an ivory tower. I point my hand to where the ivory is.

● (2030)

Some hon. Members: Hear, hear!

Mr. Morgan: As we progress in this nation we must hold true the rights of the individual. We must not let them be sacrificed and suffer because it is easier to do something else, because it is easier to just ignore the little man. We have a responsibility to the average citizen to make sure he sees that justice is done. Surely it is the obligation of any government with any commonweal or brotherhood with the citizens of this country to know what is in the best interests of the people. They have the resources at their command. They have a bureaucracy which has grown beyond all sense of reality. We talk about that reality, and they talk about the hon. member for Fundy-Royal being nothing more than a pure idealist. I wish the two could be put together and they could be a little more idealistic in the way they run the affairs of this country. It is only right and natural that the position taken by the hon. member for Fundy-Royal should be adopted by this House. If we do not do that, we disregard the people for whom we act.

We talk about law and order. That is supposed to be the hue and cry which is put up by this government to try to jam down the throats of the members of this House the amendments proposed by the Minister of Justice (Mr. Lang). That law is not meant for the average individual. How do you expect to have order unless the government assumes a proper stature which inspires order? What the minister is doing is inviting a situation which decries the law and order which is so necessary in this country. If you adopt the position taken by the hon. member for Fundy-Royal, you will initiate this essential feeling in the average man, inspiring him to respect the law. Through respect for the law, you generate order. This is the only way it can possibly be done.

There are many fundamental issues involved in this matter. I do not intend to talk about them tonight. In dealing with legislation like this we must take a fundamental approach to what is required if we are to build up

what we believe to be a democratic process, a rule of law. That is what is necessary. Sometimes this government forgets they should be operating under the rule of law. No democratic system can work without it. If they start to ignore that principle, which they do, and decry the position taken by the hon. member for Fundy-Royal, they forget about the rule of law. That is the fastest way to destroy this democratic institution of which we all should be proud.

If the position taken by the hon. member to whom I previously referred is ignored, we start to chip away at the principles which we here spend hours to protect. Thousands and thousands of lives have been lost to obtain these rights. You do not deal with this matter lightly. You do not say that is idealism or ivory tower stuff. You do not do it that loosely or that easily. Surely we have learned something; hopefully we have. We begin to wonder, when amendments to this legislation are placed before us by the Minister of Justice. They do not do anything to enhance the rule of law, the democratic process or the stature of the Parliament of Canada. All they do is create a situation in which we have derision in the country. If you cannot protect the little people, you are entitled to suspect there will be derision for this parliament. We should all be proud of what we are here to do. The minister has to take a backward step, reconsider the matter and accept the position of the hon. member for Fundy-Royal. Perhaps this is what is required. It will take a big man to withdraw.

Before entering this chamber I held the minister in high esteem. However, after seeing what has happened to this legislation in the hands of this minister, perhaps I should take a second look at the esteem in which I hold this minister. I feel rather badly. I suggest the minister can be a big man. He can prove that to this House. If the words of the last two speakers have any meaning to the minister, I suggest he must withdraw. I hope he will do so, not only out of respect for parliament but for the people of this country for whom he is the Minister of Justice. If justice is to be done, this is the position he should take.

The Acting Speaker (Mr. Laniel): Is the House ready for the question?

Some hon. Members: Question.

The Acting Speaker (Mr. Laniel): The question is on motion No. 20. All those in favour of the motion will please say yea.

Some hon. Members: Yea.

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

Some hon. Members: Nay.

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

And more than five members having risen:

The Acting Speaker (Mr. Laniel): Pursuant to the order made earlier this day, the recorded division on this motion stands deferred until Tuesday next.

Protection of Privacy

• (2040)

The House will now proceed to motion No. 22 standing in the name of the hon. member for New Westminster (Mr. Leggatt).

Mr. Stuart Leggatt (New Westminster) moved:

No. 22.

That Bill C-176, an act to amend the Criminal Code, the Crown Liability Act and the Official Secrets Act, be amended in clause 6 by adding immediately after line 10 at page 25 the following:

"(6) No warrant shall be issued by the Solicitor General of Canada under this section unless an authorization to intercept is obtained in the manner provided under Part 1V.1 of the Criminal Code."

He said: Mr. Speaker, this amendment will, I hope, commend itself to the House. It relates to the provision having to do with the Official Secrets Act. In the case of Criminal Code offences, provision was made in the bill for referral to the judiciary before authorization for wiretapping is given, except in the emergency clause. I am pleased that the minister has seen the light and presented the House with an amendment to ensure that even in the circumstances of this clause reference to a judge is necessary before wiretapping is authorized.

The amendment I am now proposing would require that all wiretapping, not merely wiretapping created as an offence under the Criminal Code, should require judicial approval. I believe the arguments in favour of such an amendment are very persuasive. I have practised law for some 16 years. All of us who have appeared before the courts have lost and won, but I have never felt I was unfairly dealt with in terms of the consideration shown me. I think all of us have the greatest respect for the courts and for the judiciary.

Why is it, then, that we lose confidence in our judges all of a sudden and say that when questions of security and the Official Secrets Act are concerned, this is too sensitive an area for them to be involved in? We all have friends and acquaintances in the judiciary, and in all my years in practice I have never met a member of the bench to whom I would not entrust the kind of confidential information which would need to be disclosed before an authorization would be issued.

As we have proceeded in our consideration of this bill, each time the judiciary has been eliminated from the process it has been brought back again. The judiciary is a great bulwark of civil liberties in this country and I see no necessity of bypassing the judges in matters connected with the Official Secrets Act. Under the notification provision we have arranged for special reference to the judiciary. Under the emergency provision the same applies; and, of course, there has always been provision for reference to the judiciary in the main authorization clause. I hope the House will now take this final step and make the necessary improvement to the bill so that the rule of law may prevail throughout. Surely if we want the rule of law to prevail we rely on the judiciary to enforce the law.

We in this party have been critical of the bill before us. If there are to be abuses, then mark my words those abuses will arise through invocation of the Official Secrets Act because its terms are indefinite—the definition of "subversion" is fluid. A tremendous amount of discretion

is left in the hands of the minister. In fact, far more discretion is left in the hands of the Solicitor General under the Official Secrets Act than rests in the hands of the Attorneys General under the Criminal Code. Thus, this is one of the most dangerous areas in terms of invasion of privacy that can be found in the legislation. Yet up to this point the House has not seen fit to rely on the judiciary.

Why should we not wish to protect innocent victims of wiretapping carried out under the cloak of the Official Secrets Act? The argument that this is a special area is based on one premise—the judiciary cannot be trusted to deal with applications under this clause. This attitude is, in my view, an insult to the judiciary. We should be placing our confidence in the discretion of the judges and their ability to protect the liberty of the subject. I urge the House to amend this clause by providing the same protection to the citizen in the area of the Official Secrets Act as has been in respect of the Criminal Code.

Mr. Fairweather: Mr. Speaker, I thought members on the government benches, which are bursting with ministers signing their mail and backbenchers reading the papers, would probably wish to take part in a serious discussion on this important issue. But if they want us to go on—

Mr. Turner (Ottawa-Carleton): We are listening.

Mr. Fairweather: Perhaps it is time for the Minister of Finance (Mr. Turner) to listen.

Mr. Lalonde: There are only two Tories in the House. Where are the rest?

Mr. Fairweather: Mr. Speaker, as far as I am concerned, when the time comes to account for actions taken in this House, the one I am most ashamed of is the vote on second reading in favour of the War Measures Act. I will always be glad that I changed my mind on third reading because I found there was no possibility of the government providing any adequate appeal procedures. I think that was one of the saddest chapters in our history.

Mr. Bell: They were after votes then.

Mr. Fairweather: That is why I think we are dealing now with an important clause. An interesting study has just been completed in the United Kingdom, on the subject of the Official Secrets Act, under the distinguished chairmanship of Lord Franks. The trouble is, when I ordered a copy from Information Canada they did not know for some time whether it would be possible to give me a copy of the report because they were not sure whether or not it was secret.

We in Canada caused a study to be made of the Official Secrets Act. It was disappointing failure. It produced a report which made no substantial recommendations for reform in this, one of the most outmoded sections of the law. In Britain they are moving toward a fundamental revision of the Official Secrets Act. As far as I can see, this whole matter of the government wanting secrecy had its origin late in the seventeenth century or the early part of the eighteenth century when governments thought it very important that advice they were getting both on the home front and from abroad should be a matter of secrecy.

• (2050)

Just a year ago when I was in New York at a seminar on the matter of secrecy, a person in the United States government said that there were some 4.5 billion pieces of paper in a facility somewhere near Washington which were secret and classified documents. It seems to me, as a simple layman, that this mass of documentation in itself, if sought for the purposes of research by scholars and other interested persons, would be practically impossible to obtain.

I hope this government will soon convene another study group to take a very searching look at the Official Secrets Act of Canada with the expectation that it will be able to follow some of the advice on this matter given by the Franks commission in Britain. I share in a personal way the view of the hon. member for New Westminster (Mr. Leggatt), that it is not a bad idea for government—I say this although I have the greatest amount of respect for professional and political people—should take a second look at emergency situations. I think the people to whom I refer let Canada down in an unfortunate way. We had a major reaction, very much overblown, and I am still very sad about the vote I cast.

That is why I would prefer, personally, to leave this matter to judicial scrutiny, because I think there can be involved in government programs people who would not be prepared, or not able, to place before judicial officers sufficient support for their points of view in order to sustain a judicial order. The situation to which I referred exposed as a very sad part of contemporary Canadian history an unfortunate reaction on the part of governments which sought to avoid the judicial process. This has happened on one or two other occasions. I cannot remove the scar of the War Measures Act from my conscience.

Mrs. Morin: You should have been the prime minister of the province of Quebec; then you would have thought differently.

Mr. Fairweather: I have had a lot of compliments tonight, but I think the hon. member's colleagues said that even though my French is not very good, at least I had a bilingual mind, which would qualify me for the prime ministership of Quebec.

An hon. Member: If you lived in Quebec.

Mr. Fairweather: Had I been the prime minister of Quebec I do not think I would have invoked the War Measures Act; and had I been the prime minister of Canada I hope I would not have invoked the provisions of that act. Be that as it may, I think this is a time for soul-searching.

An hon. Member: I would hope that you do.

Mr. Fairweather: I hope the hon. member for Louis-Hébert (Mrs. Morin) will give us another example tonight of the type of speech she made on another occasion. Speaking quite frankly, what she said caused a cold chill to run down my spine, and I know as a personal matter that it

embarrassed a good many of her colleagues. I suggest that she exemplified a reaction of anti-unionism and many other things that, if I were not an old-fashioned gentleman from New Brunswick, I might accuse her of because I thought it was one of the most reactionary speeches I have heard in this House. If she wants to give us another example, I will listen.

Some hon. Members: Oh, oh!

Mr. Fairweather: Hon. members may laugh, but many of the hon. member's colleagues were not very happy about the example of Liberalism we were treated to the other night. If the minister has a question, I will be glad to defer to him.

Mr. Gray: Mr. Speaker, I should like to ask the hon. member how, in view of his reference to the remarks of the hon. member, he gets along with some of the members of his own caucus?

Mr. Bell: How do you get along with the NDP at your caucus?

Some hon. Members: Hear, hear!

Mr. Fairweather: I do not get along with every member of my caucus, and I think it would be a very unusual and boring caucus if I did. I had not thought a caucus was the place for a love fest. I find a caucus very challenging in trying to persuade people I do not happen to agree with, and it is one of the most stimulating activities that one takes part in here. Apparently the hon. member does not have any trouble with the members of his caucus. If he could get along with Beryl Plumptre as well as he gets along with his own caucus, God bless him for that.

Mr. Knowles (Winnipeg North Centre): And God help us.

Mr. Baker: And God help the country.

An hon. Member: Are there any more questions?

Mr. Baker: What is the next question?

Mr. Fairweather: If the hon. member wishes to ask a question, I will be glad to listen to him.

An hon. Member: At least we had music during the question period.

Mr. Lang: Would you like more violins?

Mr. Fairweather: It is a good thing I have a check-rein on my emotions. I hope the minister will reply to my remarks because I would be delighted to have my position challenged.

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, I waited with interest to hear what the hon. member for Fundy-Royal (Mr.Fairweather) would say. Having heard the kind of remarks made by the hon. member for Broadview (Mr. Gilbert), I knew the hon. member would have to make some reply. He was pressed, pressed and pressed by that hon. member in this House. I was not completely sure whether he was supporting the motion moved in the name of the hon. member for New Westminster (Mr. Leggatt). I found this interesting in one respect because a couple of his colleagues suggested that it is a terrible insult to come into this House and move an amendment to restore a position which had been taken by the committee. This was a position taken in the committee which friends of the hon. member for Fundy-Royal felt was important.

It has been suggested that what was involved here is a matter to be treated in this country in a very careful way. If that is what is involved in this particular section of the act, then I suggest there may be an inadvertent attempt to destroy one of the very foundations of this country and that attempt could well be avoided. It is my feeling that this section was carefully written to ensure that the responsibilities of the Solicitor General in connection with any attempts to obtain evidence are observed. It was also written in recognition of the fact that it is important to the state that these side efforts to destroy the state should not be allowed to continue.

I know I have said this before, but the remarks I make in response to what has been said by the hon. member for Fundy-Royal existing in an ivory tower were made because I have had the same kind of thing said about me. So I thought I would put it forward to him and some of his colleagues, although some of his colleagues clearly qualify.

• (2100)

The fact is that we must look at the practical situation we are in. Here is a case where if the security of the state itself is threatened, we must expect to take appropriate action with regard to it. The hon. member's colleague, the hon. member for St. Paul's (Mr. Atkey), recognized this in a section with which we were dealing earlier by carefully treating specially and separately each proceeding that is carried out under cover of the Official Secrets Act. There was there at least a recognition of the fact that where there is espionage, sabotage or subversive activities, or where there is a most organized attempt to destroy the basis of the state, sometimes very special measures are needed.

The thing that disturbs me about the attitude of the hon. member for Fundy-Royal is his willingness to share in a doubt about the importance of the integrity of people in elected political office, as though our political process could survive unless we could bring forth elected people in our political process who could have that confidence placed in them. He is making a terrible mistake when he turns to any other country or any other example and says it does not work there, and therefore we must do something differently here. I think the hon. member has shown a lack of confidence, in this way, in the political process. We did, in the committee, make an important change in this area. We had an attitude which is now being characterized as rigid. We put forward, at the request of hon. members in the committee, changes which redefined the words "espionage", "sabotage" and other specific or subversive activities.

It was the hon. member for Fundy-Royal who indicated that basically he saw the need of this kind of section but he wanted those words more precisely defined. We did so in the committee, and that now is being characterized as some form of rigidity. We know that is the kind of politi-

cal remark that is made by members of the opposition when they have nothing to say. They accuse ministers of being rigid, arrogant or overzealous; and when they find a minister who is not arrogant, rigid, or overzealous they call him weak-kneed, feeble and otherwise unable to stand firm in the face of adversity. Those are the different possibilities they find. Let us see that clearly and understand that they are political remarks, and not put them down to something else.

After all the violins for the hon. member for Fundy-Royal, I regret that he found it necessary to drop to that level tonight and resorted to that kind of tactic once again. The hon. member for St. Paul's was in the committee. We not only made the move in respect of the definition of "subversive" activity in this context and in the context of a section where we saw the special need to protect the state and have the Solicitor General take the responsibility for it, but we added a further section, a section which I placed before the committee and asked to be moved and approved which called for the Solicitor General to make a detailed report on the activity under this part which had not previously been included in the bill and which had not been suggested originally by the hon. member for Fundy-Royal. We now, once again, have the responsibility and undertaking of the Solicitor General for the warrant, in the first place, and the responsibility to report in detail on the activities under this section.

With the political responsibility that is involved, that should have been recognized by the hon. member for Fundy-Royal as being adequate to better protect our country and our freedoms. However, with the sound of violins playing in his ears, he failed to appreciate that. I hope other members have seen it and will fail to support the motion of the hon. member for New Westminster and will, instead, support the basic need in this country to have at certain times certain measures to take care of the very existence of the state and the very freedoms and liberties which we all defend.

Mr. Ouellet: Mr. Speaker, on a point of order, I should like to draw the attention of the House to the presence in the gallery of a great Canadian athlete—a man who had a tremendous hockey career in Toronto, Detroit, and now in Montreal, and whom we honoured last night in Montreal. I refer to Frank Mahovlich.

Some hon. Members: Hear, hear!

Mr. Deputy Speaker: I am sure the Postmaster General (Mr. Ouellet) is assisted by every member of this House on his point of order.

Mr. Erik Nielsen (Yukon): Mr. Speaker, he scores a good deal more often than any member of the government. I never cease to be amazed at the gall of the Minister of Justice (Mr. Lang) in purporting to rise, as he did a minute ago, to object to the way in which we have berated ministers on the treasury benches for their shortcomings. He is an expert at that. He has proven it time and time again in his two portfolios. I am glad to see his predecessor is here tonight, the Minister of Finance (Mr. Turner). I commend the speech he made in 1969. I fully endorse everything he said at that time.

[Mr. Lang.]

It is a pity the Minister of Justice did not follow the precepts set forth by the minister of justice of that day. I doubt whether he even read the speech, otherwise we would not be seeing such terrible legislation before us as there is in this bill. I see the Solicitor General (Mr. Allmand) has left his seat—although his seat gives every appearance of being ready to be occupied again. I hope he comes back because I want to say something about responsibilities under his jurisdiction.

However, before doing so let me say I am opposed to this section in its entirety and not only to the amendment that has been advanced. I do not think any great improvement has been brought about by the amendment made in committee, which has attempted to confine the operation of the section to so-called matters of national security. The section as it stands gives the Solicitor General absolute power to issue a warrant or intercept communications when those communications effect a subversive activity or the gathering of foreign intelligence essential to the security of Canada. Subsection (3) of this section attempts to set forth a definition of subversive activity. It includes espionage or sabotage and foreign intelligence activities directed toward gathering intelligence information relating to Canada, and activities directed toward accomplishing governmental change within Canada or elsewhere by force, violence or any criminal means. The word "elsewhere" concerns me a good deal in a piece of Canadian legislation.

The next part deals with activities directed to an actual or potential attack or activity against Canada. No one can quarrel with that. The last part has to do with activities of a foreign terrorist group directed toward the commission of terrorist acts in or against Canada. That is a very broad definition that could include all sorts of so-called organizations in Canada which have as their objective precisely that. But let me backtrack for a moment to subclause (c) which includes in the definition of subversive activities, activities directed toward accomplishing governmental change within Canada or elsewhere by force or violence or any criminal means.

● (2110)

In effect, the section is authorizing the Solicitor General to issue a warrant for the purpose of intruding on the conversations or in the mail of anyone in or out of government if this is all that is required, if they have reasonable and probable grounds to believe that someone is conducting activities directed toward accomplishing government change anywhere in the world. This seems to me to be a breathtaking power to be giving to the Solicitor General. All that is necessary, for instance, for the invocation of this clause and the granting of a warrant is the request by the CIA or by any other intelligence service in the country to the Canadian Solicitor General to intrude upon the communications emanating from any Canadian citizen because they have reasonable and probable grounds to believe that some activity is being conducted by that Canadian citizen, government employee or otherwise, which might have the effect of causing a governmental change within the country. It could happen in the case of Chile, it could happen in the case of the United States or of China—indeed, any country in the world. That kind of

unbridled power in the hands of the Solicitor General in completely unacceptable in my view.

When I placed on the order paper some months ago the series of questions with respect to the Police and the Security Planning and Analysis Group falling within the jurisdiction of the Solicitor General, a great number of eyebrows were raised on the other side as to the inferential information which was contained in the questions themselves. I stated last night that one can only wonder at the reason for the government not denying immediately and with emphasis the possibility of the existence through the Defence Research Board of surveillance capabilities at Shirley's Bay of the whole of the Ottawa telephone system. But they got around that.

I see the Minister of Justice smiling. It is permitted to speak of these things now. But I ask the Minister of Justice this: If there is no such plan and no such capability, why does the government seek refuge in reply to that question by saying that it is not in the interests of national security to discuss these matters? They should have set everyone at ease immediately by saying that it does not exist. But the inference in the reply is that it does exist, and I maintain it exists, perhaps not in that location any longer but it is there. Now we want to give the Solicitor General the power, without any control whatsoever except for the requirement to report after the fact, to implement the whole system. I, for one Canadian, resent the extent to which that would intrude upon not only my privacy but my freedom.

We heard the Secretary of State for External Affairs (Mr. Sharp) say today that an investigation has been conducted into leaks with respect to certain communications between a Canadian official in Chile and the public. They have conducted that investigation and they think they have zeroed in on the person who was responsible for the leak. Under this clause in the bill, the Solicitor General could issue a warrant which would authorize the interception of communications on the telephone of every single employee in the Department of External Affairs or, indeed, in any government department, in order to determine where that leak originated. Indeed, they could go further than that and if there was the slightest reasonable "ground to believe" that perhaps it might be some civil servant who has left the service and is now in civilian life once again, they could intercept his communications, and on and on it could go. No citizen would be free from the intrusion of this kind of power without any judicial control.

In 1969 the minister spoke of controls. He spoke of the necessity to balance the need for giving the law enforcement agencies in this country effective means to cope with lawbreakers. That is balanced against the law and order concept and the right of the individual to privacy and freedom without intrusion into his private affairs. I ask him now whether this clause in particular, and this bill as a whole, would provide that kind of guarantee to the Canadian citizen that there will be no intervention in his private affairs to the extent which this bill seeks.

Again, on April 3, 1973, I put a series of questions on the order paper. The government in their answers hid behind the following phrase:

> It is not considered in the public interest for reasons of national security to disclose the details of security and intelligence activities.

If that kind of question can be answered in that manner, what kind of report, I ask, are we to expect from the Solicitor General under the clause in this bill? We will get the kind of report, should this clause pass in its present form, that will hide all relevant reasons for the application in the first place and all relevant reasons for the granting of any warrant. The phrase that will be used, if we from the opposition inquire about it if we ask why, when, how, or who was involved is that the information requested is not returnable by the government for reasons of national security. That is the answer we will get.

I join my friend, the hon. member for Fundy-Royal (Mr. Fairweather), in his view with respect to the October crisis. I, too, voted in favour of the implementation of the War Measures Act, but in my 16 years here that is the most shameful vote I ever cast. We were assured by the now Minister of Transport (Mr. Marchand) and by the now Minister of Finance (Mr. Turner), as well as by the Prime Minister (Mr. Trudeau), that full disclosure would be made of the basis upon which the War Measures Act was invoked. Much to the credit of the Minister of Finance, he was the one, I understand, who prevented that act from continuing in force after the date of its expiration. I congratulate him for that, in spades.

Mrs. Morin: You do not understand.

Mr. Nielsen: I only understand the concept of retaining the freedom of the citizen. I cannot give the precise figures now, but at one time a few months ago I had them down to the unit. Of the hundreds of arrests that were made after the invocation of that measure, precious few—in fact, only seven—were brought to trial out of some 400 or 500 arrests and detentions of people kept incommunicado and without benefit of counsel. And of those seven I do not think there was a single conviction.

• (2120)

Mrs. Morin: Did you witness the event?

Mr. Nielsen: Now the government wants to give the Solicitor General the same kind of power.

Mrs. Morin: Again you don't understand.

Mr. Nielsen: Again there was no justification whatsoever for that intrusion on freedom, for which I speak on your behalf as well. Mr. Speaker, I did that which the Prime Minister did not do, although he could have, and that was to spend ten years, four of them on active service, fighting to preserve the very freedom I am speaking about tonight. Maybe it is he who does not understand what motivated people to go to Europe in the last war and fight for these very things. Just maybe, perhaps it is he who does not understand.

Mr. Lang: You should have worn a helmet.

Mr. Nielsen: And what is more, the real reason—

Mr. Crouse: Erik, he says you should have worn a helmet.

Mr. Nielsen: That is very true. I did not wear a helmet, if the minister means it in the classical sense of a metal helmet. But I did wear a helmet in the aircraft I flew. I certainly did not wear the kind of helmet the Prime Minister was wearing, riding around on a motorcycle in Montreal, advocating that people not go to Europe to fight for freedom in this country. I can say, further, that I added a year to my age to get into the forces; I did not lose two of them to stay out.

The only purpose for the invocation of that measure, and its only accomplishment, was to seize—

Mr. Olivier: You are a stranger in the night.

Mr. Nielsen: I cannot hear the member.

Mr. Olivier: I say you are a stranger in the night.

Mr. Nielsen: The hon. member says I am a stranger in the night. The hon. member for Louis-Hébert says I don't understand. When those two members over there can say they have lived in every province and territory in this country, as I have, then they can criticize me for not understanding. But until then let them be silent.

An hon. Member: New Brunswick got rid of you.

Mr. Nielsen: I am afraid I did not originate in New Brunswick.

Mr. Lang: Who got rid of you first?

Mr. Nielsen: The only purpose the invocation of that measure served was to gather reams and reams of paper and documentation. I must say it succeeded admirably in that. I must say it is to the advantage of the nation to have that kind of documentation of subversive activity; but it was a hell of a way to go about getting it—to invade the privacy of homes in the middle of the night and arrest and detain people under that kind of measure. But that was the purpose of it. And we have never had any explanation, on any basis, for its invocation since then. Hon. members opposite know that, because even the media have come around to criticizing themselves for supporting it.

Mrs. Morin: You must know why they did that.

Mr. Nielsen: Perhaps the hon. member will explain when she addresses herself to this subject. I would like to learn.

Mrs. Morin: Don't tell me you blame the media.

Mr. Nielsen: I would be the last one to blame or criticize the media, but I have occasional observations to make with respect to its accuracy. It is a night for true confessions. The hon. member for Fundy-Royal has confessed his, I have confessed mine, and several members of the media have confessed with respect to the position they took at that time.

I see the Minister of Supply and Services (Mr. Goyer) grinning in his seat. He was the minister who followed the senator who preceded him, who is now in the other place. I say this about that hon. gentleman, that as long as he was solicitor general he resisted the setting up of the security planning and analysis group. He did not permit it to happen, because he knew of the dangers inherent in that kind of secret police force in this country. Then he was shunted aside. He sat on the front benches for a while, not on the treasury benches, and then was lateralled into that place where all party faithful eventually are lateralled—the other place. After that, the Minister of Supply and Services became the solicitor general, and it was with the greatest alacrity that the security planning and analysis group came into being because he knew he had to go along with the ideas of the Prime Minister on this, and with that small cadre of people who surrounded him, with respect to the philosophy of the establishment of this group.

Mr. Goyer: What about your own *réseau* of information?

Mr. Nielsen: I did not hear the question, so I cannot reply. But I will say that that group would never have been established under a Conservative government; and I still say there is no need for such a police force in this country. The Minister of Supply and Services and the Solicitor General can try until they are blue in the face to assure me, others on this side of the House and other Canadians outside it, that this group does not perform police work, when in fact it does. They take refuge behind the explanation that it is not an operations group, that it conducts no investigations. But, Mr. Speaker, all they need do is lift the telephone to the RCMP and say, "Look here, old Joe Blow down there in the reserve in Saskatchewan is giving a little trouble and we think it may be aimed at subverting the government of Canada." And bang! He has an intercept on him right away under this provision in the bill.

The minister shakes his head as though this is not true. I have a memo here, Mr. Speaker. I am not going to cite the date or the author. But I will cite the recipient of it, W. J. Davbos—Lieutenant-Colonel Davbos. It is entitled "Social defence and the Indian." It is quite a lengthy memo, of several pages. There is outlined in it the threat to Canadian security that is being offered—

Mr. Deputy Speaker: I hesitate to interrupt the hon. member, but his 20 minutes have expired. He may, however, continue if there is unanimous consent. Is there unanimous consent?

Some hon. Members: Yes.

Some hon. Members: No.

Mr. Nielsen: You don't want to hear it.

Mr. Deputy Speaker: The hon. member for Broadview (Mr. Gilbert).

Mr. John Gilbert (Broadview): Mr. Speaker, I am really disappointed at the members of the Liberal Party not permitting the hon. member for Yukon (Mr. Nielsen) to proceed with his speech. I always believed the Liberal Party was thought of as the great reform party. Now I am beginning to think of it as the great reactionary party. After hearing the Minister of Justice (Mr. Lang) and the hon. member for Louis-Hébert (Mrs. Morin), who have been the two main Liberal spokesmen at the report stage of this bill, I can only come to the conclusion that the

party's name has been changed to that of the great reactionary party.

I recall hearing the story one night of a young Jewish rabbi, just graduated from the seminary, who went to the old rabbi and asked, "Would you give me some advice?" The old rabbi replied, "You go down in the market place of life for a while. That is the best advice I can give you." When I look at the Minister of Justice I realize that his training and experience have been in law school. When I compare him with a former minister of justice, I note the difference. That former minister not only had the academic experience but the practical experience.

If I had anything to do with the training of law professors I would make it a requirement that they go into the marketplace of life before becoming professors. And I would pass that suggestion on to the hon. member for Windsor-Walkerville (Mr. MacGuigan) also. If people like that want to become fully fledged professors, there should be a requirement that they go into the practice of law for at least five or six years to get the real touch of things.

● (2130)

It may be that we in this party and our friends in the Conservative Party would not be calling future ministers of justice arrogant, overzealous, rigid, inflexible, and so forth. That may be the result, Mr. Speaker, and I think it would be an excellent result because every measure that has been brought forth, every motion to improve the bill, has met with tremendous resistence from the Minister of Justice. There has almost been an apology from the hon. member from Windsor-Walkerville who has hopped from one side of the House to the other with his compromise amendments to the motions. It has been a rather disappointing display on the part of government members.

I think the hon. member for Yukon (Mr. Nielsen) has set forth some of the dangers. I might add that I am very happy that we made sure that any authorization under the bill will be by way of an application to a judge. When the former minister of justice had conduct of a bill similar to this, it was his attitude that there should be political accountability and that the application should be made to the attorney general. I went along with that and saw the wisdom of it. After the experience we have had in the debate on second reading and the debate in committee, I think it is protection to people that the application for an authorization has to be made to the judge. This is the conclusion I have come to after our experience in committee, with the resistance and the inflexible attitude of the Minister of Justice in regard to this matter.

As I said, Mr. Speaker, the hon. member for Yukon set forth the dangers. If we can make it a requirement that the police must get judicial authorization for an indictable offence, and we now know the list of offences that they have to apply or which gives them the authority to apply, I see no reason why the same should not apply with regard to national security. I appreciate the strong point that the hon. member for Fundy-Royal (Mr. Fairweather) made with regard to the War Measures Act. One of the things that has had the strongest impact on my life was the action taken by the Liberal government in the days of Mackenzie King when it passed legislation to deport Japanese Canadians. As my hon. friend from Winnipeg North Centre (Mr. Knowles) says, it was an order in council. If there is anything that made me a socialist, it was that particular action by the Liberal government.

I recall, as well, the former prime minister, Mr. Pearson, having to tell the RCMP to lay off university students on the campuses. This was because of the overzealous attitude of the RCMP with regard to subversive matters. In this instance, the first minister of the Crown had to tell the RCMP to stop their harassment of university students.

I see nothing wrong in having the Solicitor General make an application to a judge for an order with regard to national security—nothing wrong whatsoever. The minister says that this is a very sensitive area, and I agree. But the sensitiveness of the area can be taken care of quite easily in the affidavit that would be submitted. Mr. Speaker, the application is ex parte and the content of the affidavit can be taken care of quite easily. There should not be any difficulty whatsoever. This would be a protection and would add to the prestige of the Solicitor General.

We have found the present Solicitor General to be very fair-minded, co-operative and understanding. I think it would add to his prestige and the security and protection of Canadians if he were to agree that whenever an application is made for an authorization, it should be by way of a judge rather than by way of the RCMP. It would impose a great responsibility on the Solicitor General—far too great a responsibility because there is a political element attached to national security measures. I would think it wise to accept the motion of the hon. member for New Westminster (Mr. Leggatt) that the application for authorization must be made to the judge. It is for these reasons, Mr. Speaker, that we give full endorsement to the motion of the hon. member for New Westminster.

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I should like to speak on this matter for a few moments. I listened while the former dean of a law school took his academic podium and lectured a former attorney general of a province, who also has some experience in the law as well as experience in this House, about his attitude with respect to ministers of the Crown. Although I have not taken much part in this debate, having consulted with those in this party who have taken part in it, and having sat through most of it in the House, I want to say that in the last few days we have been dealing with a bill that affects every Canadian. We have had from the Attorney General of this country perhaps one of the worst examples of rigidity, arrogance and overzealousness, and as a result of holding for too long positions which were untenable in the interests of justice this Attorney General has been made to capitulate. I think the hon. member for Broadview (Mr. Gilbert) was right when he suggested that he is not like the former attorney general, now the Minister of Finance (Mr. Turner) who, while I have some doubts about his capabilities as Minister of Finance, I have absolutely none with respect to his abilities as Minister of Justice. There is as much difference between that last mentioned gentleman and the present Attorney General as there is between night and day.

I was not in this House during the "October crisis", as it is called, but I was a very concerned and observant Canadian. I accepted at the time, on representations made

by the Prime Minister of Canada (Mr. Trudeau), that there was indeed an insurrection, that there was indeed a possibility of a toppling of the instruments of government, a real threat to government and a real threat to our way of life. As time went on it became apparent that people were being held in custody incommunicado, without counsel, without the usual things that protect all Canadians, and without charges being laid. Doubts began to appear in the newspapers and doubts began to arise in my mind about whether the government had used in a proper manner the power which it has in the statute books of this country.

As time went on, people were released, some with their lives ruined, some with their businesses ruined, and only a few were ever brought to trial. Then the press of this country said that they, too, doubted the veracity of the government in the earlier assertions that were made and I began to wonder what had happened to our community. As a member of the Bar of the province of Ontario, I am going to say that if the Law Society of this province and other provinces had been as zealous with respect to the protection of civil liberties as they were in arguing about the right of a person to blow into a breathalyzer, perhaps some different complexion might have been put on this matter.

● (2140)

Doubts on these questions have lingered in my mind and, I am satisfied, in the mind of a former attorney general in this country. He, unlike the Minister of Justice, was a practising member of the Bar before he came to this place. For a time he practised while he was a member. He has seen in the courtroom and in other places the tremendous power of the state used in the apprehension and prosecution of criminals, and the relative difficulties experienced by people caught in the toils of the law. When bills seek to confer emergency powers without recourse or redress, any member of parliament with any sense of justice must be concerned about the attitude of the government which is to administer the law. The hon. member for Fundy-Royal (Mr. Fairweather) can be forgiven for looking with suspicion at certain sections of the act. He can be forgiven for his doubts about the validity of certain sections when he looks across the aisle and sees those who would administer the law.

The present Minister of Supply and Services (Mr. Goyer) at one time was responsible for a different portfolio. He would counsel the Solicitor General (Mr. Allmand) with regard to any decision which would need to be taken with respect to the section we are considering. For that reason I am prepared to suggest that we should distinguish between ordinary crimes committed and those crimes which may be detrimental to the state. Of course, I am talking about offences which honestly, truly and obviously involve the security of Canada.

There should be differences with regard to the apprehension of ordinary criminals and those who would plot against the state. The government's record in making judgments of that sort is not good; actually, it is dreadful. So we can all be forgiven if we do not trust the government in the use of this section. We cannot be certain this government will not panic. We cannot trust the government not to use certain powers conferred but this bill for its own purposes. We have seen this government acting in

[Mr. Baker.]

desperation not just in the 1970 incident, to which I am alluding but in other circumstances. It has reacted irrationally in other ways.

As the section we are considering would confer great power to deal with the freedom of individuals, but would not provide for any of the normal safeguards, we can be forgiven for being skeptical. Such tremendous power carries great responsibility. The degree of responsibility must be as great as the power which is being conferred. We do not trust the government with this power, and I am sure I speak for many members.

Of course, when the government apprehends a real attack, as opposed to a suspected attack, or the possibility of a real attack involving the security of the state then without doubt, as most members of this House would agree, the government ought to have at its disposal extraordinary powers for dealing with the situation. I suppose this particular section is designed to meet such conditions. But what worries me is this: the wording in the reporting provision of the bill is not strong enough. As the hon. member for Yukon (Mr. Nielsen) suggested, the whole truth will not be set out in reports which under this bill must be made from time to time. In this regard the relevant section to do with reporting speaks of "a general description". That refers to methods of interception. You can bet your bottom dollar that the emphasis will be on the general rather than on the specific description. Even if there is an opportunity to make specific disclosure, the government will avoid that opportunity like the plague.

Why do I guess that? I have heard government members avoiding answering even the simplest questions during the question period. Those questions do not even involve national security, although they do involve our economic health. The Minister of Consumer and Corporate Affairs (Mr. Gray), when asked simple questions, to do with inflation in this country, food prices, etc. has referred to that lightning-rod of Canadian politics, Beryl Plumptre, and suggested she will answer. Of course, she is not here in the House to answer.

Today I listened to the Minister of State for Urban Affairs (Mr. Basford) waffling, if I may use that expression, in committee with respect to certain events which have occurred within Central Mortgage and Housing. There, again, we saw a member of the government evading the truth in committee. He was aided and abetted by partisan members of the committee who were afraid that the truth would be uncovered. That is what we face. That is the kind of thing which raises doubts as to how this part of the bill will be used once it becomes law.

Speaking for myself—I do not know if I speak for all—if I could choose the member of the treasury benches who would administer this bill without rigidity, without arrogance, but with understanding of the dreadful power contained in the bill, I would choose my neighbour, the former minister of justice who now is the Minister of Finance (Mr. Turner). If the statement of the former minister of justice referred to at length by the hon. member for Yukon in the debate on November 28, represented that minister's position on the place of government in our society and the use of power, he is at least reasonably fit for the position which he held and which many in this country wish he held now.

Unfortunately, he is now responsible for another portfolio to do with monetary and fiscal affairs. He left his previous portfolio in which his strain of Irish goodness was able to show itself from time to time, and assumed responsibility for the portfolio in which a parsimonious attitude on behalf of the government must be exhibited. If he still occupied that portfolio, I suggest he would show a grasp of this problem much greather than his grasp of the problems to do with his present portfolio which have to do with economic, monetary and fiscal matters. I think the country suffered a bit because he left justice. It has certainly suffered because he went into finance.

● (2150)

Some hon. Members: Hear, hear!

Mr. Baker: None the less, he is my neighbour. Sometimes there is very little in my heart with which I can praise, but on that occasion in 1969 there was a great deal. I should reiterate this in the most neighbourly fashion I can muster.

As we consider this bill we should consider that it is a giant step forward in providing the police and public agencies for the first time with the right to legally and usefully use a system of detection which the law never before permitted. That in itself imposes a great responsibility on them. In order to control that responsibility, parliament has decided the judiciary has a place. That was a wise decision. When historians look back at this parliament they will agree that if we were going to give that power it was a wise move indeed to provide that kind of protection, a protection which I must say, to my regret, the Minister of Justice fought against until he was dragged away kicking and screaming. The courts indeed have a part to play in this new form of police power.

None of us wants to see the public authorities hampered in any way. We do not want to see the Attorney General hampered in any way with respect to the functions of his office. We do not want to see the police of this country put in any worse position technologically than the lowest criminal or, indeed, the highest of the order of criminals, if there is such an order. Every one of us wants to see the police armed to protect society against the works of those who would seek to bring it down.

At the same time as we are giving the police this power we are giving a responsibility to the courts to protect society. We are giving the law officers a certain power, in this clause, in extraordinary circumstances when the country is actually facing the possibility of destruction in terms of its political interests, with its enormous power which this parliament has seen fit to convey and confer upon the Solicitor General, the Attorney General and others involved in the decision-making process. With that power there is a heavy responsibility not to use it in a political way to destroy or divert those who are perhaps the enemies of the government of the day, but to use it properly, wisely, judiciously and honestly to track down only those who would destroy the government of our country rather than those who would merely question it.

I am prepared to recognize that under certain circumstances there is a difference between the common criminal and those who would destroy the state. I do that on the understanding that whatever power is given to any government of this country is not a licence to misuse that power for its own sake. When I heard the hon. member for Louis-Hébert the other day, my blood ran cold. If I had the honour of defending the Minister of Finance I would not even recommend her for his jury because I feel so badly about her speech. I read and reread that speech.

Mrs. Morin: Oh, it impressed you, did it?

Mr. Baker: I wonder how one of such a gentle exterior can have dripping in her veins the ice that was apparent and will leak forever from the pages of *Hansard.*

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

Mr. Deputy Speaker: The hon. member's time has expired. If the House wishes, I will put the question on the motion.

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Deputy Speaker: It is not agreed. It has been called ten o'clock.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order. I believe this is the last of the report stage amendments. I wonder whether we could extend the time three or four minutes and complete this part of the work.

Mr. Deputy Speaker: It is correct that this is the last of the motions to be considered at the report stage. The House has heard the suggestion of the hon. member for Winnipeg North Centre (Mr. Knowles). Is it agreed?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Deputy Speaker: I hear "No."

Mr. Nielsen: Mr. Speaker, there are other members of our party who have indicated a desire to speak.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order No. 40 deemed to have been moved.

CANADIAN ECONOMY—INCREASE IN COST OF FOOD—POSSIBLE PROGRAMS TO SUPPLY FOOD TO THOSE ON LOW INCOMES

Mrs. Grace MacInnis (Vancouver Kingsway): Mr. Speaker, nutritional experts are taking a cautious view of the first findings of the Nutrition Canada survey. As one critic observed, it raises more questions than it provides answers and health experts do not know what to make of

some of its findings. Its main point is that Canadians on the whole are badly nourished, regardless of their income level. To take this conclusion at its face value, particularly the latter part, would be a great mistake. There are too many qualifications which must be taken into account. For one thing, the survey does not seem to have made an in-depth study of the very poor, including many of the aged. For another, it has not to date included studies of the native Indian and Inuit peoples. For still another, it appears to overlook completely the findings of bodies such as the Montreal Catholic School Commission, 1972, and the National Council of Welfare, 1973, which found a close correlation between low income and malnutrition.

In its report "One child, one chance", the latter points out that while nutritional ignorance is common to rich and poor alike, those with an adequate income, often through overeating, are able to establish margins of nutritional safety. Those on low income are up against a situation where rising living costs force them to first meet fixed expenses such as rent, utilities and transportation. Food becomes the flexible item in the poor family's budget. What is left over from fixed expenses can be spent on food, a precarious approach to good nutrition.

It was the consideration of this fact that caused the Special Committee on Trends in Food Prices to include in its first report to the House of Commons on April 2 of this year the following recommendation:

> That the federal government, in co-operation with the various provincial governments, consider the feasibility of co-sponsored programs to get proper food on the tables of people with low income.

To my knowledge, the government has taken no action whatever on this recommendation. To our many inquiries it replied that the Canada Assistance Plan stands ready to fund 50 per cent of any such program proposed by any provincial government. That is not good enough. The members of the food prices committee were well aware of the Canada Assistance Plan when drafting that recommendation. We were well aware, also, that some of the provinces simply cannot afford to find 50 per cent of the costs of such programs to supply the nutritional needs of their people.

● (2200)

What we intended to press for, and what we still press for, is leadership from Ottawa and a greater share of the funding—up to 75 per cent or 100 per cent. The need is great. Many hon. members have by their questions lately drawn special attention to the heavy extra burden being placed on low income people by the rising cost of heating oil and motor fuel. These are costs which must be met but which cut into the amount left for buying food. And look what is happening to food prices. To give one single example, a letter from Saskatchewan today encloses the tops of two boxes of Creamettes macaroni. The boxes are identical—the two-pound family size. One was bought on August 24 and cost 45 cents; the other was bought on November 23 and the price had gone up to 65 cents, representing an increase of almost 45 per cent in just three months. Both were bought in the same O.K. Economy Store, a wholly-owned subsidiary of Loblaws.

[Mrs. MacInnis (Vancouver Kingsway).]

Yes, I know about the increased cost of durum wheat, but I also know that macaroni is one of the food staples of the poor, a budget-stretcher, a substitute for the meat they cannot afford. Small comfort for these people to be faced by the confident image of the Loblaw manager who explains, "More than the price is right. But, by gosh, the price is right!"

An hon. Member: Hear, hear!

Mrs. MacInnis (Vancouver Kingsway): It may be right for Loblaws, but it is wrong for the poor and it is wrong for the government which has the duty to protect their living standards. I am glad to see the minister in his place tonight. I want to ask him again: What is the government going to do about the recommendation of the food prices committee concerning the nutrition of people on low incomes?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I have listened with a great deal of interest to the remarks of the hon. member. I know that she was there when I was called before the standing committee of this House which deals with the matter of food prices. I then said that those who wrote the report on nutrition in Canada had reached some conclusions, but that we were taking those conclusions further and examining in detail certain elements worthy of further study, including in particular the situation of low income groups.

Moreover, the hon. member mentioned that there had been no studies concerning the native Indian and Inuit peoples. On the contrary, a study has indeed been made on Indians and Inuits and the relative report contains some recommendations. We plan to publish a complete study on this subject next spring.

When the hon. member suggests that certain provinces cannot afford to pay 50 per cent of social welfare costs, I would like to remind her that these provinces receive substantial amounts in the form of equalization payments which have been considerably increased again this year, to reach close to $100 million more than last year. I am pleased to see that the Minister of Finance (Mr. Turner) is in the House tonight, for he was the one who suggested this measure in the budget speech. Such a measure would help greatly low incomes provinces.

Mr. Turner (Ottawa-Carleton): Exactly.

Mr. Lalonde: With regards to the case mentionned by the hon. member relative to the increase in heating costs, I would remind her again that in most provinces the real heating costs are absorbed by public welfare programs, and as a result, there is no reason for which low income people in these provinces have to cut down their food budget to pay their heating costs. I personally communicated with my colleagues in other provinces to urge then to take special steps for that purpose.

Finally, as far as Saskatchewan is concerned, I can hardly believe that such a province, with its present revenues, is unable to pay 50 per cent of the additional cost of food and if the small wage earners of that province are unable to feed themselves properly it is the responsibility of that provincial government which is free to adjust the

public welfare payments and we will be pleased to contribute up to 50 per cent.

The position of this gouvernment on the food issue is that basically we must provide people with an additional income and they will then make a more sensible choice of food, if they are given more information and education.

[*English*]

WELFARE—METHOD FOR FULFILLING PRIME MINISTER'S PROMISE OF FUEL COST ASSISTANCE TO NEEDY

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, on November 23 I asked the Prime Minister (Mr. Trudeau) what measures he proposed for the implementation of his television assurance that needy Canadians would have enough money to pay for higher priced winter fuels. I asked whether it would be by new legislation, greater federal generosity under the Canada Assistance Plan, or how. The Prime minister, in a scarcely startling reply, indicated that his statement was the direction agreed on between the Minister of National Health and Welfare(Mr. Lalonde) and himself. Later the minister indicated that telegrams were being sent that very morning to provincial ministers. The announcement of care and concern and largesse was seemingly purely a federal one. This seems to be prime ministerial largesse at its most fulsome; but the execution and implementation of the gesture was to be shared with the provinces.

As with many prime ministerial grand announcements—and I think of the one of last August—the difference between the appearance and reality is vast indeed. The federal government, which in mishandling of the energy question must take primary blame among the 11 governments in this country, is not taking the heavy portion of the burden being placed upon the consumers of this country resulting from such mishandling. This is as clear as is the fact that the announcement of federal aid for fuel is not any great new breakthrough in Ottawa-based compassion. It is unfair and misleading to suggest that the announcement is a new and improved approach to assistance to needy Canadians. The Canada Assistance Plan already provides for 50-50 sharing in respect of these matters. At page 7 of the 1970-71 report of the CAP we read:

> The major costs of assistance for which contributions are made under the plan are for basic requirements which are defined in the legislation as food, shelter, clothing, fuel, utilities, etc.

It declares, further:

> For other budgetary items such as shelter, fuel and utilities actual costs to the recipient are generally used . . . The plan is designed to support the provision of assistance to any person in need whatever the cause of his need.

In many other places in the report the word "fuel" is used. It is a deplorable misrepresentation to proclaim to the Canadian citizenry that the government of Canada was accepting new responsibilities, giving new leadership or showing new concern for the plight of the needy in this country. Many months ago I suggested that in the face of soaring living costs and resultant heavier burdens for the poor, the federal government should do more under the Canada Assistance Plan. I suggested that it should increase its portion to 75 per cent from 50 per cent. This was a sound suggestion before the fuel crisis fell upon us. It is all the more necessary now. Nor can I imagine that there is any province not willing or anxious to accept such a change in the structure of the Canada Assistance Plan. I would like to hear the minister's statement in this regard.

The mismanagement of the national economy by the present government has caused the twin demons of inflation and unemployment to have full play in Canada. The federal government should take its share of the efforts to mitigate the effects of inflation and unemployment upon the host of poor people in this country. It is very easy to send telegrams to the provincial governments and to restate the obvious, for example, that the CAP can be used to help the needy pay higher fuel costs. Much more meaningful and appropriate would be a new division of the financial burden. The increased fuel costs will be most hurtful in the five eastern provinces. These are the very provinces which will find it hardest to put up their 50 per cent of the cost of the Canada Assistance Plan. To ease their burden, to give more equality across the land, we need a new look and a new willingness to help. In short, we need a new formula. Telegrams and T.V. programs may seem impressive, but of themselves they will do little to help hundreds of thousands of Canadians for whom the prospects of the coming winter are bleak indeed.

I repeat my claim of months ago, a claim made by other members of this House in respect of the present emergency—that this government has put the people into it. The policies of this government should be reconsidered and should be strengthened. If the minister replies, perhaps he will give us the assurance that the delayed Bill C-211 will be brought forward immediately.

• (2210)

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I listened with interest to the comments of the hon. member which was an exercise just as phony as his demonstration of crocodile tears about the action the government has taken in respect of the poor in this country. His whole argument had nothing to do with the fate of the poor but, rather, the giving of more money to certain provincial governments for the running of their social assistance plans.

I can only repeat that the Minister of Finance (Mr. Turner) in his last budget gave $200 million in equalization payments to the provinces in need in this country. I should like to know, rather than see these crocodile tears, what the hon. member knows about what has actually happened. He might be interested to learn that, in respect of the province of Prince Edward Island, I have just received a telegram from the minister responsible indicating that this province, which the hon. member claims cannot do anything to improve the fate of the poor, has increased by 10 per cent across the board in October the social assistance payments, and that the rates are also being reviewed for further adjustment in January.

When the hon. member claims that the province cannot afford to meet its duties and responsibilities, I think he is seriously underestimating the real situation and what is happening in respect of this whole issue which he raised again in a phony way.

Mr. Paproski: What you say is phony.

Mr. Lalonde: Listening to you is something like that. So far as the question of fuel costs is concerned, most provinces are paying the actual cost of whatever the increases may be. They are being covered completely by the Canada Assistance Plan. The hon. member has no reason to cry in his phony way over the fate of some of the people in need in this country.

IMMIGRATION—INDIANS—REJECTION OF JAY TREATY BY GOVERNMENT

Mr. Thomas S. Barnett (Comox-Alberni): Mr. Speaker, the high-handed action of the Minister of Manpower and Immigration (Mr. Andras) in unilaterally exercising his power as minister of that department in respect of the members of the Iroquois confederacy was first brought to the attention of this House on October 29 by my colleague the hon. member for Brant (Mr. Blackburn). You will recall, Mr. Speaker, that the matter has been dealt with already on one occasion in this hour by my colleague from Brant.

I am rising at this time because on that occasion I addressed a supplementary question to the Prime Minister (Mr. Trudeau). Unfortunately, the Minister of National Health and Welfare (Mr. Lalonde) is leaving the House and it becomes obvious that only the Parliamentary Secretary to the Minister of Manpower and Immigration (Mr. MacGuigan) is here to reply. I say at once that if he intends to rise in that capacity and give me a repeat answer to the one he gave the hon. member for Brant, it will be completely unsatisfactory. This is in no way a personal reflection on his ability to reply. However, if he is here in some capacity representing the Prime Minister (Mr. Trudeau) I shall await with interest what he may have to add to this discussion.

I addressed my supplementary to the Prime Minister on that occasion because it was evident to me that one department of government had unilaterally taken action in respect of something which had been accepted in other departments of government in relation to the Indians in Canada and the United States—in North America—over a long period of years. As the Minister of Manpower and Immigration indicated on October 29, it was something which went beyond the ambit of his department in the perspective in which it was raised, because he did say that he thought perhaps the question might more properly be addressed to the Minister of Indian Affairs and Northern Development (Mr. Chrétien). Obviously, my question requires a response from the Prime Minister inasmuch as by the admission of the Minister of Manpower and Immigration himself the ramifications of this action go beyond a single department.

It is all very well for the government through its spokesman, the Parliamentary Secretary to the Minister of Manpower and Immigration, to outline all the niceties of the history of what is commonly referred to as the Jay treaty, and to suggest to us that it is not in effect because of certain action taken by the Supreme Court and because of lack of action on the part of the government of Canada, parallel in the legislative field to that taken in 1928 by the United States. Be that as it may, the fact remains that not only in respect of the Iroquois people in the area represented by the hon. member for Brant, but across Canada from one boundary to another in relation to crossing into and out of the United States, the government of Canada has tacitly accepted a procedure which in effect recognized the existence of the Jay treaty.

[Mr. Paproski.]

I know that this has been applied in relation to the boundary between the province of British Columbia and the state of Washington since before the days of confederation wherever the Indian people, many of whom belong to the same language and blood groups, moved across that boundary. I know that it has been recognized in great measure in respect of the people of the St. Regis community, for example, where the community is divided three ways, some of it in the United States, some in the province of Ontario and some in the province of Quebec.

For the Minister of Manpower and Immigration, without notice, without discussion or debate in the House, to suddenly, out of the blue sky, cancel an arrangement which had been in existence since before confederation, and then to hide behind the fact that the government has not taken legislative action to initiate the Jay treaty, makes a mockery of the whole professed interest at the present time on the part of the government in the question of aboriginal rights. It flies in the face of some of the statements made by the Minister of Indian Affairs and Northern Development, and indeed of some of the reluctant admissions by the Prime Minister that the Indians had in fact more rights than he had realized until recently.

So this is a much broader issue than the one which was responded to by the parliamentary secretary to the minister when he replied to the hon. member for Brant on November 20 in the "late show". I would suggest that not only is this a question of aboriginal rights and the reality involved therein, but there is the whole question of what I think is the constitutional mockery that the government makes of this whole matter of the application of treaties. The Crown has asserted that it has not handed to parliament the treaty-making prerogative. We have heard that expressed in the House many times. It has also been recognized that, constitutionally, Canada inherited the treaties that were made on our behalf by the United Kingdom government prior to the Statute of Westminster in 1931.

● (2220)

So to suggest that the Jay treaty no longer has a valid application in Canada, if tested constitutionally, would be bound to be as incorrect as the assertion made until recently about the royal proclamation of 1763 on aboriginal rights. The government cannot have it both ways. If that treaty is not applicable because of lack of initiative in the past to introduce legislation, in effect the government is saying that the question of whether treaties have valid application should be in the hands of parliament. I suggest the best way the government could do this is to refer appropriate legislation to this parliament, so that we would have companion legislation to that which the United States in its wisdom saw fit to place on its statute books dealing with aboriginal rights.

Mr. Mark MacGuigan (Parliamentary Secretary to Minister of Manpower and Immigration): Mr. Speaker, a repeat question deserves a repeat answer. The fact is that

in 1956 the Supreme Court of Canada decided that the Jay treaty had no application in Canada since it had not been implemented by Canadian legislation. In fact, Mr. Speaker, neither Canada nor the Indians were a party to this treaty because it was a treaty between the United States and Great Britain.

At the non-constitutional or non-treaty level, as I related in my reply on November 20 as recorded at page 7991 of *Hansard*, several steps were recently taken. The most important of them in this context is that at a meeting with a group of Indian leaders, including the president of the Iroquois and Allied Indian Association, at which the matter was discussed, the Indian leaders were urged to submit their suggestions to the task force reviewing current immigration legislation. It seems to me that this clearly indicates the willingness of the government to consider any proposals that may be made, at a concrete level, by Indian leaders.

The other details of the question are answered in the earlier reference in *Hansard*.

Motion agreed to and the House adjourned at 10.25 p.m.

HOUSE OF COMMONS

Friday, November 30, 1973

The House met at 11 a.m.

ROUTINE PROCEEDINGS

[*English*]

WAYS AND MEANS

TABLING OF MOTION RELATING TO OIL EXPORT TAX SUPERSEDING NOTICE OF SEPTEMBER 21, 1973

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I wish to table notice of a ways and means motion relating to oil export taxes pursuant to Standing Order 60(1). This notice supersedes the notice tabled on September 21, 1973 on the same matter.

* * *

IMMIGRATION

STATEMENT ON MEASURES TO ASSIST CHILEAN REFUGEES WISHING TO COME TO CANADA

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, since the coup in Chile, the Canadian government has been following closely developments in that country. From the outset, one of our prime concerns has been the need to assist those people who either have recently left Chile or who now feel obliged to make a new life in another country.

Canada has had a lengthy and admirable record in contributing to the relief of international refugees and related movements. This has been a positive and humane approach designed to permit those persons displaced to make a new life for themselves in our country through immigration. However, each of these movements has had its own particular problems and requirements. In the case of Chile, many of the people caught up in the situation have not been seeking new homes to which to immigrate but rather a temporary safe haven in another country. From the outset, we have tried to assist those persons who want to make their homes in Canada. We are accordingly extending our refugee program to people to whom humanitarian considerations apply.

Within hours of the September 11 coup d'état, one of our officers was on hand in Santiago to keep us abreast of developments and take such immediate action as was called for. Contact was also made with the United Nations High Commissioner for Refugees who took responsibility for co-ordinating the means by which assistance could be provided to those in Chile who felt themselves in danger, including identifying those who wished to settle in Canada.

Because the situation has been changing rapidly, a total of four special teams have been sent to Chile and third countries where evacuees have located to report on the situation and ensure that facilities were available to assist those who wished to immigrate to Canada.

Most recently a senior officer from the Department of External Affairs and a senior officer from the Department of Manpower and Immigration went to Panama and Honduras where they met with the groups of evacuees from Chile and the local authorities in order to determine the requirements for special procedures and assistance. Simultaneously, senior officers from the same two departments visited refugee camps and also appraised the demand coming from Chileans. Both teams compared views with our ambassadors accredited to those countries, and their findings have been considered by the government together with the data already provided by our representatives on the spot.

A figure of 13,000 refugees in Chile has been mentioned. This is not accurate. The figure of 13,000 refers to the estimated number of non-nationals living in Chile at the time of the coup, most of whom have given no indication of any desire to come to Canada. Two thousand persons have registered with the United Nations High Commission for Refugees and our teams have talked with many of these people in the camps where they are located. In addition, application forms for admission to Canada have been made available to the United Nations High Commission for Refugees for distribution to these refugees and to date the response has been slight. It is well known to them that Canada is receptive to refugee applications. This may stimulate increased interest in Canada and, in anticipation of this, an additional immigration officer and a medical officer have been sent to Santiago. Outside the UN centres there is an increasing interest on the part of Chileans in coming to Canada, and we are in a position to deal with these applicants.

• (1110)

All of these teams, as well as the United Nations personnel on the spot, have confirmed the fact that until recently relatively few people had expressed interest in immigration to Canada. This is true for those in Chile as well as for those located in Panama, Honduras and Argentina, many of whom have been contacted by our special teams.

For those people who wish to settle in Canada as a result of the coup, the provisions of Canada's ongoing refugee program will be applied. These include: relaxed selection criteria, although medical and background checks will still be carried out; accelerated immigration processing; language training and job placement services; assistance to cover transportation costs; financial assistance to provide for accommodation, winter clothing and other such special support necessary to facilitate early

establishment. This is comparable with the approach taken to past special movements to Canada.

To date 20 people have arrived in Canada, 50 more have received their visas, and the applications of approximately 125 other people are being dealt with as quickly as possible.

Other countries have also been accepting people anxious to leave Chile, although they have primarily been granting entry to those seeking temporary haven. Our current understanding, according to UNHCR information, is that ten European countries have agreed to accept numbers ranging from 50 to, in one case, 600. In addition, four Latin American countries have evacuated a total of 1,000 people who were seeking asylum.

The situation in Chile is still changing and we will continue to monitor it, for future events will determine the number of people who, in the final analysis, may decide that the best course for them is to settle in our country. However, we expect that in total some hundreds of people will immigrate to Canada as a result of this situation, which will mean that Canada's contribution will compare favourably with that of other concerned countries.

In the past, individuals and groups have always rallied to provide local support and assistance in welcoming displaced people to their new communities and helping them to become established quickly. For these efforts many thousands of Canadians deserve special praise. In the case of Chile, large numbers of Canadians in church groups and other organizations have expressed their genuine concern in the welfare of those affected by the events in that country. We hope that again interested groups and individuals will join with the government in the provision of special assistance for these people by contacting their nearest Canada Immigration Centre or Canada Manpower Centre. Many of the individuals now coming forward are young, well educated and adaptable people who, with a little help, can be expected to add their contribution to the richness and variety of Canada.

Mr. Jake Epp (Provencher): Mr. Speaker, first of all I should like to welcome the minister's statement with respect to the Chilean refugees. The matter has been in the public eye for some time and clarification was not only needed but was highly necessary. On that basis I welcome the minister's statement today.

Canada has a long standing history of accepting refugees, people who have had to leave their countries for political or economic reasons. This Canadian tradition has been based on two criteria, as mentioned by the minister in his statement. One has been the humanitarian consideration and the other, compassionate grounds. As Canadians we have taken the attitude that individually we have a responsibility to our fellow men and as a country we have a collective responsibility to help those who are less fortunate than we are. It goes without saying, Mr. Speaker, that Canada's international reputation in this respect is well founded and established.

I remind the House that many of us are descendants of refugees who had to leave their homelands at one time or another for various reasons. It was Canada that welcomed our forefathers and gave them the same opportunities that were afforded to those living in Canada, and so they were able to become part of the traditions we all hold dear.

With respect to the minister's statement in regard to the entrance of Chilean refugees, on behalf of my party I submit that the same principles of humanitarianism and compassion should be applied and must be brought to bear in this case.

As I stated in my opening comments, there are certain questions that must be answered but unfortunately they have not been answered in the minister's statement. One question in the minds of many Canadians today concerns the nationality of the refugees who are applying to come to Canada. Are they primarily Chileans or are there also citizens of Latin American countries other than Chile? We would also like to have assurances from the minister that all precautions have been taken and that checks have been made in every instance where refugees have been allowed into Canada.

I find it rather disturbing that in his statement the minister left open the question of the number of refugees coming to Canada. While it may be rather hard to determine the number at this time, I suggest that the minister must have a projection. Another question remains, to which the minister only alluded, and that is the number of refugees who want to come to Canada on a permanent basis and become part of Canadian society and the number who are looking to Canada only as a temporary haven. These questions should be answered by the minister, Mr. Speaker.

I suggest that every effort should be made by Manpower officials to prepare the refugees for employment in Canada. The services of the minister's department should be made available to them in the same way as they were offered so successfully in the Ugandan experience recently. Canadians welcome genuine refugees. I accept the minister's assurance that the government is satisfied these are people whom Canada can readily accept and who are willing to make a positive contribution to Canadian society.

I remind hon. members that as Canadians we are responding to a plea for help from one of the specialized agencies of the United Nations. I am sure all hon. members join with me in seeking a world in which the international refugee organization will have a constantly diminishing responsibility and role and ultimately will not be needed at all. Surely a refugee problem such as the one facing us today again points out that freedoms cannot be taken for granted but can only survive as long as constant vigilance is maintained and a desire for the preservation of individual freedom is the goal of all mankind.

Mr. Andrew Brewin (Greenwood): Mr. Speaker, for a long time we have been urging the government to treat the matter of refugees from Chile with a greater sense of urgency than has been apparent to date. We naturally welcome this indication that the government is now treating this matter with the proper degree of seriousness warranted by the humanitarian implications and the human tragedies involved. I cannot forbear saying, however, that up until the last few weeks when the minister sent the teams referred to in his statement there was a marked contrast between the complacency with which the

government was addressing the subject and the facts reported to us from perfectly reliable sources. I refer, for instance, to the article by Ian Adams in the *Globe and Mail* just a few days ago.

● (1120)

Many people have come back from Chile stating that there was a continuing reign of terror, that there was an urgent humanitarian need and that Canadian action had been quite inadequate up to that time. I cannot forbear saying that the credit for the change of attitude lies with a large section of the Canadian people. I refer particularly to people in Quebec and people in the churches who communicated with the government—many, I must say, have communicated with me as well—indicating their deep concern about this matter. I regard this belated—I say "belated" advisedly—recognition that something had to be done as a credit to the working of our humanitarian democracy in Canada.

It is suggested in the statement that very few people want to come to Canada. I do not understand that to be the case. I offered to send to the minister a list I had several weeks ago of 60 people in Panama alone who had made application to come to Canada, but it is not until recently that their cases are being dealt with.

An hon. Member: Where were they from?

Mr. Brewin: They were from various parts of South America, some from Chile, some from Brazil and some no doubt from other countries. I do not personally think, when one is dealing with a humanitarian problem, that the nationality of the people concerned is of very great concern.

Some hon. Members: Hear, hear!

Mr. Brewin: I want to make one or two points with regard to the details of the statement. I am glad to see that there are to be relaxed selection criteria, although I do not exactly know what that means. I hope it means there will not be an insistence on the production of documents which the people concerned cannot possibly produce, such as passports and other travel documents. I hope this requirement will be waived as it was in the case of the Hungarian and Czechoslovakian refugees. The statement says that background checks will be carried out. Of course they have to be carried out. Our Immigration Act requires that we do not admit people with criminal records. Of course this must be looked into. But I hope these background checks will not result in long delays. I hope that a generous attitude will be taken and that political grounds will not be advanced as a reason for keeping these refugees out of Canada. It is all very well to call a person a Marxist and condemn him for that reason, but we are dealing with people whose lives are in danger and I hope political judgments will not be used to keep people out.

The statement speaks for assistance to cover transportation costs. I hope we will do what I believe the West Germans and Swedes have done, provide an airlift. If you have a sense of urgency, why not provide transportation directly? I hope the government is considering doing that.

The fact is also mentioned that one European country, Sweden, I believe, has agreed to accept up to 600 refugees. That is their target. I point out that Sweden is farther from Chile than Canada is. I suggest that we should take a leaf from that country's book and set a target at least as high as that which a smaller country like Sweden has been able to set in this regard.

I wish to finish by saying that, if I have been critical of the government, I now welcome the apparent change of heart. I say again that it is the aroused conscience of the Canadian people which has been responsible for this and I pay particular tribute to them this morning.

[*Translation*]

Mr. Gérard Laprise (Abitibi): Mr. Speaker, in his statement the minister mentioned the humanitarian reasons for accepting Chilean refugees. I think that we all agree with these reasons, except that we should not necessarily call those people refugees, but immigrants whom we should accept for those same humanitarian reasons.

I also believe that we should urge the minister to be careful in accepting those immigrants, to prevent Canada from becoming a refuge for all the riff-raff from all parts of the world.

For several years, Montreal has experienced difficulties with men from a certain country who defy even the government with their organization.

Mr. Speaker, I believe that the people from Chile should be accepted as immigrants rather than as temporary refugees and be taken in only if they meet the requirements of Canada for immigrants. Moreover, these immigrants should accept our political system and democracy as we live it. In short, they must accept to live in Canada as we do ourselves.

When seen under this light, the minister's decision is acceptable and desirable and we will support it. Again, however, care must be exercised, not because of the fact that these people come from Chile and of the experience they had to endure over there. It can be applied to just any situation in any country of the world.

I think then that care must always be exercised in situations like these as for any other.

* * *

[*English*]

EXTERNAL AFFAIRS

ALLEGED LACK OF MEDICAL FACILITIES FOR CANADIAN ELEMENT IN MIDDLE EAST PEACEKEEPING FORCE—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Doug Rowland (Selkirk): Mr. Speaker, I rise under the provisions of Standing Order 43 to ask permission of the House to move a motion of urgent and pressing necessity arising out of allegations that Canadian Forces in the Middle East have been supplied with inadequate medical facilities. I move, seconded by the hon. member for Broadview (Mr. Gilbert):

That the matter of medical facilities provided for the Canadian contingent of the U.N. peacekeeping force in the Middle East be referred to the Standing Committee on External Affairs and National Defence for investigation and report.

Mr. Speaker: The House has heard the motion proposed by the hon. member under the terms of Standing Order 43. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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

* * *

[*Translation*]

ENERGY

INCREASE IN PRICE OF FUEL OIL—SUGGESTED REFUND TO HOME OWNERS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Jean-Marie Boisvert (Drummond): Mr. Speaker, under Standing Order 43, I ask the unanimous consent of the House to present an urgent and important motion.

In view of the too rapid increase in the price of heating oil which, by the way, is beneficial only to multinational companies and penalizes our distributors, I move, seconded by the hon. member for Charlevoix (Mr. Caouette):

That refund coupons, instead of ration coupons, be distributed to single homes owners to enable them to pay the increase in heating oil prices.

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

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is no unanimous consent. Therefore the motion of the hon. member cannot be put.

* * *

[*English*]

CONFLICT OF INTEREST

REFERENCE OF PAPER, "MEMBERS OF PARLIAMENT AND CONFLICT OF INTEREST", TO STANDING COMMITTEE ON PRIVILEGES AND ELECTIONS

On the order: Government Notices of Motions:

November 28—The President of the Privy Council—That the Green Paper entitled "Members of Parliament and Conflict of Interest", tabled July 17, 1973, be referred to the Standing Committee on Privileges and Elections.

Mr. Speaker: Pursuant to Section 2 of Standing Order 21, this government notice of motion stands transferred to and ordered for consideration under government orders at the next sitting of the House.

[Mr. Rowland.]

ORAL QUESTIONS

[*English*]

ENERGY

OIL—REQUEST THAT MINISTER HAVE TECHNICAL ADVISORY COMMITTEE CHECK FIGURES OF POSSIBLE SUPPLY CUTBACK IN CASE OF WORLD SHORTFALL

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. In view of public statements made by representatives of three oil companies which serve on the minister's technical advisory committee, will the minister consider asking this committee to meet immediately so that he can at first hand check the figures on the amount of cutback of oil supplies Canada would have to endure if we have to share, as the minister says, in a general world shortfall, and will the minister then report back to the House?

● (1130)

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): As the hon. gentleman says, the companies in question are all represented on the committee which is liaising with government, and the figures I cited earlier this week were the result of discussions between the government and company representatives. I will consider the suggestion to see whether it might be useful to call a fresh meeting at this time, but it does not appear to me that any new facts have been brought forward that would cause us to have any doubt about the figures I suggested in the committee, which, as the hon. member knows, reflect the kind of risk that might be anticipated if the worst came to pass this winter.

Mr. Hamilton (Qu'Appelle-Moose Mountain): The minister's answer is the very reason I asked the question. I now have to ask the Prime Minister whether he is aware that, in light of public statements made by companies represented on the committee, which differ from what the minister is telling us, the credibility of the minister is at stake?

Right Hon. P. E. Trudeau (Prime Minister): According to my information, there is no discrepancy between the statements.

Some hon. Members: Oh!

Mr. Trudeau: If there is such a discrepancy I would be more inclined to think it was the credibility of the other parties rather than the minister's credibility which was at stake.

Some hon. Members: Hear, hear!

SUGGESTED REPLACEMENT OF MINISTER—POSSIBILITY OF APPOINTMENT OF TEMPORARY RECEIVERS OF IMPORTED OIL SUPPLIES

Mr. G. W. Baldwin (Peace River): Regretful as I am to differ from the right hon. gentleman—

Some hon. Members: Oh, oh!

Mr. Baldwin: —I should like to ask him whether, in light of the fact the minister has undoubtedly lost the confidence of the Canadian public and lost his credibility with this House, the public generally and the petroleum industry, he will appoint, if possible, a minister who can restore credibility and confidence so that the public may have some trust in any allocation the government may make of imported energy this coming winter?

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Right Hon. P. E. Trudeau (Prime Minister): Because the preamble to the question was so erroneous and so prejudiced, I lost interest in it after the preamble.

Some hon. Members: Hear, hear!

Mr. Baldwin: It is obvious the Prime Minister lost interest in this whole subject a long time ago. I should now like to ask him a very important question. Is the government giving any consideration to the appointment of temporary receivers of imported oil supplies in case of an emergency this winter in order that, if necessary, it may assert government jurisdiction over these energy supplies?

Mr. Trudeau: I would have to consult with the minister to know whether this is a worth-while suggestion.

JUSTIFICATION FOR INCREASE IN PRICES OF GASOLINE AND FUEL OIL AS OF DECEMBER 1

Mr. David Lewis (York South): Mr. Speaker, I should like to ask the Minister of Energy, Mines and Resources whether he is satisfied there is evidence to justify the four to five cent increase in the prices of gasoline and fuel oil tomorrow? Has he studied the additional cost of a barrel of crude oil since October 15 and related it to the increase that has been demanded by the oil corporations?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): I am not expert in costing practices in the oil industry but the counsel I have received is that with the dramatic increase in overseas prices resulting from decisions made by supplying states over a month ago the cost of feed stock landed in Canada has, indeed increased and that these increases are within the terms of the exception mentioned by the Prime Minister last September.

Mr. Lewis: Everyone knows that the price of crude oil imported at Montreal and elsewhere has increased. Can the minister tell the House what was the average increase in the price of a barrel of crude oil? I have information that it might justify an increase of a cent or two but that by no means would it justify an increase as high as five cents a gallon.

Mr. Macdonald (Rosedale): If the increase is, in effect, a multiple produced by multiplying 35 times four or five, I would have to confirm in the case of individual companies, but in general terms the conclusion my officials have reached is that the cost increase is reflected in terms of the crude price and that it should therefore be passed on in terms of the price of the commodity.

Mr. Lewis: Mr. Speaker, this is so important to people east of the Ottawa Valley that it seems to me the minister ought to give us a clearer answer. Is it a fact that all the minister did was to accept the increases requested by the oil corporations which have already made immense profits?

Mr. Macdonald (Rosedale): No, Sir. That is not true at all. My officials have scrutinized very closely the costs involved, taking the advantage of comparing one refinery with another in order to find the basis for the claim of one or the other. After very close scrutiny and on the strength of this advice from our officials we have concluded that, indeed, these costs have been realized.

Mr. Lewis: Will the minister inform the House whether the price increase to which he did agree was different from the price increase sought by the oil corporations? Did he lower the price increase they asked for or did he study the facts they submitted and decide that what they wanted was O.K.?

Mr. Macdonald (Rosedale): The applications for increases varied from refiner to refiner. As to whether there was an adjustment in a particular case, I could not be sure offhand, but certainly these applications were very closely scrutinized by my officials who discussed the figures fully with each of the companies involved.

* * *

[*Translation*]

ADMINISTRATION OF JUSTICE

INQUIRY AS TO DISTRIBUTION BY ROYAL CANADIAN MOUNTED POLICE TO OTHER CANADIAN POLICE FORCES OF INTERPOL REPORTS ON CERTAIN CITIZENS

Mr. Gilles Caouette (Charlevoix): Mr. Speaker, I should like to put a question to the Solicitor General of Canada.

Could he tell the House whether his department or the RCMP still receive from Interpol reports on political, military, racial or religious groups and whether these reports are distributed on request to other police forces in Canada?

[*English*]

Hon. Warren Allmand (Solicitor General): The mounted police do receive reports from Interpol on criminal matters, but I doubt whether they receive reports on the matters referred to by the hon. member. I will check and report further to the hon. member.

[*Translation*]

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

If the minister does find out that such reports have been distributed in Canada, can he undertake right now to return these reports to Interpol and to refrain from taking part in such an activity of that body?

[*English*]

Mr. Allmand: I should like to examine that entire question after I have checked with the authorities.

* * *

ENERGY

OIL—SHARING BY CANADA IN POSSIBLE WORLD SHORTFALL OF SUPPLIES—MINISTER'S POSITION

Mr. Jim Balfour (Regina East): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. The minister has stated that Canada has to be a good international citizen in terms of sharing equally the shortfall in world petroleum supplies. What actual net petroleum shortage in Canada would satisfy the minister's definition of good international citizenship under these conditions?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): I think that would have to depend on the circumstances of the case, but I hope the general proposition I have put forward would be accepted even by the Official Opposition. It is that, in certain circumstances, as an international citizen we should assume responsibility within the community to assist countries which experience a greater shortfall than ourselves.

Mr. Balfour: Does it fall within the minister's definition of good international citizenship to be taking options for spot purchases of oil products throughout the world in competition with countries whose fuel shortage situation—

● (1140)

Mr. Speaker: Order, please. I am sure the hon. member will appreciate that is debate or argument, certainly not a legitimate question.

OIL EXPORT TAX—POSSIBILITY OF INCREASE NEXT JANUARY—APPLICATION TO SYNCRUDE TAR SANDS DEVELOPMENT

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I have a supplementary question for the Minister of Energy, Mines and Resources or the Minister of Finance. Today notice was tabled of a ways and means motion in reference to the oil surtax. It is now rumoured and believed that the surtax of $1.90 per barrel will be increased perhaps in January. I wonder whether the Minister of Finance or the Minister of Energy, Mines and Resources would care to speak to that?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, there has been no decision yet with regard to the month of January in terms of taxation or otherwise. The hon. gentleman may know that there have been discussions with Alberta ministers in regard to this question and those discussions will continue.

Mr. Woolliams: Mr. Speaker, may I ask a supplementary which follows along the line of the question of the hon. member for York South regarding the cost to the consumer. I notice that the notice of ways and means motion indicates that mixtures of hydrocarbons will also be subject to the tax, which would include the tar sands. In light of the fact that supply has a lot to do with price, is it the minister's intention that the tax will apply to the Syncrude development, that any such measures—we do not know because we cannot get from the government what it is going to do—will apply to oil produced from the tar sands in the same way as to other oil, which will, of course, curtail our supplies?

[Mr. Caouette (Charlevoix).]

Mr. Macdonald (Rosedale): Mr. Speaker, the law is of general application. I might remind the hon. gentleman that the Syncrude project, if I am correct, will come into operation in 1977 and whatever the tax may be at that time I would think it would, on the whole, be subject to the general law with regard to taxation.

Mr. Speaker: Order, please. I will recognize the hon. member for Calgary North when the minister has completed his reply. I thought the minister had completed his reply and I apologize to him, but I would hope we might try to limit the number of supplementaries for each member.

Mr. Macdonald (Rosedale): To complete it, Mr. Speaker, in December, 1973, the impact of the export tax will not, of course, relate to the Syncrude project because it is many years from realization.

PROPOSED OIL PIPELINE EXTENSION TO MONTREAL—REQUEST FOR INFORMATION RESPECTING APPLICATION TO BUILD

Mr. Eldon M. Woolliams (Calgary North): In light of the fact that an application has been made, I believe, by Interprovincial Pipe Line Company with reference to the Montreal pipeline, would the minister assure the House that before any decision is made the facts will be bared before the House, including the amount of the anticipated cost, who is going to put up the money, if we have the quantity of steel required, which the Minister of Industry, Trade and Commerce says we have not, so that everything will be laid before parliament and the Canadian people will know that the government is not bluffing on a project it has announced three or four times?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, the hon. member might be aware that for the construction of pipelines in Canada parliament has established a procedure before the National Energy Board which will involve a public hearing. I might add that all aspects of the pipeline will be dealt with. Regarding the question of steel, I am advised that steel will be available for the pipeline to go ahead.

CONSIDERATION OF DEVELOPMENT OF FUTURE ENERGY UNDER PUBLIC OWNERSHIP

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I have a supplementary question for the Minister of Energy, Mines and Resources. Has he given serious consideration, in conjunction with the producing provinces, to develop-

ing all future energy in this country as a public utility under public ownership?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Ressources): No, Sir.

Mr. Nystrom: Can the minister say whether or not he has given any consideration to approaching one or more of the producing provinces bilaterally with a view to co-operating in developing their energy resources under public ownership?

Mr. Macdonald (Rosedale): Mr. Speaker, we have had conversations with more than one province, particularly with regard to federal sharing of the proceeds of the export tax. We indicated that on a joint venture basis we would be prepared to co-operate with the province's priorities in energy development. In that sense we have had discussion of this type.

[*Translation*]

MEASURES TO ENSURE DELIVERY TO EASTERN CANADIAN PORTS OF OIL NORMALLY MOVED THROUGH PORTLAND-MONTREAL PIPELINE

Mr. Georges-C. Lachance (Lafontaine): Mr. Speaker, I should like to put a supplementary question to the Minister of Transport.

Can he tell me whether further arrangements have been made in our eastern ports to take delivery of the oil that some countries are unwilling to ship via Portland?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, if we can get oil from a source other than the Portland pipeline, there is no doubt that we will be ready to take delivery of it.

Mr. Lachance: Mr. Speaker, I want to ask the minister whether winter navigation on the St. Lawrence up to Montreal will be included in those further arrangements?

Mr. Marchand (Langelier): No, Mr. Speaker.

[*English*]

INQUIRY AS TO POSSIBLE MEETING WITH NOVA SCOTIA PREMIER CONCERNING INCREASE IN PRICE OF FUEL OIL

Mr. Robert C. Coates (Colchester-Cumberland North): Mr. Speaker, I have a question for the Prime Minister. Can the Prime Minister tell me whether he has had any communication with the premier of Nova Scotia regarding a meeting in relation to the increase in the price of fuel oil in Nova Scotia that will take effect tomorrow?

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

Mr. Coates: May I ask the Minister of Energy, Mines and Resources whether the premier has requested a meeting with him immediately regarding the increase in the price of fuel oil in Nova Scotia that will take effect tomorrow?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I would have to confirm that with my office. I am not aware of it but perhaps such a request has been made.

OIL—STATEMENTS BY MINISTER CONCERNING POSSIBLE WORLD SUPPLY SHORTFALL AND MEETING CANADIAN NEEDS

Mr. Harvie Andre (Calgary Centre): Mr. Speaker, my question is for the Prime Minister. The Minister of Energy, Mines and Resources has stated publicly that Canada, as a good international citizen, must share equally in any shortfall of world petroleum supplies. The minister has also stated that Canada's needs will be served first by Canadian crude oil, even if this means cutting off exports to countries that might be in short supply. Can the Prime Minister reconcile these conflicting statements and indicate to the House just what the government's policy is?

Some hon. Members: Answer!

Mr. Speaker: Order, please. I am sure the hon. member realizes that to ask a minister to reconcile one statement with another is debate and that a question in those terms is not in order.

* * *

GRAIN

FEED GRAIN MARKETING POLICY—POSITION OF SASKATCHEWAN WHEAT POOL

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question has to do with the marketing of feed grains. Has the Minister of Justice been made aware of the fact that, despite his pilgrimage to western Canada to convince the farmers to the contrary, the Saskatchewan Wheat Pool has made it clear that it cannot accept the system now decided upon by the government for 1974 and 1975?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, I have received a document from the Saskatchewan Wheat Pool that indicates some further conclusions by them on the feed grain issue. I was pleased to see that they accepted the basic principle of equitable pricing across Canada and other very important features in the plan. In that spirit of reasonable discussion for which they are well known they have put forward a possible alternative way of accomplishing that objective, and we will be discussing this alternative with them further in the days ahead.

Mr. Diefenbaker: Mr. Speaker, apparently the minister did not read what the Saskatchewan Wheat Pool said. He has picked out one item. Did not the Wheat Pool say that the Wheat Board must be retained as sole marketing agent, and is that not contrary to what the government wants to do? Second, did not the board of directors of the pool say that they want an equitable system of pricing and, in particular, an adequate level of floor price protection? In view of those facts, instead of quibbling with words is the minister now prepared to back from the position the government took which is not acceptable to the pools of western Canada?

Mr. Lang: Mr. Speaker, the Wheat Pool did focus on the very specific aspect of the Wheat Board remaining the selling agent for the rest of the country, and in effect proposed that the kind of system we adopted this year for formula pricing be continued for another year into the future, along with some of the other steps we have proposed. The right hon. gentleman's reference to floor prices is, of course, a direct reference to a part of what is in our policy in terms of minimum price guarantees. They also endorse the storage program which is a part of our policy. That is why I say there is certainly a distinct hope that we can in this further period discuss the advantages of our proposal, which would have left the board very much in control of the export market and most of the domestic market but would have allowed a market pricing technique to operate, as against the advantages there are with a more artificial technique. I am certainly openminded on the question, as always.

● (1150)

Some hon. Members: Hear, hear!

Mr. Diefenbaker: There is no doubt the minister is openminded, but the fact remains that what has been stated by the Wheat Pool supporting the policy of the government is not. Is it not true, that it is unacceptable?

Mr. Speaker: Order, please. The hon. member for Oshawa-Whitby.

Mr. Diefenbaker: Mr. Speaker, I must ask for an answer, not an equivocation and alibi. Is it not a fact that the Saskatchewan Wheat Pool says it will not accept the government's plan?

Mr. Lang: The fact is that it has indicated its acceptance of the principles which are obviously fundamental to what we are accomplishing. They indicated one variation on the manner of accomplishing what we wanted, but the most important thing is that they have accepted the principle of one country and one grain market throughout that country.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. The Chair recognizes the hon. member for Oshawa-Whitby.

* * *

INDUSTRY

SURVEY OF COMPANIES ON CONSEQUENCES OF POSSIBLE SHORTFALL IN ENERGY SUPPLY—INCLUSION OF AUTOMOBILE FIRMS—EFFECT ON MODELS PRODUCED

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Minister of Finance concerning the survey done last week of 1,000 companies on the consequences of a shortfall in energy supply. Could the minister inform the House in a general way what questions were put to the companies and, second, when the departmental committee expects to finish its analysis of the results of that survey?

[Mr. Diefenbaker.]

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, perhaps I might be allowed to answer the question. This survey was undertaken by my department. It is part of the contingency planning in respect of the announcement the Minister of Energy, Mines and Resources made last week concerning the energy supplies allocation board. This survey was aimed at determining the possible effects on various industries in various parts of the country of shortages of various fuels—diesel fuel, heating oil, and heavy fuel oils—from the point of view of contingency planning. We are doing our homework, Mr. Speaker.

Mr. Broadbent: Mr. Speaker, would the minister tell the House when he expects the committee will complete its analysis of the results of the survey? I understand the survey is completed. When will the analysis be completed, and will he assure the House he will make the results of that analysis and any subsequent action the government intends to take known to the public?

Mr. Gillespie: This is a continuing analysis, Mr. Speaker.

An hon. Member: Continue your homework.

Mr. Gillespie: If you would like to wait for the answer, I will give it to you. I know some hon. members opposite regard this as a serious question.

Mr. Hees: Treat it seriously and stop joking about your homework.

Mr. Gillespie: Perhaps some of them will realize why it is necessary to set up an energy supplies allocation board. Perhaps, then, they will understand that when it is necessary to go that far it is also necessary to get some facts upon which allocations will be made.

Mr. Broadbent: Mr. Speaker, I have a final supplementary for the minister. Can the minister inform the House whether or not the automotive industry was included in this survey and, more specifically, whether his department is finding out what models of cars in terms of size are being produced in Canada since 60 per cent of that production goes to the United States and there could be a fall-off in employment if their sales go down considerably? Was an effort made to determine what kind of models are being produced and what the consequences might be in that industry in light of the energy shortage?

Mr. Gillespie: We have been in touch with the manufacturing companies and their presidents within the last 24 hours in respect of precisely that kind of question.

Mr. Speaker: Order, please. The Chair will recognize the hon. member for South Shore.

ENERGY

STEPS TO ASSURE ADEQUATE TRANSPORT OF BUNKER OIL TO CANADIAN PORTS AND DISTRIBUTION TO SHIP OWNERS

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I wish to direct my question to the Minister of Energy, Mines and Resources. The shortage of bunker oil supplies at Canadian ports threatens to become even more severe in December and the world shortage may cause Canadian ships, especially our large fishing fleet, to curtail operations due to a lack of fuel. Is the minister taking any steps to ensure that adequate transportation of bunker oil is provided to Canadian ports and that it is adequately distributed to Canadian ship owners?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, the principal effort we will make to have adequate distribution will be dealt with by the legislation which we hope will receive first reading next week to make sure there is equitable allocation of supplies to Canadians. With regard to fuel supplies generally, the hon. member may know we have established with the cooperation of industry a substantial movement of oil from western Canada through the Panama Canal to eastern Canadian ports and we hope we will be able to sustain this volume through the winter. I appreciate the confirmation that this is a serious situation and one requiring parliamentary action.

[*Translation*]

SHORTAGE OF PETROLEUM BY-PRODUCTS

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

Is he aware of the alleged growing artificial shortage of petroleum products and byproducts such as paint, plastic articles and cosmetics? It seems that several citizens fear a shortage of those products in some areas of Canada.

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, this is another aspect of the problem created by the shortage of petroleum products. That is why we propose to take the steps, among others, I have just enumerated in answer to another hon. member.

Mr. Boisvert: A supplementary, Mr. Speaker.

Does the minister have the power to prevent those companies from stocking their merchandise with the view to increasing prices after having created a shortage?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, not at the present time, but it is one of those we intend to be given through the bill I alluded to.

[*English*]

INDUSTRY

LAY-OFF OF EMPLOYEES OF HALL LAMP COMPANY

Mr. R. E. McKinley (Huron): Mr. Speaker, my question is for the Minister of Industry, Trade and Commerce and is in line with the one asked by the hon. member for Oshawa-Whitby concerning the difficulties industries are having. Is the minister aware that 350 employees have been laid off at Hall Lamp Company of Canada at Huron Park because of financial problems caused by a shortage of raw materials related to energy, and has he had his officials contact this company to see if anything can be done which would be helpful so that these 350 jobs will not be lost to the area?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I think this reflects the seriousness of the situation to which I referred a moment ago. We were in touch with the firm as recently as this morning and discussed the problem. It is related, I believe, to a temporary shortage of certain materials. Officials of the company tell us they expect to resume production in the near future.

* * *

● (1200)

AGRICULTURE

FERTILIZER—DETERMINATION OF AMOUNT GOING TO UNITED STATES—POSSIBLE PRICE INCREASE—GOVERNMENT ACTION

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I have a question for the Minister of Agriculture. I should like to ask him whether, in view of the fact there seems to be genuine concern by the consumers of Canada about foodstuffs, a monitoring system has been set up to indicate the amount of fertilizers that are going to the United States at the expense of Canadians and which would normally help produce a greater supply of food in Canada?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, last spring I met with the fertilizer manufacturers and I did the same thing this fall. Even last spring I seemed to be more concerned than most people about food production in Canada. Knowing full well what they could do to help, I had meetings with these people again and they did what they said they would do last fall. We know how much fertilizer is planned for domestic consumption. I made the statement that I will do everything and recommend everything to the government to make sure that there is sufficient fertilizer for domestic consumption. We are getting the figures and we will be in a position to tell the hon. member just how much fertilizer there will be for farmers in Canada and how much will be available for export.

Mr. Korchinski: After all that from the minister, may I ask him whether he anticipates an increase in the price of fertilizer to Canadians after the Americans have got it at a lower price?

Mr. Whelan: We already know in some areas of manufacture that there is increased cost because the rock phosphate that is brought from other countries has tripled and in some cases quadrupled in price, so this will be added to the cost of fertilizers and there is only one place from which it can be obtained. Also, in the province of British Columbia the government has seen fit to raise the price of natural gas by 81 per cent and it is going to cost more to produce fertilizer.

Mr. Speaker: Order, please.

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INDUSTRY

SOAP PROJECT—ADDITION OF FOURTH PARTNER TO GROUP—SUGGESTED MEETING WITH MINISTER TO DETERMINE IF FURTHER ASSISTANCE REQUIRED

Mr. Jack Cullen (Sarnia-Lambton): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce. In view of the fact the proposed $200 million plus SOAP project requires a fourth partner in addition to Polysan, Dupont and Union Carbide, has the minister received any indication that such a fourth party has in fact been found?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I have received unofficial word this morning that a fourth party is being added to the group. I welcome this news because from my point of view the whole project is very worth while and I hope it will go forward shortly.

Mr. Cullen: In view of the importance of this project to the petrochemical industry in Canada, will the minister agree to meet with officials of this project to determine what further assistance might be necessary from the federal government?

Mr. Gillespie: I would be pleased to meet with them on an early occasion.

* * *

SPORTS

SUSPENSION OF JOCELYN LOVELL BY CANADIAN CYCLING ASSOCIATION—REQUEST THAT MINISTER INTERVENE TO SECURE REINSTATEMENT

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, my question is for the Minister of National Health and Welfare and I have sent him notice of it. In view of the fact that Mr. Jocelyn Lovell, an outstanding Canadian cyclist, has been suspended by the Canadian Cycling Association as a disciplinary measure and that this suspension will last until after the Pan-American Games to be held in Australia in February, and in view of the fact the government has invested approximately $30,000 in his achievements to date, would the minister take steps through his office to have this athlete reinstated in time for the Pan-American Games so that the taxpayers' money will not have been spent in vain?

[Mr. Korchinski.]

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I will make sure to inquire about further developments of this situation, but it is not for my department to give directives to sports organizations; they have their own disciplinary measures and their own rules to comply with.

[*English*]

SUGGESTED ACTION TO ENSURE TAXPAYERS' MONEY NOT WASTED BY SUSPENSION OF ATHLETES

Mr. Otto Jelinek (High Park-Humber Valley): I have a supplementary question for the same minister. In view of the fact his department is responsible for grants that go to Sports Canada and to the athletes of this country, can the minister advise the House whether he will take steps to ensure that other disciplinary measures that are taken will not result in such a waste of money to the taxpayers?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I will certainly contact this organization, but I repeat that such organizations do not live exclusively on government subsidies. Besides, I think sport associations to be essential to the well-being of sports in Canada and that on the contrary we must encourage discipline in these organizations.

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[*English*]

EXTERNAL AFFAIRS

ALLEGED LACK OF MEDICAL SERVICES FOR CANADIAN CONTINGENT IN MIDDLE EAST PEACEKEEPING FORCE

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the Minister of National Defence. Can the minister advise the House why it took the government nearly a month before it sent adequate medical services to back up our peacekeeping force in Egypt and these services are being sent today only because of the resignation of a senior medical officer in disgust at the inadequacies of the services that had been provided?

Hon. James Richardson (Minister of National Defence): Mr. Speaker, I should like to say first of all that some of the unfortunate remarks that have been circulated on this matter are related to a local hospital and not to the Canadian medical services. I would also like to assure the House, and particularly the families of our personnel in the United Nations Emergency Force, that our participation was carefully and soundly planned and particularly well planned in relation to medical services.

Mr. Baldwin: Like the energy crisis.

Mr. Richardson: When our contingent first left on November 10 they had complete medical facilities for a group of 400. In addition, arrangements were made with two civilian hospitals in Cairo, and we also planned, as you have indicated, and have sent a full Canadian 20-bed

hospital complete with surgical equipment. We have taken every possible care of Canadian personnel in this force.

REASON FOR DELAY IN TREATMENT OF TWO INJURED SOLDIERS AND RESIGNATION OF SENIOR MEDICAL OFFICER

Hon. George Hees (Prince Edward-Hastings): If this planning was so perfect as the minister claims, why was it necessary for these two men who were hurt to wait six hours before receiving treatment in Egypt, and why is it that the senior medical officer resigned in disgust at the inadequacies of these co-called wonderful services that the minister says were planned? Answer that one.

Hon. James Richardson (Minister of National Defence): The answer is that Corporal Weir and Corporal Berry, who were in an unfortunate automobile accident, were in downtown Cairo and were first treated in a local hospital. That is what I indicated in my first answer. The criticism was not related to the Canadian medical services but to the initial treatment of the two soldiers. They were then moved by a Canadian medical officer to a U.N. approved hospital where they received full and adequate treatment. But the Canadian medical services were not involved in this incident.

Mr. Hees: You still have not answered why that medical officer resigned.

Mr. Speaker: Order, please.

Mr. Hees: He has no answer, Mr. Speaker.

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CONSUMER AFFAIRS

COST OF EYEGLASSES—POSSIBLE ENCOURAGEMENT OF COMPETITION FROM CHINA TO REDUCE COST

Mrs. Grace MacInnis (Vancouver Kingsway): Mr. Speaker, my question is for the Minister of Consumer and Corporate Affairs. In view of the finding of the Saskatchewan government that Canadian consumers are paying two to three times as much as they need to for eyeglasses, the cost of which runs as high as $38, and in view of the fact China has quoted a price on eyeglasses with standard plastic frames of less than $10 a pair, will the minister look into ways and means of encouraging Chinese competition as a means of protecting the Canadian consumer?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, I will be happy to do so.

Mrs. MacInnis (Vancouver Kingsway): Mr. Speaker, owing to the noise in the House I did not hear the response of the minister, but I will ask alternatively, will he look into and consider ways and means of dissuading Canadian eyeglasses frame makers from their present policy of costly built-in obsolescence?

Mr. Gray: I will be happy to examine what can be done in that regard.

EXTERNAL AFFAIRS

IMPRISONMENT OF THOMAS SERJEANT IN TANZANIA—DATE OF NOTIFICATION TO MEMBERS OF FAMILY

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, yesterday the hon. member for St. John's West asked me a question about the time when the brother of Mr. Serjeant was notified. He said at the end of his supplementary question to me that this is a very serious matter and he thought the minister should explain it. In fact, Mr. Serjeant has two brothers. Our High Commissioner in Dar-es-Salaam was specifically asked to contact the brother who lives in England, which we did by telegram on October 19 and in person on October 22. However, since Mr. Serjeant expressly omitted any reference to the other members of his family, we did not call them until some time later. This is our usual practice since in some cases a general alert could lead to unnecessary embarrassment.

[*Later:*]

Mr. Carter: Mr. Speaker, I rise on a point of order in connection with the statement made a few moments ago by the Secretary of State for External Affairs concerning the reason the Serjeant family was not advised of the imprisonment of Thomas Serjeant. It is obvious that the record should be put straight because the minister's officials are telling him one thing and they have told the Serjeant family something else. The reason given the mother when she inquired why she was not informed was that they were unable to ascertain the correct spelling of her name.

Mr. Sharp: Mr. Speaker, I can assure the hon. member that Mr. Serjeant's brother was contacted by telegram and in person on the dates I mentioned, so that the family was notified as requested by Mr. Serjeant himself.

* * *

● (1210)

LABOUR CONDITIONS

RAILWAY ARBITRATION HEARINGS—ADJOURNMENT AWAITING REPORT OF DR. DEUTSCH ON PENSIONS—DATE REPORT AVAILABLE

Mr. Charles H. Thomas (Moncton): Mr. Speaker, I had hoped that the Minister of Labour would be in the House today, but in his absence I direct my question to the Minister of Transport. Have the railway arbitration hearings been adjourned *sine die* to await the report of Dr. John Deutsch who is investigating the matter of pension settlement?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I will take this question as notice and ask the Minister of Labour to answer on Monday.

Mr. Thomas (Moncton): Will the minister also find out when Dr. Deutsch's report is going to be available to the arbitrator so that he can complete his hearings and file his report?

Mr. Marchand (Langelier): I will try to do so, Mr. Speaker.

* * *

[*Translation*]

ENERGY

BRITISH COLUMBIA TAX ON FUEL OIL

Mr. Albert Béchard (Bonaventure-Îles de la Madeleine): Mr. Speaker, I should like to put a question to the Minister of Energy, Mines and Resources, but in his absence I shall address it to the Prime Minister.

According to the information I have, British Columbia is the only Canadian province that taxes heating oil. Would the Prime Minister urge the socialist government of British Columbia to abolish this tax immediately in the interests of consumers?

Mr. Speaker: Order. This is obviously a representation.

* * *

[*English*]

INDUSTRY

ASSURANCE OF SUPPLY OF ETHYLENE FOR PLASTICS AND RESINS—GOVERNMENT ACTION—POSSIBLE CONSTRUCTION OF ADDITIONAL PLANTS

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my question is directed to the Minister of Industry, Trade and Commerce. In view of the extreme shortage of supplies of ethylene in Canada, which were drawn to the attention of the department many months ago, and in view of the greater shortages now going to occur in the supply of plastics and resins in Canada, could the minister advise the House what steps his department is taking in order to assure Canadian users of these chemicals that they will have an adequate supply? Will he advise the House what steps he is taking with his colleague, the Minister of Energy, Mines and Resources, and the National Energy Board to get going with the ethylene plants that have been proposed in addition to the one to which he referred this morning?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, this is a very general question. Perhaps I could say on the generality of the question that, first of all, we have taken a number of steps with the corporations and discussed with them their plans for petrochemical production in Canada. This is why I welcomed the announcement earlier today with respect to the SOAP project. We have also been discussing similar projects with interested parties in and around the Edmonton area. As the hon. member knows, Canada is a net importer of petrochemicals, and this is why we are bending every effort to ensure supplies for plastics users in Canada.

[Mr. Thomas (Moncton).]

EXTERNAL AFFAIRS

REASON FOR DELAY IN PROVIDING FIELD HOSPITAL FOR CANADIAN CONTINGENT IN MIDDLE EAST PEACEKEEPING FORCE

Mr. Doug Rowland (Selkirk): Mr. Speaker, my question is supplementary to those asked by the hon. member for Prince Edward-Hastings of the Minister of National Defence. In the statement explaining the incident to which the hon. member for Prince Edward-Hastings referred the department notes, much to my surprise, that it took approximately six weeks from the time it was first indicated that Canadian troops would be involved in this force until the field hospital arrived in Egypt, despite the fact that we are supposed to have a quickly reactive, highly mobile force. Can the minister explain that?

Hon. James Richardson (Minister of National Defence): Mr. Speaker, I indicated that the first contingent did have complete medical facilities with them for a unit of that size, 400 men. The hospital was planned at the start of the operation, and it takes a little longer to move a 20-bed hospital with surgical equipment than it does to move troops.

Mr. Speaker: Order, please. We have reached the end of the question period. The hon. member may ask a supplementary and then I will have to call orders of the day.

Mr. Rowland: Mr. Speaker, I do not find that explanation satisfactory. Troops normally need hospitals. Will the minister discuss with the government House leader the feasibility of having this question of the possible inadequacy of Canadian medical facilities in the Middle East referred to the Standing Committee on External Affairs and National Defence for examination and report, so that the matter may be cleared up?

Mr. Richardson: Mr. Speaker, I would be very pleased, so far as the Department of National Defence is concerned, to appear before the committee because I think the medical services that have been supplied are adequate and have been carefully planned. However, I would have to talk to the House leader before such arrangements could be made.

GOVERNMENT ORDERS

[*English*]

PROTECTION OF PRIVACY BILL

CREATION OF OFFENCES RELATED TO INTERCEPTION OF PRIVATE COMMUNICATIONS BY CERTAIN DEVICES

The House resumed, from Thursday, November 29, consideration of Bill C-176, to amend the Criminal Code, the Crown Liability Act and the Official Secrets Act, as reported (with amendments) from the Standing Committee on Justice and Legal Affairs; and motion No. 22 (Mr. Leggatt).

Mr. Diefenbaker: Mr. Speaker, I rise on a question of privilege. It has to do with the report of an interchange

between the Minister of Justice (Mr. Lang) and myself yesterday at page 8266 of *Hansard*. The minister, after referring to me in rather generous words, mentioned something about tilting at windmills. I took the identification of the windmills to be ministers of the Crown in the present government. The minister said about me:

> Without pretending to copy his style, may I say, he is well recognized, too, as one of the foremost tilters at windmills—

And I replied:

> I have had lots of opportunities, looking at the government.

However, there is an additional sentence in *Hansard* which reads:

> Tilting at windbags, also.

I never said that. I know the hon. member who did, and I just want it to be clear that that portion of the record did not come from me. The windmills referred to by the minister were identified by me as the ministers surrounding him.

Mr. Don Blenkarn (Peel South): Mr. Speaker, clause 6 of the bill, which the hon. member for New Westminster seeks to amend, was very thoroughly discussed in the committee. It would be hard to say if any other clause received more consideration. If you take a look at the bill as reported from the committee you will see that almost every part of clause 6 was amended. Espionage and sabotage activities by the agents of foreign countries within our nation, or similar activities by those who may not be employed by foreign countries, nevertheless are designed to destroy the democratic system in Canada, and need serious consideration.

When I spoke on second reading of the bill my feelings were very much those of the hon. member who proposed amending motion No. 22. This is an important bill, and essentially is designed to prevent people from snooping into the affairs of others. At that time I commended the minister for introducing the bill, and I commend him again for the work he has done, as well as the committee for the work it did on the bill. It is an essential bill. It is essential that individuals in this country not be allowed to pry by electronic means or otherwise into the affairs of other individuals, into the sanctity of their living rooms, their offices, whether through their telephone conversations or through many of the highly sophisticated devices that are being marketed throughout the country. It is essential that serious penalties be imposed for this offence. Perhaps even the penalties in this bill are not sufficient for those who pry and use electronic methods of surveillance of the private activities of individuals in Canada.

● (1220)

At the same time, we have to look at the rights of law enforcement agencies. I commend to you the position presented to the House by the right hon. member for Prince Albert (Mr. Diefenbaker). That gentleman has had the obligations of the highest office of this nation; he has had the concerns of running a government and he is a member of this House who has had a wide experience in the courts of this country. If there was ever a member of the House who has fought hard for the rights and privileges of individuals it is he. None the less there is some necessity for those involved in public order to have the right to find out what is going on in the country. It is even more essential that those involved in protecting our nation from people who would destroy it, whether they be from foreign countries or not, be kept in line. Certainly it is essential that the government know what is going on within the country.

Before getting into that subject, Mr. Speaker, I must make one thing clear. Other members have mentioned it, but I wish to make it clear also. This bill does give to the police and those in charge of law enforcement a power that they really never had before, and that is the right to introduce into a court information obtained by electronic means to be used as evidence. This is a new right; the right to introduce something that is not oral evidence which would be subject to cross-examination, but evidence obtained through some recording device. Listening to the playback from a recording device is not necessarily the same as listening to something said orally. I could very easily read a passage which could be recorded but when played back it would not sound the same as if I had said it on a witness stand and you had seen my expressions.

This whole matter of the use of tapes is an extension of the power of law enforcement agencies, and presumably of the government of this country to control espionage, sabotage and the rest, and of the right to introduce the resultant information as evidence. This is not the same as introducing a witness on the witness stand in a courtroom but is introducing a machine on the witness stand in a courtroom to repeat what that machine heard. Unfortunately, what is on a tape can sound differently to different people. A judge in a courtroom has the ability not only to listen but to see the witness, to watch his demeanour and to judge the veracity of the evidence. But when he hears the playback of a tape he does not hear or see the witness nor the witness's expression. In the privacy of my living room, I suppose I could say that it would be a good idea to get rid of the Prime Minister (Mr. Trudeau) and perhaps we could do it by putting strychnine in his coffee. If you heard me say that on the witness stand, you might deduce from my demeanour that I was just joking, but if you heard it as a result of playing back a tape you might take it seriously.

It is with a great deal of difficulty that I arrive at the decision. I cannot consent to this kind of thing, especially when the only protection is authorization by the Solicitor General (Mr. Allmand). I understand why it is necessary, and I think this House must understand and the people must understand, that we live in a sophisticated age with sophisticated crime and so it is necessary, especially in crimes involving damage and danger to the state, that there be something more than the direct evidence of witnesses on the witness stand. It is necessary that the Crown, in a prosecution to convict persons of this type of activity, have the right to introduce evidence that will indicate a conspiracy against the state.

It is with difficulty that I accept this use of taped evidence. I only accept it because there is a prior requirement on us, not just the requirement to protect individual liberty. I respect the opinion of the hon. member for New Westminster in that respect, but the necessity is for us to respect the integrity of our way of life. Without our

system of government, without protection of our cherished freedoms, we will not have a way of life. So, we have a conflict with human freedom on the one hand, freedom of self-expression, freedom of privacy of expression and the absolute necessity to maintain the system so that we can indeed have that freedom of expression.

I suppose one of the things that is bothering hon. members, Mr. Speaker, is the kind of government we have had, especially since this parliament resumed last January. When you look at the Solicitor General you wonder whether he is not an "over the wall" Solicitor General. There have been so many leaks with the prison system that you begin to wonder whether he is the right man to be involved in authorizing warrants to allow someone to do some snooping. Be that as it may, I know he will not be the Solicitor General long and perhaps we will get a better one. I suppose it is necessary to have some minister appointed to give these authorizations. I am sure the minister has fairly competent people in his department. The administration of the department leaves a great deal to be desired.

● (1230)

The clause we are considering draws a fine line. It distinguishes between questions having to do with the protection of individual freedoms and questions having to do with the security of the state. In the past, there has been real as well as apparent danger to Canada. I refer hon. members to the incident which took place immediately after World War II involving Gouzenko. As I recall it, a member of this House was involved in an espionage matter.

Without doubt, some foreign governments do not pay much attention to our ideas of freedom of expression and freedom of thought and are prepared to use all kinds of devices in order to learn what is going on in Canada. They are prepared, perhaps, to break down our economic system and our system of democracy. Although our political system of democracy may not be perfect, it is the best system we have and we do not want to jeopardize it. So, we must be eternally vigilant in monitoring the activities of foreign powers operating within our country. It is necessary for someone in authority in the government to keep a very close eye on the activities of foreign powers, including our neighbour to the south, a great power, and the power of the other side of the Arctic circle. It is imperative that we know what their representatives are doing in Canada. If, therefore, it is necessary for us to undertake electronic snooping or counter-intelligence work, that work must be done.

The bill goes further than that. It provides for monitoring activities to be undertaken in order to prevent a change of government in Canada or elsewhere through the use of violence, force, or other criminal means. We are aware of the activities of the FLQ, which thought it better to bomb mail boxes than speed up the delivery of mail. Any government which is responsible for the security of Canada must keep track of these people and others who might be described as mental cases.

Some nations keep track of certain undesirables by putting them behind barbed wire or in cages. We cannot authorize that. If the rights of all, including those of minorities, are to be protected in Canada, the government must know what is going on in the country. It must be aware of the activities of those persons whose whole aim is to destroy our society and attain their ends by revolution. We can change our government through the use of a ballot. We put a simple X opposite the name of the candidate of our choice. We must not allow those who would destroy, with guns, bombs and fire, the very basis of our society to carry out their aims. They would create disruption for the sake of disrupting and destroy our system and all our freedoms. Clearly, it is necessary for the activities of such people to be monitored.

The bill, as amended by the committee, is specific with respect to controlling the use of warrants authorized by the Solicitor General. I am referring to the possible infringement of individual rights which might be occasioned by monitoring. Unfortunately, the amendment of the hon. member for New Westminster (Mr. Leggatt) goes a little too far. I understand his attitude. I suggest that the amendment, if passed, would control the activities of the Solicitor General more tightly than necessary. Although I do not have a great deal of confidence in our Solicitor General—as I said earlier, we shall see a new solicitor general shortly—I submit that the amendment is not really necessary and is not really in the interests of this country. As this matter had been fully explored in committee, I am surprised that the hon. member should have brought it before the House at this time. For those reasons I, personally, will not be supporting the amendment.

Sir, in view of what has been happening in the world in terms of hijacking of aircraft, bombings of department stores and shooting of innocent children in other countries of the world, I submit that it is essential for the government to keep itself informed and know what is going on in this country.

If the government had known what was going on in the country prior to 1970, perhaps it might not have been necessary to invoke the War Measures Act. Indeed, it became clear after the War Measures Act had been invoked that that action was not necessary. Nobody was convicted under the act; nobody was even accused under it. Certain people were charged under the regular provisions of the Criminal Code. If the Solicitor General and police forces of this country had kept a proper eye on what was going on, I submit it would have been possible for us to arrest and charge certain persons who were engaged in notorious activities in the province of Quebec, and there would have been no need to invoke the War Measures Act. The government and the police did not know what was going on. The government was frightened to heck and invoked the War Measures Act.

Mr. Speaker: Order, please. I must interrupt the hon. member, whose time has expired. He may continue, of course, with the unanimous consent of the House.

Mr. Knowles (Winnipeg North Centre): Two minutes.

Mr. Blenkarn: Mr. Speaker, I had just about wound up.

Mr. Speaker: The hon. member has received conditional approval to continue.

Mr. Knowles (Winnipeg North Centre): The hon. member has been wound up for years.

Mr. Blenkarn: Mr. Speaker, I thank hon. members for their courtesy in allowing me more time. I was suggesting that if the authorities had kept track properly of the actions of the revolutionaries in this country prior to 1970, there would have been no need for the War Measures Act to be invoked. Evidence would have been available for charging certain persons with sedition, treason and other offences. There would have been no need to put the whole country under house arrest, so to speak, inasmuch as people could be picked up without being charged and held in jail. That situation could have been avoided if the government had known what was going on and, probably, Mr. Laporte would not have been murdered.

I have suggested what the government should do. It should be aware of the activities of revolutionaries in this country. In other words, our nation must be prepared. I recommend to this House the boy scout motto: Be Prepared. If we are prepared we will not encounter the problems we encountered in the past, problems which other nations have encountered and are encountering today.

● (1240)

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

Some hon. Members: Question.

Mr. Speaker: The question is on motion No. 22. Is the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: All those in favour will please say yea.

Some hon. Members: Yea.

Mr. Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Speaker: Obviously, the nays have it.

And more than five members having risen:

Mr. Speaker: Pursuant to Section 11 of Standing Order 75, the recorded division on the proposed motion will stand deferred. According to the order made on Thursday, November 29, 1973, the ulterior proceedings at the report stage of Bill C-176 stand deferred until Tuesday next.

Mr. Lambert (Edmonton West): Mr. Speaker, on a point of order; following consultation it was agreed that rather than send Bill C-233 to the Standing Committee on Finance, Trade and Economic Affairs after second reading, the bill would be considered in committee of the whole. We will follow that procedure and hopefully deal with the bill today. I would be quite prepared to move that as an amendment. However, the Chair may feel that being a government motion, this should be done by a minister of the Crown. In any event, everyone has been consulted and this is agreed.

Mr. Knowles (Winnipeg North Centre): Yes, Mr. Speaker. There have been such consultations and we agree to the change being made in whatever way Your Honour sees fit.

Mr. Speaker: The simplest way would be to put the motion as suggested, with the unanimous consent of the House.

Some hon. Members: Agreed.

* * *

FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS ACT

AMENDMENTS RESPECTING EQUALIZATION FORMULA, ELIGIBILITY FOR PAYMENT, POST-SECONDARY EDUCATION

Hon. John N. Turner (Minister of Finance) moved that Bill C-233, to amend the Federal-Provincial Fiscal Arrangements Act, 1972, the Federal-Provincial Fiscal Revision Act, 1964 and the Income Tax Act be read the second time and referred to the committee of the whole.

He said: Mr. Speaker, that is not bad for a Friday morning. The purpose of the bill now before the House is to amend the Federal-Provincial Fiscal Arrangements Act, 1972, and to effect amendments to the Federal-Provincial Revision Act 1964 and the Income Tax Act. It is intended to further improve and update certain fiscal arrangements with the provinces and particularly our system of equalization grants. As hon. members will know, our system now enjoys an international reputation for its effectiveness in dealing with fiscal problems in a federal state. I am hopeful this bill will improve that even further.

I might briefly summarize the content of the bill before commenting in detail on its provisions. If Your Honour will allow me some liberty with the rules, without going into a clause-by-clause analysis, I might make some comments at this stage which might save time in committee of the whole.

Four changes are embodied in the amendments. The first broadens the equalization formula to include, in the revenue to be equalized, local government taxes raised for school purposes. The second extends the existing arrangements for federal financing of post-secondary education for an additional three years. The third reduces from five years to one year the period of ineligibility, for revenue guarantee payments, of any province which failed to adopt the converted tax rates specified in the present legislation when it was enacted last year. The fourth change is simply a technical adjustment. It extends the abatement of three points of federal income tax in Quebec, associated with the Youth Allowance Act, which has been part of the Quebec income tax structure for the past decade. I will deal with each amendment in turn.

[*Translation*]

Hon. members are no doubt familiar with our system of equalization grants. This program provides for a payment of unconditional grants to those provinces which are below average in their capacity to raise revenues. Payments compensate a province in full for any shortfall in

revenues which they experience as a result of being below average in capacity to raise revenues. The program thus insures that each province is in a position to provide its residents with reasonable standards of public services without having to resort to levels of taxation which are above the national average. In the current fiscal year, equalization payments to the seven provinces receiving these payments—that is, all provinces except Ontario, British Columbia and Alberta—will reach about $1.3 billion.

[*English*]

On February 19, 1973, I announced in my budget address that the government intended to broaden the equalization formula to include, in the revenue to be equalized, local government taxes for school purposes. My concern at the time was that the seven lower-income provinces, because of their lower tax capacity, were not in a position to benefit to the same extent as the higher-income provinces from the stimulating effect of the tax cuts introduced at that time. I felt that some additional assistance to these slower-growth and lower-income provinces was justified. The present bill fulfils that undertaking.

Specifically, the amendment I am proposing provides for the inclusion among the revenues to be equalized those that are raised by local government for school purposes. By extending in this manner the kinds of revenues to which equalization applies, I estimate the total value of grants paid to the recipient provinces will increase by about $175 million in the current fiscal year. I might indicate the way in which this amount will be distributed among the recipient provinces: Newfoundland, $24.1 million; Prince Edward Island, $4.6 million; Nova Scotia, $22.4 million; New Brunswick, $20.5 million; Quebec, $72.2 million; Manitoba, $10 million and Saskatchewan, $20.9 million.

The grants are unconditional and the provinces are, therefore, free to use them as they see fit. In my budget address I expressed the hope that this additional income to the provinces would be used to ease the burden on property taxpayers and tenants. I am pleased to see that several provinces have found it possible to provide relief to their taxpayers in various ways, including tax reductions and reductions in budgetary deficits.

This increase in grants will bring the total amount paid in equalization to about $1.5 billion. On a per capita basis the amount to be distributed to each of the seven receiving provinces in 1973-74 will be approximately as follows: Newfoundland, $311 per capita; Prince Edward Island, $299 per capita; New Brunswick, $230 per capita; Nova Scotia, $217 per capita; Saskatchewan, $128 per capita; Quebec, $117 per capita and Manitoba, $96 per capita. The lowest income provinces, Newfoundland and Prince Edward Island, will receive the highest per capita payments. Quebec and Manitoba, which are only slightly below the national average in revenue raising capacity, will receive the lowest per capita payments. I believe all members will agree that this is as it should be.

[*Translation*]

We are now reaching a position in Canada where our assistance to the provinces through the equalization program permits the lower-income provinces to achieve levels of expenditures on public services provided by provincial and local governments almost equal to the national average, on a per capita basis.

For fiscal year 1972-73 the national average expenditure per capita on provincial and local government services was about $1,092. In the seven lower-income provinces receiving equalization payments the per capita expenditure was about $1,079. With the higher equalization payments I am now proposing, the average for the seven recipient provinces should approach the national average even more closely. I should point out, Mr. Speaker, that this result is being achieved as well because of the efforts of recipient provinces themselves. If the relative tax burden imposed on individual taxpayers in each of the provinces is compared it can be seen, for the most part, that taxpayers in the lower-income provinces carry a relatively greater tax load. Thus it is both through our program of equalization grants as well as through their own efforts that the lower-income provinces are approaching levels of expenditures on public services equal to the national average. Our expanded equalization program will clearly be a more powerful weapon in combatting the effects of regional disparities in income and represents a further significant move toward the achievement of a regionally balanced fiscal policy.

● (1250)

[*English*]

Hon. members may ask why the federal government does not go all the way and equalize all local government revenues, those for general municipal purposes as well as school purposes. There are several reasons for this. First, as I noted above, the gap in per capita expenditures between the higher and lower income provinces has now been largely closed. Second, local government expenditures for non-school purposes tend to be related to the degree of urbanization. In provinces where the degree of urbanization is greatest costs tend to be higher. I need only mention such costs as those associated with public transportation and environmental protection. To this extent the need to equalize expenditures is not as relevant. Third, where financial problems associated with urban development do arise it seems to me it would be preferable to deal with them through selective and specifically designed programs which would be available to all the urbanized parts of Canada. The equalization program would not lend itself to solving problems associated with urbanization because the three higher income provinces, Ontario, Alberta and British Columbia, where about 60 per cent of our total metropolitan population lives, would not benefit.

I want to turn, now, to a second change embodied in the amendments before the House, the extension of the current arrangements for financing post secondary education. Perhaps I might recall the background to this proposal. Part IV of the Fiscal Arrangements Act provides for federal contributions to the provinces for post secondary education for the fiscal years 1972-3 and 1973-4. Under these arrangements the federal government, for all provinces but Newfoundland, Prince Edward Island and New Brunswick, bears one half of the provinces' post secondary education operative costs. For the three Atlantic provinces the federal contribution, which was originally based on a $15 per capita grant, is escalated by the year over year

growth in the post secondary education operating costs of all provinces. For these provinces the per capita grant is more favourable than the 50 per cent sharing.

Total federal contributions for post secondary education, which are subject to a ceiling of a 15 per cent annual increase, take the form of a combination of tax and cash transfers. The tax component takes the form of transferring to the provinces 4.357 personal income tax points plus one corporate income tax point, both equalized to the national average. These tax points are now built into the income tax systems as provincial revenues. The difference between the amount of the provincial entitlement and the value of the tax points is made up in cash. In the current fiscal year, federal contributions to the provinces for post secondary education amount to more than one billion dollars, $608 million in tax points and $459 million in cash.

Last spring the federal government proposed a set of alternative financing arrangements to the provinces designed to meet provincial criticisms of existing arrangements. The provinces claimed that the federal program was intruding upon provincial administration of post secondary education and distorting provincial priorities. Generally, they argued, that they lacked the freedom and flexibility they needed to develop their own programs as they saw fit. In response to these criticisms, the federal government proposed a new system of determining federal contributions which dissociated the federal payments from the costs actually incurred. Payments were to be determined by a formula based on the growth rate of the population between 18 and 24 years of age and an escalation factor, which together would result in an overall growth rate in federal contributions roughly equal to the expected growth in the gross national product.

Under this proposed system, the basis for the alleged federal interference in provincial post secondary education programs would be removed. However, the proposal was not accepted by the provinces and the Prime Minister (Mr. Trudeau) informed them that the federal government would be prepared to extend the existing arrangements for an additional three years. The present amendment extends the term of the existing arrangements to March 31, 1977. These arrangements will, therefore, expire at the same time as other programs under the Fiscal Arrangements Act. Further thought will be given to the appropriate role for the federal government in this area in the period beyond 1977. I might note that with the passage of time, as the dollar value of both the personal and the corporate income tax points rises, the amount of the federal contribution paid in the form of cash will diminish and eventually disappear. The tax points will then finance the entire federal contribution.

Perhaps I might call it one o'clock and deal with the third and fourth changes after the break.

Some hon. Members: Agreed.

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Federal-Provincial Fiscal Arrangements Act

Hon. John N. Turner (Minister of Finance): Mr. Speaker, before we broke for lunch I was describing the four changes embodied in this bill. The third relates to Part IV of the fiscal arrangements act. This part assures that provinces conforming to our income tax legislation will obtain at least as much revenue from the combined yields of the personal and corporate income taxes, including associated equalization, for the five year period 1972 to 1976 as they would have obtained were the pre-tax reform structure still in effect. The purpose of this revenue guarantee provision was to encourage the provinces to keep their income tax legislation in harmony with the reformed federal income tax law.

In order to discourage provinces from creating possible confusion by raising their income tax rates at January 1, 1972, above the specified "break-even" rates associated with tax reform, the fiscal arrangements act provided that any province doing so would be ineligible for revenue guarantee payments for the full five year duration of the guarantee. The province of Nova Scotia, at the time the fiscal arrangements act was passed in 1972, raised its personal income tax rates above that specified in the legislation. It accepted full responsibility for this step, and has continued to harmonize its income tax legislation with that of the federal government. However, because of the provisions of the act it rendered itself ineligible for the revenue guarantee.

In the light of subsequent developments, a five-year forfeiture of eligibility for revenue guarantee payments now seems unwarranted. The provinces could not have foreseen, at the end of 1971, the federal budgetary measures in effect for 1972 and 1973 which have a significant effect on provincial revenues. I propose, therefore, that the existing five year ineligibility period be reduced to one year.

[*Translation*]

The fourth and final change embodied in the bill is a technical adjustment to the Income Tax Act and the Federal Provincial Fiscal Revision Act which will permit the continuation of the tax point abatement in Quebec as part of its fiscal system which has been in operation for about 10 years. A special abatement of three points of personal income tax was accorded to Quebec taxpayers in 1964 when the federal Youth Allowances program was introduced.

At that time Quebec already had a similar program in operation for its 16 and 17 year olds. In order to meet this situation, the federal government provided that if a province had a similar program in operation before the commencement of the federal program, that province could continue the provincial program and be "prescribed" under the act as a province qualifying for special contributions towards the cost of its own program through the Income Tax Act. The Income Tax Act was amended to allow taxpayers in a "prescribed" province to deduct 3 per cent from the basic federal tax. Quebec took advantage of this provision and was prescribed. This permitted the Quebec government to raise the provincial tax by an equivalent amount without increasing the net burden on Quebec taxpayers. In addition, the Fiscal Revision Act provided for an adjusting payment or recovery to ensure that the total federal contribution of such a province

would equal the federal saving arising from not having the federal program operative in the province. The end result of these arrangements left Quebec in exactly the same financial position as all other provinces. The so-called 3 point tax abatement for Quebec taxpayers commenced with the 1965 taxation year and continues to the present day.

As hon. members know we are now moving toward an integrated national system of family allowance which will apply to Quebec residents as to residents of all other provinces. As a result it will be necessary to adjust the present basis on which the abatement and recovery are made in order to avoid a serious disruption in the Quebec income tax system and continue to leave the province of Quebec in the same net financial position as the other provinces.

● (1410)

[*English*]

Mr. Speaker, I am sure that all members of the House will agree with the basic purposes of this bill. To summarize; the amendments proposed will increase the equalization grants paid to the seven lower-income provinces; it will extend the existing arrangements for federal assistance to provincial post-secondary education costs; it will moderate the harshness of the provisions respecting ineligibility for the revenue guarantee; and it will permit the continuation of long-standing financial arrangements with Quebec in the light of the new family allowances legislation program. I trust that the bill will receive the support of the House, and when we go into Committee of the Whole House I will be prepared to answer questions in more detail.

Some hon. Members: Hear, hear!

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I have been somewhat amused at the, shall we say, Friday claque the minister seems to have gathered about him to make that much noise. I have no idea of the purpose behind that move in dealing with a bill such as this, but it must be an "in" secret that the Liberals have. Possibly it is just that members on the government side contribute so little to the bill they have to let off some energy somehow, so they pound their desks. They have little else to cheer about.

The bill before us of course carries out changes that were forecast by the minister in the budget of last February 19. To that extent, since it arose out of a consensus coming out of the minister's meeting with provincial financial ministers the month previous, it certainly received the general approval of the House. As I recall it, during the whole of the budget debate there was no particular criticism of this proposal. If one goes back to the debates of March 1972 when Bill C-8 of that era, which is the legislation we are amending today, was debated we can see that, while this legislation has to go through, we can perhaps make some comments.

Certainly I know my colleague the hon. member for Fundy-Royal (Mr. Fairweather) will have a good deal to say about the financing of post-secondary education. Although others may have a few words to say about some of the other things which are being brought in, I do not think this bill will arouse much controversy. At the time of the debate on Bill C-8, I remember the Leader of the Opposition (Mr. Stanfield), in discussing one feature which concerns us a good deal this afternoon, that is the period of time relating to post-secondary education, said, and I think he was right—although the minister has not said anything about it yet I hope he will do so—that a two-year period as specified in the legislation at that time provided a very unstable base for any provincial government in planning for post-secondary education.

I should like to know this: by reason of this three-year extension, has there been a new arrangement reached or did I interpret the minister correctly when he said that at his last meeting with the financial ministers of the provinces the federal government made a proposal which was turned down by the provinces and that, therefore, the position effectively is still back at square one. I must say I find this a little difficult because, after all, we do know that the criticism aimed at Bill C-8 in March of 1972 was because there had been no consultation. The federal government had disclosed its plan only on the eve of the presentation of the legislation, and therefore it was impossible to get any agreement. A two-year period was put into the bill in order to provide an opportunity for negotiation, but again on the eve, so to speak, of the meeting, which would be the last meeting that could practically be held prior to the expiry of the date in Bill C-8, the government came forward with another formula which the provinces could not see themselves clear to accept. I hope that in further discussing this clause the minister will indicate what progress, if any, has been made and what are his anticipations. Is it to be another drifting along for three years and then at 15 minutes to midnight in 1977 there will be a hurry-hurry proposal and a conference to deal with this very important subject? I would certainly hope that is not so.

I want to emphasize again, and I think this is an area that has particular reference to these relationships with the provinces, that we have just gone through a period of some two months of action by confrontation between the federal government and the provinces, particularly the province of Alberta where there should have been consultation and where there has been no consultation except perhaps in the last few days. I do not know on what day that was done. Although there is the one area in which there has been consultation, even if only by reason of the title of the legislation, the "Federal-Provincial Fiscal Arrangements Act", there should be much more meaningful consultation in the future than there has been in the past. The provinces have always been convened for a conference as close as possible to the expiry date of the agreements. The federal government then makes a proposal to be presented to the provinces. This has happened time and time again on a take it or leave it basis. It seems to me that this procedure is totally wrong. I do not know whether this situation arises because their professional advisors have the idea that what they say is best for everybody, a sort of big brother attitude or an attitude of, why do the provinces not just agree that what the federal government is doing for them is the best in the best of all possible worlds. Of course, we know that there is discrimination. We have seen conferences in the past where premiers have left in a huff and taken unilateral action.

This has happened not only in the case of one province but of several provinces. I think that is something to be guarded against.

● (1420)

We see that one of the purposes of the bill is to broaden the base of the revenue sources which are used in the computations for arriving at equalization of revenues. I recall also that in March of 1972, the Leader of the Opposition had spoken at some length about the need to incorporate some element of municipal revenues in the revenue base for arriving at this equalization. I think it is laudable, although if it could have gone further to include municipal revenues, the provinces could have done more to alleviate the already high but also rapidly rising municipal taxes. This will allow the municipalities in the appropriate cases to make rebates to taxpayers paying municipal school taxes.

So, I can say that so far as we are concerned, this is perfectly fine. It must be remembered that in the over-all picture equalization grants paid across the country in 1970-71, which are the last revised figures as of February 1973 put out by the government of Canada, indicated that the provinces across Canada received some $899,227,000 in equalization grants. For the total of both unconditional and conditional grants paid by the government to the provinces, we have the sum of $2,539,904,000, which is a tremendous sum. It is rather remarkable to see what is the distribution and how under the various headings the various provinces share.

In any event, dealing with post secondary education, we see a total of $388,269,000. The lowest sum is, strangely enough, for the province of Nova Scotia. It only received $1,341,000. Perhaps the minister could look at his tables and explain the payments for the benefit of provincial institutions under post secondary education. This is in the table headed, Summary of Federal Contributions to the Provinces and certain Payments to Institutions in the Provinces, and is put together by the government. As I said, Nova Scotia received the sum of $1,341,000, and the highest amount is paid to the province of Ontario which received $143,409,000. Quebec received $114,115,000 and so on down the line.

Mr. Paproski: What did Alberta get?

Mr. Lambert (Edmonton West): Alberta has the third largest amount, $54,000,000, and the province of British Columbia received $15,464,000.

Mr. Paproski: We do not mind helping your cause, John.

Mr. Lambert (Edmonton West): The other cause stated by the minister, beyond broadening the revenue base and also extending the post secondary education financing arrangements to 1977, is consequential upon the approval of Bill C-211 dealing with the increase in Family Allowances. Therefore, because of the fact that the province of Quebec had three points of personal income tax in lieu of the payments to it by the government of Canada under the Youth Allowances Act which was part of their opting out arrangement, the government of Canada will now recover three points of personal income tax.

I looked at the bill most carefully but there was one point which I could not find, that is the guarantee with respect to Nova Scotia. I wonder under which clause it is to be found, because the minister made reference to it, but I have not been able to find it and there are no notes to that extent. My colleague, the hon. member for Fundy-Royal will speak on post secondary education, and I think we can carry on from here into clause by clause debate.

Mr. Saltsman: Mr. Speaker, before commencing my remarks may I point out, on a question of privilege, that while it may appear to be a much longer period of time, today marks the 31st year since the hon. member for Winnipeg North Centre (Mr. Knowles) was first sent to the House of Commons.

Some hon. Members: Hear, hear!

Mrs. Morin: It is time to go to the Senate.

The Acting Speaker (Mr. Laniel): Order, please.

Mr. Baker: Mr. Speaker, I rise on a point of order. I am very happy that the hon. member who has just spoken has made reference to this anniversary. I am one of the members in this House who represents a constituency in which many members of the House reside while they are in Ottawa, and in fact in Grenville-Carleton many members of parliament make their home. One of the most distinguished of those members is the hon. member for Winnipeg North Centre. He brings great distinction to the street on which I live—he lives right across the street from me—and I watch him every morning leave the house, so that he can never get ahead of me.

● (1430)

I would like to add my congratulations on this occasion to my hon. friend and neighbour. I do not want anything unusual to be taken out of this, but may I just close by saying that the hon. member for Winnipeg North Centre and I have a mutual interest in a snowblower. It is a different kind of organic union from the one we have heard of in this House. Again through you, Mr. Speaker, I would like to extend the congratulations of our party to the hon. member.

The Acting Speaker (Mr. Laniel): Order, please. While I appreciate the remarks being made and the event being commemorated, unless we revert to motions or find some other procedure, I do not think we should pursue such comments, although I cannot prevent anybody from speaking.

[*Translation*]

Mr. Eymard Corbin (Madawaska-Victoria): Mr. Speaker, if I am not mistaken we are celebrating today a birthday which concerns the hon. member for Winnipeg North Centre (Mr. Knowles), and the hon. member for Grenville-Carleton (Mr. Baker) who has just spoken has referred to the fact that several hon. members are living in his riding. As far as I am concerned, I must say that I am living in this part of Ottawa which is so competently represented in this House by no one else but the Minister of Finance himself (Mr. Turner).

[*English*]

Mr. Turner (Ottawa-Carleton): On the same point of order, Mr. Speaker, since my colleague brought me happily into the situation I want to congratulate the hon. member for Winnipeg North Centre (Mr. Knowles), although he does not have the good fortune to live in my constituency. By the accident of circumstance he finds himself in the constituency of the hon. member for Grenville-Carleton (Mr. Baker), who is also his neighbour. I want to say to the hon. member for Winnipeg North Centre that a neighbourhood may well be an accident of life, and of course everyone has his cross to bear.

Some hon. Members: Oh, oh!

Mr. Baker: He also had a choice.

Mr. Turner (Ottawa-Carleton): And it might contribute to the political process if he decided to run in that constituency in the next election. I have known the hon. member for Winnipeg North Centre ever since I came to this House, and I know the younger members have always appreciated the courtesy he has shown them. A few weeks ago I had the unique experience of being best man at a wedding which the hon. member celebrated in his moonlighting capacity, and I got to know him even better then. Might I say that, despite the hon. gentleman's lack of political judgment, he has made a great contribution to the parliamentary process.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Henry Latulippe (Compton): Mr. Speaker, about the same point of order, I wish to join the other hon. members who expressed their admiration to the hon. member for Winnipeg North Centre (Mr. Knowles). It is with pleasure that we also express our admiration and we are also convinced that the hon. member for Winnipeg North Centre is a great parliamentarian, a great citizen who has rendered distinguished services to the House of Commons as well as to many citizens and, I would like to add, to almost all hon. members.

I would therefore reiterate our admiration and I wish he will remain in this House for a long time because we are glad to have in our midst such a devoted gentleman who truly understands the economic and political situation. We thank him for all he has done and wish him many returns of the day.

[*English*]

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I agree with you that these proceedings are entirely out of order. I think that it might have been better to wait another nine years, and perhaps when I have been here 40 years such comments as have been made would be very nice to hear. But may I just say in passing that it was 31 years ago today that I was first elected in a by-election in Winnipeg North Centre to succeed the late J. S. Woodsworth. The time has gone awfully fast, but I am very grateful for the kind things that have been said today by my friends in all parties.

Some hon. Members: Hear, hear!

[Mr. Corbin.]

The Acting Speaker (Mr. Laniel): I wonder if hon. members would expect me to render a decision on the point of order? The only decision I could render at this time would be to say that the hon. member for Winnipeg North Centre (Mr. Knowles) has been causing disorder for the last few minutes, but I am glad to join with hon. members in offering my personal congratulations to him and perseverance for many years.

Mr. Max Saltsman (Waterloo-Cambridge): Mr. Speaker, might I just point out that, although you recognized me for the purpose of speaking on the bill before us, I did rise on a question of privilege, and I did so because in spite of my very great respect and admiration for the hon. member for Winnipeg North Centre (Mr. Knowles) I did not wish to have that time deducted from the time available to me today.

Mr. Barnett: You mean to say he isn't worth five minutes of your time?

Mr. Saltsman: He is worth far more than that, but I am not sure that we should be doing this on this particular bill, and so I agree with you, Mr. Speaker.

I wish to raise some questions about shared-cost programs. I agree substantially with the provision that would include school taxes in raising the base, but I think that there are probably some misconceptions about equalization payments. The word equalization itself has the connotation that you are taking from some and giving to others. There is a certain element of that in this equalization program, but equalization does not take away from any province, regardless of its wealth, and redistribute that wealth to another province. Rather, the increase in wealth of a particular province creates a responsibility for the federal government to see that the provinces that have not gone up so quickly in their wealth are compensated for that.

The net effect of including the school taxes in the equalization formula is that the costs to the federal treasury will be increased. I am having some real doubts about federal financing, and how the government intends to find the money to provide for this equalization. The federal government has indexed most of its welfare programs and transfer programs in order to compensate for the increase in the cost of living. My colleagues and I fully agree that that sort of provision should exist in old age security, the Canada Pension Plan and other programs that are the responsibility of the federal government.

But at the same time as it took that very sage move it also took a foolish move. It indexed the income tax. The effect of having those two side by side is that, while the responsibilities of the government will escalate with the increase in the cost of living, which is a pretty permanent feature, its revenues will not escalate at the same rate, and it will have to come to parliament to get increased tax rates to compensate for this. This points out the difficulty which the government has in deciding on the advice it should follow. In the first instance when it indexed social security payments it followed the advice of the NDP, something which was very intelligent. In the second case, indexing the income tax itself, it followed the advice of the Conservative party, which seems to me to be less than

wise. There was a very mild reaction from my friends on the right.

● (1440)

I said earlier that equalization is a kind of formidable word, and perhaps in order to really understand the consequences of equalization it is necessary to take an example and try to follow what happens when a province increases its revenue, then sees how this affects the rest of the country. I think the conclusion will be that we really must have a much better formula for equalizing revenues and incomes across the country. In many ways the history of taxation tells the history of civilization, and the degree of caring in a civilization. The broader you make the base for tax and the more inclusive you make the base of tax, the greater is that society's indication that it cares about everybody. In any kind of society or civilization there are obviously going to be disparities, perhaps because of environment or geography or many other reasons. The way a country indicates concern for all its citizens is by broadening the base of taxation and taking all revenues into account when the allocation of transfer payments is decided upon.

Let us relate the equalization formula to what has been happening recently in the energy field and the export tax on oil that the government has imposed. A conflict has obviously arisen between the federal government and the province of Alberta. The province of Alberta feels that the federal government is acting outside its jurisdiction and, at the very least, in a high-handed manner in imposing this tax on what Alberta sees as essentially a provincial resource. The government of Canada has been taking the position that the price of crude oil has been increasing, not because the cost of production has been increasing, or that profits for the oil industry have declined, but rather that the oil industry is taking advantage of an international shortage and political machinations around the world to artificially raise the price of crude oil. The argument is that this is the going price in the United States and, therefore, despite our own cost and supply position we should be paid everything that the market will bear. They not only propose to do it in connection with external markets but they are proposing to do it with all Canadians. The government seems to have taken the position that it makes no difference whether you are American, Canadian or some other nationality, there will be extracted from you whatever the market will bear. Perhaps because I am not an Albertan, it seems to me that this is a rather self-centred position for one province to take vis-à-vis other provinces or for one industry to take vis-à-vis other industries in a country.

Presumably the federal government intends to rebate the export tax to the province under certain conditions. In my view that will be preferable to letting the oil companies take the very large surplus that would accrue from an increase in price. But it also seems to me, Mr. Speaker, that the price should remain frozen in Canada; the export tax, to the extent that oil is sold outside Canada, should be rebated to the province. Of course, that is not going to help the other provinces. There is a sort of mistaken assumption that if the revenues of Alberta increase in contrast to the revenues of the corporations, then the rest of Canada shares.

In some ways, from the point of view of the federal government, it would be better to have the oil company profits increase rather than have to return the revenues to Alberta. While we do not get much revenue from the oil companies, at least if their profits were that high the federal government would get some return from them. But if all the money is rebated directly to the province, then the province keeps it. There is no sharing from that province to another province under the equalization formula but rather there is a charge on the federal government to start raising the level of incomes in the other provinces to match the newfound richness, in this particular case, of the province of Alberta.

If you couple that with what I think has been a rather bad tax arrangement in terms of indexing the income tax system, it is difficult to know how the federal government will raise revenues for this purpose. Presumably they will have to increase the income and corporation taxes of those who are paying them. This means not only that Canadians will have to pay higher prices for their oil, but also they will have to pay increased taxes in order to compensate for the higher price of the oil and the revenues accruing to the province of Alberta. If I were Lewis Carroll I could probably write a book called "Alice in Wonderland" based on this outlandish approach to sharing in a country that calls itself "one nation, one country".

That is why it seems to me that we have to go away beyond anything we have ever contemplated in the equalization program. I feel that the equalization formula we now have does have advantages. Over the years we have included in the tax base new things for the purpose of seeing that one province does not fall very much behind the other provinces. We might in fact take a lesson from the fact that we have been honouring the hon. member for Winnipeg North Centre today and listen to what he says about increasing the old age pensions, not only to keep up with the increase in the cost of living but to keep up with the increase in the standard of living. If we were to follow the equalization formula and apply it on a personal basis to the old age pension, then we would have a formula which provides that to the extent the rich have improved their position, the federal government has an obligation to increase the old age pension to those less well off. However, asking governments to be logical is perhaps too much.

Let me return to what I said earlier about the need to change the equalization formula itself. There are many grievances in different parts of this country, and I want to deal with a particular grievance of the western provinces of Canada. They have had grievances about the tariff that they feel has benefitted Ontario for years, in fact since the national policy of Macdonald. They have felt that they have had to buy in a protected market and sell on a free market. The farmer in particular has been very vociferous about what the market position has been on a given day. I think there is some resentment against protectionist policies in Canada, although they are not any worse than or perhaps not as bad as those of many other countries. Nevertheless, there is a lot of truth in the argument that many goods cost more in Canada in order to assist the development of Ontario industry. The tariff structure was designed to assist industry, and even after the reduction resulting from the Kennedy Round, that situation persists.

We have a situation where the west resents the east, but it is not so much a question of geography as an occupational resentment. The west is resource oriented, agriculture oriented, and the east is manufacturing oriented, so there is a clash between these interests. Every time we try to make some adjustment in the corporate tax system the question arises, to what extent are we favouring resource industries and manufacturing industries? The most recent change that the Minister of Finance (Mr. Turner) brought in on corporate taxation related directly to the manufacturing industry and excluded the resource industries, although it should not have done this. Historically, our resource industries have been the favoured children of our tax system, even though we have derived very little by way of taxation from those industries. The government's deliberate industrial strategy, if one can call it that, was aimed at this. There have been some changes. We are moving away from an industrial strategy favouring resource industries and moving toward an industrial strategy favouring manufacturing industries.

● (1450)

So long as the bulk of tax income received from manufacturing industries accrues to the provinces in which those industries are located there will be conflicts and clashes between one part of Canada and another. This is true whether you speak of resource industries such as logging, mining or fishing—although the fishing industry has never generated much income—or of other industries in a province. There have always been divisions over how our tax system should be organized. If the present system is to continue, there will always be a need for some kind of jerry-built equalization system, under which we can compensate one part of the country for what is happening in another part.

This is what happens in the whole country. However, the same sort of thing happens in each province. Different municipalities within provinces compete to attract industry. Municipalities want industries to underwrite their tax base, to help in underwriting certain costs associated with residential housing and to help with educational costs. Municipalities in one province fight among themselves. If you want to take an analogy to ridiculous lengths, you could suppose a situation in which each street within the municipality is fighting every other street in an effort to attract industry. That is taking the argument to ridiculous lengths. Yet the present situation is not far removed from the ridiculous situation my analogy would illustrate.

One street does not vie with another street in attempting to attract industry. Different regions in Ontario, however, are competing with one another for industry. Presumably, we will need to transfer the benefits obtained from industry to less fortunate areas by using an equalized tax rate structure across the province. We need to do that sort of thing right across Canada. We need an equalization program which says that no matter where the wealth is created, all Canadians will share in it. That means that the wealth created in Ontario in times of industrial boom will be shared by all Canadians. All Canadians will benefit. That wealth should be taken into consideration in the budget and should be incorporated in the tax base. If another province enjoys an oil boom, the benefits of that boom should be spread across the entire nation. If we are to build a nation and if we want people to live in all parts of it, we should settle for nothing less. It could be done.

If we could do that, many of the deep felt grievances in this country would disappear. Actually, people would not want industries near them. People living in many small, beautiful communities would want to keep industries out. Who would want them? If you can get the benefit of industry without the pollution and other problems associated with industrial development, why would you opt to have any industry near you? Why would municipalities chase after industry?

We say that industries should go to those areas best suited to them, where services exist and where the possibilities of pollution are minimized. Municipalities, instead of fighting to reduce certain standards in order to attract industry, would raise standards of pollution control and corporate behaviour. It would be to the advantage of municipalities to make sure that industries which locate close to them behave properly and show decent respect for the culture of the area and its environment. We can only do this sort of thing if we consider separately the location of an industry and the tax benefits to be derived from that industry. All the public should benefit from the operation of an industry, no matter where it is located. If we are to obtain all the benefits of an egalitarian society in which people share responsibilities and obligations, we must make sure that industries locate in those places best suited for their purposes.

We have heard about program after program which is designed to twist, distort and alter our industrial system. We have heard about DREE grants. We do not know to what extent they are effective, if at all. We are urging industries to go to small communities, without worrying about what happens to those small communities. Under the present system we do not go to picturesque places in Ontario and say, "Why do you want an industry?" We do not go to small towns in the Maritimes and say, "Why do you want industry? This is such a beautiful place. Why do you want to build a refinery here?"

Under our present system, these smaller communities need the tax base which is derived from industry. Their inhabitants need the jobs. It is not fair to say to those people, "How dare you let a foreign corporation come here and build a plant?". You run into this situation right across Canada. I know we want to do something about foreign ownership. There is lots of industry in my riding, so that I can be excused for being critical of foreign ownership. Such criticism will not hurt. However, you can go to certain areas of Canada where the people are desperate for employment; they do not care about the ownership of the industry; they cannot allow themselves the luxury of not wanting an industry, foreign-owned or otherwise. They cannot afford the luxury of saying, "We do not want a plant in our area." Those people need the revenue generated by an industry, so that they can build the schools they need, the hospitals, and all the other necessary amenities.

I want to conclude, Mr. Speaker. One could elaborate this argument to a much greater extent than I have attempted to do. As we were discussing changes that might be made in our system of equalization payments, I

wanted to show that we really must go beyond the sort of puny adjustments we have been making in our system. We must go far beyond measures proposed by the provinces in their meetings with the federal government. I know it will not be easy to change the system; I have no illusions about that. People with wealth are not happy to give it up in favour of those who do not have any wealth. However, it should be the objective of our society, and the objective of parliament, to see to it that there is an absolute equalization of wealth across Canada and that wealth created in any province, no matter in what form, should be equally shared by all citizens of this country.

● (1500)

[*Translation*]

Mr. Henry Latulippe (Compton): Mr. Speaker, I welcome this opportunity to say a few words on this important bill. I think that we should take all the time required and all appropriate measures to find a way of alleviating the taxpayer's burden instead of taxing him increasingly.

The bill's recommendation reads as follows, and I quote:

His Excellency the Governor General has recommended to the House of Commons the present measure to amend the Federal-Provincial Fiscal Arrangements, 1972 to broaden the equalization formula to include school purpose taxes in the revenue to be equlized and to extend to March 31, 1977 the post-secondary education financing arrangements as contained in Part VI of the Act; and a measure to amend the Federal-Provincial Fiscal Revision Act, 1964 and the Income Tax Act.

Mr. Speaker, finally we realize that this represents a 3 per cent increase in taxes. Canadians are now up against unprecendented increases in every sector. If we pass this bill, we will create new problems for the taxpayer by reducing his purchasing power.

Mr. Speaker, there are serious problems between the provinces and I know that the equalization payments are one of the means used to restore the balance between the various regions of our country. Every possible effort is made in an attempt to restore it, and this is one of the principal means the governments have used in order to enable the poorer provinces to share in the goodies paid for by the rich.

Mr. Speaker, our country has enough resources to give to the poorer provinces without depriving the richer.

Mr. Speaker, all we need do is look at the situation squarely to realize our economy is unbalanced.

We note, Mr. Speaker, that the cost of post-secondary school or university buildings is prohibitive and that the federal government levies a tax on building materials. We also know that the interests on capital for the financing of those buildings are prohibitive.

It is the responsibility of the government and the House to look into that problem in order to determine what steps should be taken to reduce income tax. The Canadian institutions should be financed with credits on the administration costs by our financial institutions and instead of going up by 3 per cent, that tax should be reduced by 3 per cent and maybe more.

Mr. Speaker, the government will have to step in one day, otherwise have provinces will become have-not provinces, as middle income people who are more heavily taxed than others will become poor people. We will no longer have a middle class, nor an upper class, but only a class of poor and poverty will exist throughout this country yet bursting with resources.

Surely, when we have a country bursting with resources, Mr. Speaker, we do not have the right to allow poverty to exist in one of the richest countries where there is an increasing number of poor people.

Unless this bill is amended it will be difficult to support it because it increases the taxpayers' contributions. I know the have-not provinces want more at the expense of the richer provinces and these are on the verge of saying no, Mr. Speaker. The more fortunate provinces do not have more than what they need and I know that, under the equalization formula, it hurts different provinces to give part of their revenues to poorer provinces and not see the day when those other provinces will come out of the red.

So, Mr. Speaker, tax increases through the equalization formula are not welcomed by the richer provinces. For the time being they decided to contribute but I am sure they will get tired of it. Governments will have to find other formulas—I have already referred to this—namely by reducing interest rates, by financing all those institutions, particularly the new ones through new interest-free loans. This way, Mr. Speaker, we would save the taxpayers hundreds of millions of dollars. Indeed we could certainly reduce taxes.

Mr. Speaker, the same applies to family allowances. They have gone up, but at the same time, taxes have been increased. Supplementary estimates of one billion dollars are brought forward to pay those further increases in family allowances, old age security and other pensions. Mr. Speaker, the people always give more than they receive. This situation cannot last forever.

Some day, extensive social, economic and political reforms will have to be implemented so that we may run our country effectively and alleviate the burden of taxpayers instead of increasing it constantly as we are now doing.

[*English*]

Mr. Stan Schumacher (Palliser): Mr. Speaker, I shall not take too much time of the House but I do wish to make a few comments at this stage of the legislative process relating to this bill. What we are witnessing here today came about as a result of meetings held between the Minister of Finance (Mr. Turner) and provincial treasurers and ministers of finance last January. The first thing that comes to my mind when considering the legislation before us is whether the same agreement would be made if the meeting of last January were held at this time, because quite a bit of water has gone under the bridge in the meantime.

The legislation deals with how the proceeds of the "have" provinces will be divided among the have-not provinces. Some consideration should be given to how provinces get into the "have" position and are able to share their wealth under a constitutional system with their partners in confederation who do not have the same apparent good fortune.

As an Albertan, it is obvious to me that Alberta is able to share its wealth with seven of its partners in confederation because it has had very happy experience in manag-

ing its natural resources. Alberta used to be a have-not province. With the development of our mineral resources in the late 1940s, through the 1950s and the 1960s, the situation changed dramatically and the province is now in a happy financial situation. We would like to be in the even happier position of having more funds available to send to our less fortunate brothers and sisters in Canada in the future. In that connection we hope there will be a development of our oil sands. A lot depends, of course, on what decision the Minister of Finance makes regarding the treatment of the profits from that project; whether or not the 50 per cent share of the people of Alberta will be treated as a royalty. Presumably there is some question within the Department of Finance as to whether this should be allowed. When we are considering the effects of the proper harvesting of the natural resources of a province this is a question the minister should bear in mind. I hope he will be reasonable and allow this project in the province of Alberta to proceed.

● (1510)

I wonder whether more thought should be given to the definition of a have-not province. Today many systems are being rethought. I refer specifically to the royalty system in Alberta in relation to oil and gas. The province appears to be moving away from a royalty system and adopting an indexing or reference system so that the return to the people of the province will be based on the real value of the product. I wonder whether the federal government ought to initiate discussions with the provinces to determine whether they are making the best use of natural resources, because if they are not they may be in an artificial have-not position, wasting their resources, so to speak, at the expense of other members of the confederation. Some consideration should be given to this aspect. I notice that the federal government seems to have moved in this direction to a certain extent, though in a way which I do not particularly appreciate.

It has been said that one reason for the imposition of the export tax was a feeling that the producing provinces had not set an adequate royalty on their products; that they were leaving Canada at too low a price. To my mind this is not the correct way in which the federal government should behave. But the principle is there and I suggest that if it is applicable in one area, the federal government should apply it in others.

The bill before us brings school taxation into the revenue base when decisions are made concerning who pays what, to whom, under our fiscal arrangements. This brings me to another point which bears consideration in these changing times. I have always been of the opinion that education and school taxation should be provincial matters, although the federal government has for so long been acting in a contrary way that I wonder whether I am correct in my point of view. I do know that many people contact me about the desirability of establishing a common educational curriculum across the country. I think it is worth noting that the federal government has increasingly intruded into this area.

The cost of education is one of the reasons have-not provinces require the assistance they do under this type of legislation, because education is an expensive process. I believe the minister told us that instead of $1.3 billion in equalization payments to the various provinces, the amount will now rise to $1.5 billion. I suggest that perhaps the time has come for the government of Canada to involve itself in the educational process more directly than it has done to date. Several hundred million dollars, if not billions of dollars, are spent by the federal government on the educational process by way of grants to universities, the vast educational training program in the armed forces, by assisting in other post-secondary educational activities, and so on.

I think the time has come when we might consider taking the principle which was applied to medicare and applying it to education. There must be some provincial input, but I believe that in this area the concern of the provinces, which has traditionally been expressed most strongly and most eloquently by the province of Quebec, is probably not as great as it was. Historically, education is a strictly provincial responsibility because, especially in Quebec, it was thought necessary to perfect language and the cultural heritage. But today the federal government has taken it upon itself to preserve the language of Quebec through its legislation on bilingualism. Hundreds of millions of dollars are being spent to this end.

I should like to echo the words of the hon. member for Témiscamingue (Mr. Caouette) in this regard when he said the solution to the problem of linguistic protection lies in education. A great deal of money would be required; this is why I believe further attention should be paid to this area by the federal government. We should be doing directly more than we are now doing indirectly. I should like to be told, as this bill progresses through its various stages, how the provinces which are to receive extra money under this legislation propose to deal with these additional funds; whether they will use them in the way the minister hoped. Provision has been made for an additional $200 million or so which is supposed to assist local property owners. I should appreciate being told, possibly during the committee stage, what the various provinces have done in this connection.

● (1520)

[*Translation*]

Mr. Pierre De Bané (Matane): Mr. Speaker, I believe we have every reason to be proud of the bill brought forward by the Minister of Finance (Mr. Turner), the most significant result of which will be to hand over more money to the provinces whose revenue per capita, and consequently public expenditures, are below the national average. I simply want to deal with two matters that are of great concern to me.

The first has to do with the teaching of the second language in schools and universities. In this respect, I find it unthinkable, Mr. Speaker, that we, in the federal government, spend huge sums of money to teach a second language to middle-aged people, while universities and secondary schools, particularly in the English provinces, neglect more and more to teach the second official language in this country, that is French. In my view, it is an aberration, and as the official languages commissioner pointed out in his report, we will never stress enough the responsibility of the education ministers of the English

provinces for their failure to teach the second language to our young people.

I would also like to deal with the distribution of doctors throughout Canada. The policy of the federal government is aimed at ensuring that all regions are well served. This is done by means of a bill such as this one on equalization and by means of grants to the industries of the various "have-not" regions. In my opinion, it is time that we should be concerned with the problem of the distribution of doctors.

When we adopted the hospital insurance act and a few years later, the Medicare scheme we said that the right to a good health is a basic right in this country and now realize that most doctors are located in a small number of large centres and that many "have-not" regions do not have any doctors.

This is unacceptable. Doubtless, the question of jurisdiction is important. We must ponder over this. As recorded on page 8691 of *Hansard* the hon. member for Hull (Mr. Isabelle) who is also a doctor stated on October 14, 1966:

> Health as well as education is a basic right, and the government must do everything in its power so that all citizens may be in good health.

We see that after the revolution in the realm of education, primary and secondary schools were built in all areas, even in remote communities, but that nothing much has been accomplished in providing our people with hospitals medical services.

The hon. member for Hull who, I repeat, is a doctor, stated on February 7, 1967, and I quote:

> —and of all medical school structures, which are also outdated. These organizations have become encrusted in a dangerous but regular routine and have accumulated more dust than prestige over the years. They have become much like stagnant waters and are even now in need of purification. Their only significant accomplishment boils down to resolution passing committees, whose powers are whittled down from year to year.

In my opinion, these remarks are abusive. However, the problem is a basic one. According to statistics published by Opérations Dignité, in my area, that is the Gaspé Peninsula, which accounts for 6 per cent of the population of the province of Quebec, we have a mere 2 per cent of the hospital beds and a mere 2 per cent of the physicians in the province. And I could describe a similar situation in Abitibi and elsewhere.

I think that all the hon. members agree that the life of a Canadian citizen is something precious, whether he lives in a big city or anywhere else. At least in this respect, I think that all hon. members are convinced of the equality of all citizens. I therefore ask my colleagues to ponder over this issue and consider the solutions that we could provide to this problem as soon as possible.

[*English*]

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I am in a better mood today, you will be glad to know, because we are on a subject of great interest, one that involves the transfer of a substantial amount of money to the provinces, which as near as may be is an equalization payment to provinces which do not have the advantages of the richer elements of our society that were once found in the central parts of the country but are now slowing spreading westward, it seems.

The minister suggested to me privately that the speech I am going to make has undoubtedly been written by our mutual friend Dr. Colin Mackay, executive director of the Association of Universities and Colleges of Canada, formerly president of the University of New Brunswick. I can assure the minister that my speech was not written by Dr. Mackay, a distinguished Canadian whose name I am glad to mention in this House.

Mr. Turner (Ottawa-Carleton): A friend of both of us.

Mr. Fairweather: I said "mutual" friend and I thought that is what the word meant. I am glad to have it underlined by the minister. Interest in this subject was first sparked by Dr. Mackay during his years as president of the University of New Brunswick, and then by other Canadians who have thought about this particular issue. I think of the distinguished former senator, Norman Mackenzie who had a very great interest in Canadian constitutional arrangements. I think of Dr. J. A. Cory, former principal of Queen's University, who understood that the constitution, on matters of post-secondary education, had been much too narrowly interpreted through the years. Other names, of course, could be added but I do not want to bore the House on a Friday afternoon with a long catalogue of those who resisted this narrow interpretation of our constitution.

The truth is that there has been federal involvement in the field of education since confederation when the first military academy was opened with federal funds. We then went through various constitutional minutes, if I can put it that way, bowing to constitutional prohibition on federal involvement. We also had aid to veterinary colleges.

The speech of the hon. member for Matane (Mr. De Bané) was right on the point I want to make. For a long time there has been federal involvement in the medical schools of this country. By a very curious accident of history—I think someone should do a little research on this—it was back in the days of Sir Charles Tupper that we took the very progressive step of holding the Dominion Council examination for doctors in this country. Presumably the fact that he himself was a medical man had something to do with the fact that, from the point of view of the medical fraternity, narrow constitutional interpretations were resisted. That is a very poor and complicated way of trying to say what I am thinking, but I do not have any notes, Mr. Speaker.

The point I am trying to make is that the Dominion Council examinations were a national imperative to the practise of medicine, and this has been a very happy arrangement. I agree with the hon. member for Matane that the massive involvement of the federal government in terms of aid to medical schools across the country gives the national government—if hon. members do not like the word "jurisdiction", perhaps I can say "responsibility" to see to it that there is a fair and adequate distribution of medical men across the country.

Do I see a waving across the way? Am I being greeted? I have only been here 11 years. Does the hon. member wish to ask me a question? No, it was just a friendly greeting,

and that is very nice. I am glad that my speech has elicited this response.

● (1530)

The point I am trying to make, about which I think the hon. member for Matane reminded us very well, is that really it is nonsense to say that the national government has no responsibility in the educational field. One of the most important papers I have seen on this subject was given by Dr. Cory. It was an interpretation of the constitution, supporting the involvement of Canada as a country in the whole field of post-secondary education.

Although I am speaking personally, I might say I intend to support the minister's bill. However, I am disappointed about clause 3 which has to do with continuation of the present formula. Although I do not blame the minister, I think really that governments have copped out. I do not know whether the federal government is responsible. I shall wait for the minister to tell me; I have always found him to be very forthright. But we are really postponing until 1977 some pretty basic decisions. We are really taking the easy way out by extending the present formula, as pointed out in the bill, until the end of March 1977.

Many of us have an interest in this legislation. In the previous parliament this matter was discussed in the Standing Committee on Finance, Trade and Economic Affairs. We heard the AUCC brief, and so on. I would like to see the Secretary of State (Mr. Faulkner) here today. This is very much in his area of responsibility. I, for one, hope that we will have some message from the Secretary of State concerning who is responsible now.

In the administration of Lester Pearson we had in the prime minister's own office, I think, a former deputy minister of finance. If my memory is correct, it was Dr. Young, but I could be wrong because that was some time ago. He had the responsibility, as I recall it, of trying to rationalize the federal position in the whole field of post-secondary education. Then the responsibility was shifted from the prime minister's office to that of the secretary of state. What is happening? Who is in charge? Who has taken the place of David Munro of McGill University who had responsibility in this area? There are questions we will want to have answered. Dr. Carrothers, I think, is to head the federal—what has it been called?

Mr. Turner (Ottawa-Carleton): The think-tank.

Mr. Fairweather: He is to head the federal think-tank; and I believe it is about time they had one. In any event, in his speech to the Association of Universities and Colleges given on October 31 this year, on "The role of the university in post-secondary education", Dr. A. W. R. Carrothers said:

> I think it is now generally recognized that "research is more a national and international commodity than a provincial one", to quote from a policy statement of one provincial minister. Research is a component of university activity that earns for the institution the name of "university"—

My only constraint now is time. I do not want to read all of this into the record, but I have suggested that Dr. Carrothers' speech be sent to senators and members because it is a very important statement on university concerns in this part of the 1970s. Dr. Carrothers also said:

> —it is my considered view that we must maintain a shared federal presence in Canadian universities as a major national asset. The parochialization of our universities is a risk which in the 1970s we can ill-afford to take and on which we as a nation need not gamble.

I hope most members of all parties support this view. I think there was a mood a couple of years ago within the councils of the federal government just to transfer tax points and thus end the national responsibility. I am sure this would have been resisted by backbenchers on the government side. I know it certainly was by this party, because it would have been a much more serious thing than a postponement of the decision. It would have been a surrendering or abdication of a constitutional responsibility that this nation has had since the founding of our country.

If I do nothing else in my time here, I want to ensure that in respect of the federal role in post-secondary education we get rid of the constitutional bickering about it and enhance and promote it, because I think parochialization is serious enough in this country in so many other areas of our life. For anyone seriously to put forward a proposal that the federal government should end its responsibility by merely transferring two or three tax points would be, I think, a turning back of a record of which many administrations have reason to be proud.

The minister, I know, is anxious. He is always anxious; that is one of his most attractive qualities. He is anxious about this legislation, so I suppose I should not read the position taken by the Association of Atlantic Universities on the role of the federal government. But of all the universities in this country which would be adversely affected by a mere transfer of tax points, the Atlantic universities would be most seriously affected. This point has been made. They have submitted briefs.

I hope that some time before the passage of this bill we will have a forthright statement by the Secretary of State assuring us that a tax points transfer is not in the wind now or in 1977. It will not be in 1977, because there will be a different administration and certainly my party would resist, with everything it has, any such cop-out. Mr. Speaker, this matter is serious. I think there has been a sort of postponement. I tried this word the other night: I think it is really an avoidance in confession. What we are doing really is having a convenient postponement by changing a couple of figures in a clause. But the issue is far more important than is set out in clause 3.

I want to know what the Secretary of State is doing, I want to know who within that department is doing it, and I want to be reassured that the government really has an action group working on a better formula. We postponed the decision for a couple of years before, and I had hoped that by now we would have had something in legislative form much more positive than a mere extension.

● (1540)

Mr. John Harney (Scarborough West): Mr. Speaker, as is the case with all members, I stand to speak briefly on this bill. We all have the sense of the passage of time and the pressure there is on us in the House to get the legislation through. The bill has to do with a great amount of money, indeed billions of dollars, and the least I want to

do by standing up as we see these billions of dollars go away is to wave them goodbye somehow.

I share the concern of the hon. member for Fundy-Royal (Mr. Fairweather) about clause 3 of the bill which refers to section 22 of the act that is being amended. Here again we are dealing with a considerable amount of money, and also with policies tied to that money which have a great effect not only on post-secondary education in our provinces but on education as a whole. In a few moments I would like to address myself to that particular clause.

[*Translation*]

If I may, Mr. Speaker, I should like to give a few words of warning to the hon. member for Matane (Mr. De Bané), who quoted some figures to the House. He said that his constituency, which accounts for 6 per cent of the population of Quebec, had only 2 per cent of all the physicians in the province. He should know that there are some narrow-minded people, not here but elsewhere, who could answer that in that part of the country, the air is healthy and people do no need doctors. It is like saying that the kids from the poorer sections of our cities just about never wear glasses and have excellent teeth because they are seldom seen at the dentist's.

But I must admit I have understood the point he wanted to make. The real issue is that of equalization. And that is more than a mere question of money; it has to do with problems Canadians have to face in connection with health, public services and, most of all, with education.

[*English*]

As a general remark, before going on to clause 3, I would like to point out that we have before us a rather marvellous shell-game. When I call it a shell-game I do not want to suggest it is crooked; I just want to suggest it is complicated. It is complicated for the ordinary citizen of this country to try to understand what we are doing today. If I refer back to the definition section in the act, particularly the definition of "revenue sources," I find many types of revenue sources listed from (a) to (s). By the time the average citizen of this country has discovered, by reading this list, how many times and in how many ways he is being taxed and what happens to the tax when it is transferred from one jurisdiction to another, he will be very confused.

I wish that some day we could work out a taxation system which would be less complicated than this one. Of course, by then we would not need competent ministers of finance; we would all know what was going on. However, I would recommend to all hon. members that they read this list of revenue sources. It is striking in the extreme. One thing about it, of course, is that it is fairly honest and comprehensive. It does admit that such things as hospital and medicare insurance premiums are taxes. Many people argue the other way, but it is evident to people who drafted the act that a premium which everyone has to pay is a tax, no matter which way you cut it.

In regard to the way that taxes are shifted in this country, I would like to raise the fact that we, as one part of the public realm, wind up very often taxing other parts of the public realm. For example, today there is great concern over the conservation of energy. Many people who address themselves to this problem tell us that a large consumer of petroleum resources in this country is the automobile. If you want to reduce the use of the automobile and therefore the consumption of gasoline, you have to stress public transit, encourage public transportation. It is a fact that the federal government will tax publicly-owned transit corporations on the materials and the rollingstock they have to buy.

My figures might not be completely accurate, but I see that in the city of Toronto last year the Toronto Transit Corporation had to pay some $700,000 in federal sales taxes. How do they pay this sales tax? From grants they receive from the province, in part. The province in turn will pay for these grants from the taxes they have taken out of the pockets of the citizens of Ontario. Furthermore, they will pay for these taxes to the federal government from grants and subsidies they receive from the municipal government. Where does the municipal government get the money? From taxes that the municipal government gets from the residents of Toronto.

Here we have a rather complicated, duplicated, multiplicative system of taxation which does not stand up to close scrutiny. Would it not be better to say to the city of Toronto and the Toronto Transit Corporation, "Since you are a publicly-owned corporation we, another public entity in this country, will not go to the bother of taxing you, because in order for you to pay those taxes you will have to turn to the taxpayer in yet another way"?

One is certainly allowed to ask, in all these infinite transactions that we perform with our taxes, if a considerable number of them do not stick in the bureaucratic machinery. People have to be hired to handle these taxes and transfers and to negotiate them, and we are suddenly left with an Alice in Wonderland world, as the hon. member for Waterloo-Cambridge (Mr. Saltsman) suggested. We find ourselves running all the faster to keep ourselves in the same place.

As I suggested earlier, the part of this bill which concerns me the most at present is clause 3 which has to do with the extension of the federal-provincial agreement providing for the financing of post-secondary education. Here I would like to support the remarks of the hon. member for Matane (Mr. De Bané) and those of the hon. member for Fundy-Royal to the effect that education is indeed a matter of national responsibility. Just as the hon. member for Fundy-Royal said that education has always been a matter of concern for confederation, I would like to support that point by adducing some historical evidence. For example, at the time of confederation, one of the major reasons Newfoundland chose not to join the other provinces was that the people of Newfoundland, or at least the people in power in Newfoundland at the time, did not want to accept the notion which was just developing in Canada, that education was to be supported through taxes on property.

In the 1830s and 1840s in the United States, the idea that general education should be supported by a general tax on property had been initiated and this idea was in a large way accepted by the then provinces and parts of Canada. There was an element which was essential to confederation and it had to do with education. Newfoundland, for reasons of its own, seeing that this element was contained in confederation, chose not to join. We have had federal-provincial cost-sharing programs in education all through

the years, as one hon. member preceding me said, probably for a long time.

● (1550)

I might remind members on the government benches of one of their illustrious antecedents, the Right Hon. William Lyon Mackenzie King, who around 1910—my date may be wrong—initiated an qpprenticeship training program when he was then involved in labour. In the twenties there was a federal-provincial cost-sharing program developed and executed to encourage and assist technical education across Canada. And so we go on through the years. The evidence is very clear in the actions we have taken as a country in the past, that education has been seen to be a national responsibility.

If it is not a national responsibility, why is there section 93.1 in the BNA Act which lays down definitely and clearly the rights of certain classes of Canadians with regard to education? If it is not a matter of national responsibility, why did the Manitoba school question cause such a ruckus at the turn of the century? Certainly it is a matter of national responsibility. It is in the national interest to have national concern exercised over what goes on in our universities and schools, and that concern must be exercised here in this parliament.

Just as we worry about equality of opportunity in other realms, we have to worry about it in the realm of education. Just as we concern ourselves with the notion of national standards when it comes to social services, social welfare and social insurance, so we concern ourselves, quite properly, with the question of national standards in education. That is why we have in the act that is being amended section 22 and subsequent sections providing for payments to the provinces in support of post-secondary education. As the minister stated this morning, these payments involve a considerable sum of money. But relating to the point raised by the hon. member for Matane, I would like to present some figures to the House.

It is a very simple fact that we have exercised a great deal of concern in this House and elsewhere over the notion of bilingualism in this country. We have, quite appropriately and properly, supported and modified acts and resolutions of this House having to do with our official languages in the federal public service and we as members of parliament have voted very large sums of money in the past so that through the Secretary of State we could encourage instruction in the two official languages in the schools of this country. Yet it is a very simple and sad fact that when it comes to the crunch, to the very part in our deliberations where we could do something about it in the federal-provincial agreements that have to do with the support of post-secondary education, we fade out: we don't talk about it. The sad fact is that although we are, I hope, improving the use of the two official languages in the federal public service, in the country at large there is less and less bilingualism.

I would like to cite, for the interest of hon. members, some statistics from a Statistics Canada bulletin catalogued as 81-001. This bulletin points out to us that as the years go by fewer and fewer students in our secondary schools are studying the other official language. In Ontario, for example, in 1970-71, 47.5 per cent of our students were studying French; in 1971-72 this had gone down to 44.5 per cent, and in 1972-73 it went down to 39.4 per cent. That is not a drop; it is a sudden fall. If it can go down some 6 per cent in two years, you can imagine what the picture will be a few years from now.

Why is this happening? I can give one of the reasons. It is because the universities of Canada have copped out. In the middle of the 1960s one university after another in English Canada dropped the second language entrance requirement. In competition for student enrolments, or whatever the reason was, they said, "we no longer require that students coming to our halls for higher education need to know a second language, let alone need to know the other official language of this nation."

That is why I raise this matter here today: I think it is a matter of national interest. And as the universities dropped their entrance requirements, of course the high schools changed their regulations to the point where now, in my province, a student can go to high school and he can effectively be told, "You don't need to study a second language at all, let alone the other official language of this country."

Perhaps my language is strong, Mr. Speaker, but I have been in this battle a long time. I was once a member of the senate of a university and I remember fighting this battle then. My colleagues at the time could not undertake this sense of national responsibility. They thought only in terms of their disciplines and how they were to prepare their students to succeed in their disciplines. I say that if the responsibility cannot be taken by the universities, then it has to be taken by this House.

What I would like to know from the Secretary of State (Mr. Faulkner)—hope he will be here when we go to clause by clause study of the bill—is whether these concerns are advanced at all in the federal-provincial negotiations that go on? I want to know that before I, as a member of this House, vote for a continuation of the same for another three years.

Mr. Deputy Speaker: Perhaps this is a convenient place to call it four o'clock. If it is, the House will now proceed to the consideration of private members' business as listed on today's order paper.

Mr. Reid: I rise on a point of order, Mr. Speaker. There has been consultation through the usual channels, as well as with the hon. member who was supposed to move a bill today during private members' hour, the hon. member for St. John's East (Mr. McGrath), and he has graciously consented, if the House wishes to continue with this bill, to allow this on the understanding that he will be able to proceed with his bill next week.

Mr. McGrath: Mr. Speaker, the condition is this: as long as it is very clear that time will be found next week to proceed with my very important bill.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, speaking as one of the elements of the entity euphemistically referred to as the "usual channels", may I say we also agree.

Mr. Deputy Speaker: The House has heard from the "usual channels" the suggestion regarding the business for the last hour of this week. Is that agreed?

Some hon. Members: Agreed.

[*Translation*]

Mr. Cyr: On a point of order. Mr. Speaker.

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

Mr. Cyr: Mr. Speaker, in view of the fact that it was pointed out in this House that today marks the 31st year of parliamentary life of the hon. member for Winnipeg North Centre (Mr. Knowles), I move, seconded by the hon. member for Scarborough West (Mr. Harney):

That, with your permission, Mr. Speaker, this House give a one-hour break to the hon. member for Winnipeg North Centre (Mr. Knowles) allowing him to leave this House, and grant him permission to leave Parliament Hill.

This break would be well deserved.

• (1600)

[*English*]

Mr. Deputy Speaker: I suspect there may not be unanimous consent, but I will hear from the hon. member for Winnipeg North Centre (Mr. Knowles).

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, you anticipated what I was about to say. I believe a motion like that would require unanimous consent. You do not have it.

Mr. Deputy Speaker: We will continue with Bill C-233. The Chair recognizes the hon. member for Drummond (Mr. Boisvert).

[*Translation*]

Mr. Jean-Marie Boisvert (Drummond): I thank you, Mr. Speaker, and hope it is for real this time.

I should also like to congratulate my colleague, the hon. member for Winnipeg North Centre (Mr. Knowles), as well as the hon. member for Scarborough West (Mr. Harney). As an English-speaking member, he could teach many a lesson to a lot of people from outside Quebec with regard to his understanding, in particular, of bilingualism. What he says is true; we see it happen every day and so much so that often one wonders whether here, in Ottawa, one does not get answers in French just out of charity.

The bill we have considered stems from an agreement between the provinces.

I say that perhaps we would not have to consider such a legislation if the federal government, taking advantage of the war, had not encroached upon the provincial rights at a certain time and if it had not kept them rather egoistically afterwards. Still I am pleased to see that there has been an agreement. For once Quebec will have obtained satisfaction, a rare occurrence indeed.

This bill which particularly deals with the educational field tackles however another matter which, in my opinion, comes under provincial jurisdiction. The previous speakers did not often mention that. I would have preferred if clause 7 had some provisions concerning school tax exemptions, especially for small owners.

With all due respect, we seldom see a bill introduced by the Minister of Finance (Mr. Turner) to give money to taxpayers. We are usually poorer when we leave the House. I have the impression that this will happen this afternoon.

As for the 3 per cent referred to in clause 7, I wonder if this is not a sanction as well as a confirmation.

It seems to me, Mr. Speaker, that it is enough to pay taxes without having to pay taxes on taxes. On the purchase of building materials the 11 per cent are included in the sale price: there is an 8 per cent provincial tax on the 11 per cent federal tax. It might be time, while considering this bill, to reflect a little on that: there is always a class of people who are forever paying. I am talking about the average citizen who are always the most penalized. Through this bill the federal government will interfere in the sphere of provincial jurisdiction and again taxes will go up.

Last week when I spoke on the constitution review, I emphasized the fact that the provinces should submit their needs to the federal government. When they were here the provinces agreed on this point with the federal government. But, in clause 5 there is a provision that says that the amount to be awarded to provinces will be determined by the federal government. I find that rather arbitrary and in case of interpretation of disputes, provinces would not have so much at liberty to assert their claims.

I think that at the committee stage, it will be possible to ask questions and try to elucidate some points.

[*English*]

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

On clause 1—*Revenue from school purpose taxes.*

• (1610)

[*Translation*]

Mr. Comtois: Mr. Chairman, I want to say that I support Bill C-133. I believe the bill will enable us to reach a higher level of achievement in intergovernmental fiscal relations.

Upon reading the bill we must remind ourselves that the solid foundation on which it lies is none other than the very foundation of Canadian federalism. I refer to the 1972 Federal-Provincial Fiscal Arrangements Act and the previous statutes, in particular those of 1967 and 1957. I do not intend to linger on previous legislation. Allow me to review briefly the bill presented by the Minister of Finance (Mr. Turner). It is essentially an extensive system of federal support through equalization payments to disadvantaged provinces. The bill also provides for yearly stabilization of the total revenues of each province, be it rich or poor. It also allows for close co-operation between federal and provincial systems as regards income tax, even in a period of great change. Furthermore, it provides for unconditional federal participation to the tune of 50 per cent of provincial costs for post-secondary education. Mr. Speaker, this bill contains a remarkable

series of provisions aimed at improving the cost sharing of provincial programs, thus sustaining provincial revenues.

I refer more particularly to the support made available to lower income provinces by this fiscal arrangements legislation through equalization. In this program all sources of provincial revenue will be subject to equalization. What does equalization mean? It means that the federal government makes up for the losses of any province in a comprehensive way. Those losses arise from a lesser capacity than the national average to increase their revenues through their own efforts and resources. The payments made under this program are substantial. For the first time in 1972-73, they exceeded $1 billion. For 1973-74, the forecasts made for the current year provided for payments of roughly $1.168 billion. It so happens that that estimate turned out to be lower due for a large part to unforeseen tax performances in upper income provinces. As hon. members know, that led to the inclusion in the budget estimates now before parliament of $143,300,000 under the Fiscal Arrangements Act. Of that amount $106,-300,000 are for equalization payments, including some $75,600,000 for the province of Quebec.

Mr. Chairman, it is now proposed, as provided in this bill, to improve somewhat the superstructure of our fiscal arrangements. As a matter of fact, this will lead to a broadening of the equalization formula beyond the provincial revenues, to include school purpose taxes levied by local governments. In voting for this bill, hon. members will vote for an equalization increase of about $175 million. It is surely a large amount and those funds will, I am sure, improve the provinces' position.

I should now like to call the attention of the hon. members to the benefits that this bill will bring to my own province. Thus, this bill will increase by $72 million the equalization payments to the province of Quebec for the present taxation year. That amount will bring to $710 million the total amount paid to that province and it represents 19 per cent of the total revenues of the province of Quebec, according to the revenue estimates in the budget for the 1973-74 taxation year.

Mr. Chairman, equalization payments now rank third among Quebec's sources of revenue. They are exceeded only by personal income tax and retail sales taxes. Thus, on the basis of a $710 million payment, Quebec would get more from equalization than the combined revenues from the gasoline tax, the sale of automobile licences, the tobacco tax as well as the profits of the Société des alcools du Québec. A last example, Quebec revenues under the equalization formula are about the same as a 7 per cent general sales tax, namely a little less than the present sales tax of 8 per cent.

Hon. members will appreciate the fact that this bill contains other benefits for Quebec. I am referring particularly to the extension of the federal unconditional post-secondary education contributions for the next three years. The federal contributions to Quebec in 1973-74 for post-secondary education amount to $326.8 million of which $150.6 million are under the form of tax points incorporated in the Quebec income tax system.

Mr. Chairman, I could give several other examples of benefits received by my province, by lower income provinces in general, as well as by all the provinces which

[Mr. Comtois.]

benefit from those fiscal arrangements. Besides, I think I have shown that those benefits are indeed substantial and that those arrangements are still getting the full attention of this government. I urge all members to support this very important bill.

Mr. Corbin: Mr. Chairman, I have waited until we went into committee of the whole before speaking so as not to delay passage of the bill.

I want to make some very brief comments today on Bill C-233 concerning federal-provincial fiscal arrangements. In particular, I will deal, for the moment, with the integration of school taxes in the equalization formula. I of course welcome this liberal measure and I congratulate the hon. Minister of Finance (Mr. Turner) for it. But I always have some reservations when I read in bills expressions like unconditional grants to provinces. It seems to me that the federal government is giving with both eyes closed. This may be a good thing for federal-provincial relations and it may be some compromise that we must accept in order to keep the country peaceful and preserve Confederation. Still it makes me shudder. I say this because the grant is effective only to the extent where certain objectives are achieved.

● (1620)

If we incorporate school taxes in the present equalization formula, the average citizen in New Brunswick, for instance, will expect his land taxes to be lowered in fact, and the educational institutions improved. In fact, however, the provincial politicians do not always take advantage of the formula to improve them or to give proper credit to the federal government; often, they pour this additional income from the federal government into their general funds so that the average citizen does not know where in fact the money was spent.

That is why the expression "unconditional grant" sometimes scares me. The formula is good to the extent where we have competent and responsible provincial administrations. I know whereof I speak because I am personally well acquainted with the present Minister of Finance of New Brunswick who represents part of my federal riding in Fredericton. For example, for almost two and a half years we have paid some special grants, through the Secretary of State, to teach the language of the official minority of this country. Those grants are directly paid to provincial governments. Up to now the funds have been ploughed into the general revenue fund of the provinces where they disappear.

Fortunately, thanks to several of my interventions supported by my Liberal colleagues in the House, the Secretary of State has succeeded in obtaining a commitment from the New Brunswick premier to the effect that there will be an accounting to the central government of the expenditure of this money so important to the official language minority in New Brunswick.

There should also be, in my opinion, similar commitments from other provinces also receiving a share of the federal grants to teach the official language of the minority, as Ontario, for example, where it has been suggested that the grant has been used for some paving job. This broadening of the equalization formula is of course

favourable to the provinces, consequently to New Brunswick, as far as I am concerned, and this is a lower income province, a depreciating term that I am not very proud of.

Though I might contradict the minister, I must tell him that I am not quite willing to admit that this broadening will put the poor provinces, as he said in French, almost on the same footing as higher income provinces. And if I consider the discrepancy between Alberta, which is number one on the list with $1,192, and New Brunswick, which is last with $965, I see that this difference of $227 shows a margin of more than 19.04 per cent, which is, however, quite a substantial one, before equalization.

I admit, Mr. Chairman, that the measure now before us assists in filling the gap, in bringing both sides closer to each other, but further progress will have to be made. I heartily congratulate the minister for it and I urge him to reduce even more, in the years to come, in co-operation with provincial ministers of finance, the discrepancy between rich and poor provinces in these equalization measures.

I would like, Mr. Chairman, and I will conclude on this point, the provinces to report to us and tell us where this money will be spent because provincial ministers of finance do not always praise or commend these excellent measures. I will not act as a judge as regards the efficiency of provincial policies. The constituents of each of the provinces are able to do so, in as much as they have at their disposal all relevant information relating to the way this federal money is spent by provincial governments.

Mr. Chairman, in order not to delay our business, I reserve the right to rise on the matter of universities a little later.

[*English*]

Clause agreed to.

Clause 2 agreed to.

On clause 3—*Post-secondary education adjustments payments*

Mr. Turner (Ottawa-Carleton): Mr. Chairman, I think I owe it to the committee to respond to some of the questions that were put to me on second reading relating to post-secondary education. The hon. member for Edmonton South—

Mr. Knowles (Winnipeg North Centre): Edmonton West.

Mr. Turner (Ottawa-Carleton): —and the hon. member for Waterloo South.

Mr. Knowles (Winnipeg North Centre): Waterloo-Cambridge.

Mr. Turner (Ottawa-Carleton): Everybody is doing his own little thing by changing the riding connotations these days. I certainly want to congratulate my colleague for his initiative in changing the name of his constituency from Ottawa East to Ottawa-Vanier. It is a great improvement.

Some hon. Members: Hear, hear!

Mr. Turner (Ottawa-Carleton): The hon. member for Scarborough West and the hon. member for Fundy-Royal also have an interest in this subject. The hon. member for Fundy-Royal has had this interest not only since his election to the House of Commons but also while he was attorney general of the sovereign province of New Brunswick.

The hon. member for Fundy-Royal capsulized the questions. I will deal with them. He wanted to know whether the federal government, through the Department of the Secretary of State and the new ministry of research, retained its commitment to participation in an active way in post-secondary education across the country, and whether we were contemplating any withdrawal from that position.

The Secretary of State was here earlier today and was called away on pressing business. He apologizes to the committee and to the hon. member. However, on his behalf I can say quite categorically that we are committed within the limits of our constitutional responsibility and jurisdiction to co-operating with the provinces to the advancement of post-secondary education in Canada. This is for a number of reasons, such as maintaining national standards, as the hon. member for Scarborough West indicated, and promoting research as a leading edge in education. As a matter of fact, we have compounded that with the establishment of a separate cabinet post. My colleagues, the Secretary of State and the Minister of State for Science and Technology, intend to remain involved because of the linkage between research education and employment, the mobility of population, the equality of opportunity in education across the country, and the cultural aspects of national unity.

Several hon. members, particularly the hon. member for Edmonton West and the hon. member for Fundy-Royal, asked why we were only able to achieve an extension of the present agreement which will last until the full scope of the 1972 Fiscal Arrangements Act expires. They asked why we were only able to achieve an extension of the present agreement, rather than a new contract with the provinces that would have received legislative confirmation here in parliament. I might say that over a period of two or three years the Secretary of State and his predecessor advanced several proposals which had as their purpose to rationalize the post-secondary educational system in this country.

The Secretary of State advanced proposals which intended to disassociate federal payments from actual provincial expenditures of post-secondary education, tying them instead to the base year costs with two escalation factors; first, a flat 7 per cent and, second, an escalation feature geared against the growth of educational population which was taken as the population aged between 18 and 24 in the particular province.

The Secretary of State, and indeed the government, felt that this proposition would remove the present discrimination against provinces which for any reason have low per capita expenditures for post-secondary education, and would remove the present bonusing to provinces which for any reason have high per capita expenditures. It would also give the provinces greater incentives to cut costs. It would simplify the administration of the transfer of payments programs and would give the provinces greater certainty of revenues for the purpose of long-term plan-

ning. From the provincial point of view, it would have gotten us out of their hair and given them flexibility in their programs. For reasons of their own, the provinces could not agree on that formula or on any counter-formula.

At a meeting held jointly with the federal Minister of Finance, provincial Ministers of Finance, the federal Secretary of State, provincial Ministers of Education, the federal Minister of National Health and Welfare, and provincial Ministers of Health, we tried to work out not only the new formula for the financing of post-secondary education, but a new formula for health cost financing. We had to refer the subject of post-secondary education to the first ministers. At the meeting of first ministers, seeing there was no chance of achieving consensus on this new formula proposal, the Prime Minister recommended to the provincial premiers that they accept a three-year extension of the present agreement so we could go at it again. The provincial premiers accepted that proposition.

What is happening now? The hon. member for Fundy-Royal wants to know who is in charge. First, it is the Secretary of State. Under him is the undersecretary of state, Jean Boucher, then Peter Roberts, the assistant undersecretary of state who reports directly on this particular subject, then Robert Lachapelle who is sitting next to me on the floor of the House, the director of educational support, and with him a well knit group of 32 men and women who have as their particular purpose the objective of negotiating a new federal-provincial post-secondary agreement in anticipation of the expiry of the present arrangement, if parliament so deems this afternoon and in the other place.

The Secretary of State and I are consulting on a number of levels. We are consulting with the Association of Canadian Universities at the institutional level. We have had consultations with the Association of Canadian Professors and the Canadian Union of Students, or whatever organization currently has the mandate from the students in this country.

As a matter of fact, a week or so ago I was at a university in my constituency, Carleton University. The students asked me whether they had any right to participate in these negotiations. I repeated to them what I said to the National Students Organization earlier, namely, that the Secretary of State of Canada welcomes their participation in these negotiations, and not only should they approach their own provincial governments wherein those universities reside, but they should also feel free to approach the federal government.

At all of these levels, provincial, institutional, students and professorial these negotiations are being carried on on an urgent basis. I think perhaps I will limit myself to that. There may be further questions from hon. members in the committee.

Clause agreed to.

Clauses 4 to 9 inclusive agreed to.

● (1630)

Title agreed to.

Bill reported.

[Mr. Turner (Ottawa-Carleton).]

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

Mr. Turner (Ottawa-Carleton): By leave, now.

Some hon. Members: Agreed.

Mr. Turner (Ottawa-Carleton) moved that the bill be read the third time and do pass.

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

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I wonder whether hon. members would allow me to return to motions in order to say something about the import surtax on fresh beef and live cattle.

Mr. Deputy Speaker: The House has heard the suggestion of the Minister of Finance (Mr. Turner). Is this agreed?

Some hon. Members: Agreed.

Mr. Bell: I should like to point out to the minister that the stock market has not yet closed in Vancouver. Will this announcement affect the stock market?

Mr. Turner (Ottawa-Carleton): It does not affect the stock market. It affects the stockyards.

Some hon. Members: Oh, oh!

Mr. Turner (Ottawa-Carleton): I wish to thank hon. members for helping me and the House to dispose of an important piece of legislation. I wish to thank especially the hon. member for St. John's East (Mr. McGrath) for his courtesy in yielding.

ROUTINE PROCEEDINGS

[*English*]

FINANCE

CONTINUATION OF SURTAX ON IMPORTS OF FRESH BEEF AND LIVE CATTLE

Hon. John N. Turner (Minister of Finance): Hon. members will recall that in announcing the imposition of a surtax on imports of fresh beef and live cattle on November 2, the government undertook to review the market situation and the need for the surtax within 30 days.

This review has now been completed and it has been decided that the surtax will remain in place, subject to a continuing review. The surtax has as its purpose the bringing of a greater degree of stability to the Canadian market, permitting movement toward the resumption of more normal marketing of Canadian cattle. We still anticipate that North American trade in beef and cattle will return to traditional levels in the near future, and it is for this reason the government intends to keep the surtax under continuing review.

Mr. Deputy Speaker: Before I recognize the parliamentary secretary on a point of order, I gather there is no wish

by hon. members to comment on the announcement which has just been made.

Mr. Reid: Mr. Speaker, since we are well into private members' hour, and since the hon. member for St. John's East (Mr. McGrath) has agreed to proceed next week, I wonder if we could call it five o'clock.

Surtax on imports of beef

Some hon. Members: Happy birthday, Stanley!

Mr. Deputy Speaker: I hear no dissenting voices. Accordingly, the House stands adjourned until two o'clock on Monday next.

At 4.37 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Monday, December 3, 1973

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

CRIMINAL RECORDS ACT

AMENDMENT RESPECTING APPLICATIONS FOR PARDONS

Mr. John Reynolds (Burnaby-Richmond-Delta) moved for leave to introduce Bill C-235, to amend the Criminal Records Act.

Some hon. Members: Explain.

Mr. Reynolds: Mr. Speaker, the purpose of this bill is to eliminate the bureaucracy that exists at present when a former inmate tries to get a pardon from his sentence.

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

* * *

ENERGY SUPPLIES EMERGENCY ACT

MEASURE TO PROVIDE FOR ALLOCATION BOARD, MANDATORY ALLOCATION OF SUPPLIES AND RATIONING OF CONTROLLED PRODUCTS

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources) moved for leave to introduce Bill C-236, to provide a means to conserve the supplies of petroleum products within Canada during periods of national emergency caused by shortages or market disturbances affecting the national security and welfare and the economic stability of Canada and to amend the National Energy Board Act.

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

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

[*Text*]

LAWYERS AND LAW FIRMS IN SIMCOE COUNTY EMPLOYED BY CMHC

Question No. 1,989—**Mr. Stevens:**

What were the names and addresses of all lawyers and law firms in the county of Simcoe, in the province of Ontario, who performed services for Central Mortgage and Housing Corporation during each of the years 1971 and 1972 and what was the total amount of money paid to each one?

Hon. Ron Basford (Minister of State for Urban Affairs): For loans approved in 1971 and 1972 in Simcoe county, the following lawyer was retained by Central Mortgage and Housing Corporation for legal work in connection with CMHC direct loans: 1971, R. Noel Bates, Barrie, Ontario. 1972, Nil. Legal fees in connection with CMHC direct loans are paid by the borrowers and CMHC, therefore, has no record of the amounts paid to this lawyer. The following lawyers were retained in 1971 and 1972 to handle legal actions resulting from loans in Simcoe county on which the borrowers had fallen into arrears: Fees and Costs Paid, 1971: Conder, Sugg, Bigelow and Miller, $138.20; 1972: Nil.

LAWYERS AND LAW FIRMS IN REGION OF YORK EMPLOYED BY CMHC, 1971-72

Question No. 1,993—**Mr. Stevens:**

What were the names and addresses of all lawyers and law firms in the region of York, in the province of Ontario, who performed services for Central Mortgage and Housing Corporation during each of the years 1971 and 1972 and what was the total amount of money paid to each one?

Hon. Ron Basford (Minister of State for Urban Affairs): For loans approved in 1971 and 1972 in York county, excluding Metropolitan Toronto, the following lawyers were retained by Central Mortgage and Housing Corporation for legal work in connection with CMHC direct loans: 1971, Ross B. Linton, Newmarket; 1972, Nil.

CONSUMER SERVICE BRANCH—BOX 99

Question No. 2,244—**Mr. MacKay:**

1. For what reasons have so many people been handling Box 99 auto complaints, what were their problems in handling such complaints and will a specific auto complaint section be established within Box 99?

2. (a) What percentage of Box 99 motorist complaints have been investigated since 1969 (b) what percentage have been settled to the consumer's satisfaction?

3. What percentage of Box 99 staff are (a) French (b) English (c) bilingual?

4. What are the names of the staff of Box 99 and what is the background, qualifications, training and experience of each?

Order Paper Questions

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): 1. The Branch Director responsible for the operation of Box 99 assigns staff to handle automobile complaints and inquiries as required by the volume of work in this area. The problems presented are concerned with quality; guarantees and warranties; goods, services, or money not received; repairs and servicing; alleged unethical practices; prices; safety; advertising; standardization; labelling; and packaging. The Consumer Services Branch, which operates Box 99, was recently reorganized. There now is a Travel and Transportation Unit, which encompasses automobile complaints and inquiries. There will be five officers in the unit.

2. All complaints which were received by Box 99 have been investigated either through referral to another government agency with specific jurisdiction in the area of complaint, or through direct mediation of the dispute by the department. It is impossible to assess what percentage has "been settled to the consumer's satisfaction".

3. It is assumed that parts (a) and (b) refer to mother tongue. The appropriate figures for the present Box 99 staff are: (a) English, 78 per cent; (b) French, 22 per cent; (c) Bilingual capacity, 33 per cent.

4. As a matter of principle, information in personnel files has been regarded as not returnable by the government.

CONSUMER CAR COMPLAINTS

Question No. 2,247—**Mr. MacKay:**

1. For what reason does the Department of Consumer and Corporate Affairs refuse to handle consumer car complaints referred to it by the Automobile Protection Association, a national consumer auto protection service group?

2. How are patterns discerned from the complaints received by Box 99 and how are the larger issues dealt with?

3. Would the Minister give the percentage breakdown on each car model of the auto complaints received last year?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): 1. The Department of Consumer and Corporate Affairs has not refused to handle complaints referred to it by the Automobile Protection Association.

2. Monthly complaint statistics are collected through Box 99, which provide some indication as to the areas of changing consumer concern. In submitting proposals for changes in regulations and/or legislation under federal jurisdiction, and in proposing possible consumer information programs, these areas of changing concern are taken into consideration.

3. It is the general policy of the department not to release statistics concerning specific companies or products.

AUTO CONSUMER PROTECTION

Question No. 2,248—**Mr. MacKay:**

What policies does the Department of Consumer and Corporate Affairs have on auto consumer protection?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): For all types of consumer complaints it is the policy of the department to review all complaints from consumers, all referrals from other government agencies and from private consumer groups where that group has been unable to resolve a given complaint. Where a specific problem may not be resolved through existing legislation the department uses its mediation efforts to try to resolve a given complaint. It is the policy of the department to attempt to reach fair and equitable settlements which are satisfactory to both parties to a dispute, given the circumstances surrounding each individual complaint. Where legislation exists which would resolve a given consumer complaint, the department makes use of it if it is legislation that it administers, and if it is not, it refers the complaint to the appropriate government agency. The department functions as a mediator in attempting to resolve the specific problems of individual automobile owners. It also watches trends in consumer complaints concerning automobiles, to determine whether a given manufacturer should be approached on behalf of all owners of a particular vehicle.

AUTOMOBILE WARRANTIES

Question No. 2,250—**Mr. MacKay:**

In light of the Ontario Law Reform Commission report on warranties and the Federal Trade Commission in the United States report on automobile warranties, is the Minister of Consumer and Corporate Affairs prepared to initiate, with consumer involvement and provincial representation, a national study of automobile warranties?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Generally speaking, purchasers' rights under warranties and guarantees such as automobile warranties fall within the area of provincial jurisdiction. However, certain provisions in Bill C-227 to amend the Combines Investigation Act are intended to control deception in the use of warranties and guarantees and to ensure that if they limit in any way the rights that would otherwise be available to sellers under provincial law the limitation is clearly stated.

PRICE OF AUTOMOBILES

Question No. 2,252—**Mr. MacKay:**

Has the Minister of Consumer and Corporate Affairs initiated any action in connection with lowering the price Canadian consumers have to pay for automobiles?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): The Minister of Consumer and Corporate Affairs has no statutory authority to control retail prices of automobiles. In so far as the federal government has present means of influencing prices of automobiles such means are in the hands of the Minister of Industry, Trade and Commerce and have been employed by him.

DEPARTMENT OF CONSUMER AND CORPORATE AFFAIRS—AUTO COMPLAINTS SECTION

Question No. 2,400—**Mr. Mather:**

Is consideration being given to establishing a specific auto complaint section within the Department of Consumer and Corporate Affairs?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Please refer to the answer to question 2,244, part 1.

NATIONAL STUDY OF AUTO WARRANTIES

Question No. 2,401—**Mr. Mather:**

Is consideration being given to initiating, with consumer and provincial involvement, a national study of auto warranties?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Please refer to the answer to question 2,250.

AUTO AND PETROLEUM CASES

Question No. 2,403—**Mr. Mather:**

1. How many auto and petroleum cases has the Department of Consumer and Corporate Affairs taken up?

2. What were the names of the companies involved?

3. What percentage of such cases were concluded to the satisfaction of the complainant?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): 1. The records of the Consumer Services Branch show the following statistics for recorded complaints on motor vehicles and accessories, from 1968 to the present. This classification includes petroleum products for use in motor vehicles. For comparative purposes, the total number of complaints received for all categories in each year is also listed:

	Motor Vehicles and Accessories (and associated petroleum products)	Total complaints
1968	238	3,109
1969	622	6,683
1970	1,235	13,558
1971	1,475	14,218
1972	2,138	17,443
1973 to September 30, 1973	2,221	15,193
Total to September 30, 1973	7,929	70,204

2. It is the policy of the Department of Consumer and Corporate Affairs not to reveal the names of consumers lodging complaints with Box 99, nor the names of specific companies or products complained against.

3. There is no strict definition of "satisfaction" which would allow the department to answer this question.

ROCHDALE COLLEGE—ARCHITECTS AND GENERAL CONTRACTORS

Question No. 2,529—**Mr. Hellyer:**

1. (a) Who were the architects for Rochdale College (b) how was the selection made (c) what were the total fees and expenses paid to the architects in respect of this project?

2. (a) What general contractor built Rochdale College (b) were tenders called (c) what was the bid of the successful contractor (d) was a representative of the government or Central Mortgage and Housing Corporation present when tenders were opened and, if so, what was the name of that person?

3. (a) At what price did the builder acquire the land for Rochdale College (b) at what price was the land charged to the project by the contractor?

Hon. Ron Basford (Minister of State for Urban Affairs): 1. (a) J. Malcolm Wells and Elmar Tampold were the architects for Rochdale College. (b) The basis of the selection of the architects for Rochdale College is not known to Central Mortgage and Housing Corporation. (c) Architects fees and expenses are subject to contractual arrangements between the architect and the borrower and are paid by the borrower.

2. (a) Rubin Corporation was the general contractor for Rochdale College. (b) Tenders were not called for the construction of the Rochdale College. (c) Not applicable. (d) Not applicable.

3. (a) The price at which the builder acquired the land for Rochdale College is not known to CMHC. (b) The land cost submitted by the borrower for loan application purposes was $1 million.

PESTALOZZI COLLEGE—ARCHITECTS AND GENERAL CONTRACTORS

Question No. 2,530—**Mr. Hellyer:**

1. (a) Who were the architects for Pestalozzi College (b) how was the selection made (c) what were the total fees and expenses paid to the architects in respect of this project?

2. (a) What general contractor built Pestalozzi College (b) were tenders called (c) what was the bid of the successful contractor (d) was a representative of the government or Central Mortgage and Housing Corporation present when tenders were opened and, if so, what was the name of that person?

Hon. Ron Basford (Minister of State for Urban Affairs): 1. (a) J. Malcolm Wells and Elmar Tampold were the architects for Pestalozzi College. (b) The basis of the selection of the architects for Pestalozzi College is not known to Central Mortgage and Housing Corporation. (c) Architects fees and expenses are subject to contractual arrangements between the architect and the borrower and are paid by the borrower.

2. (a) A. C. Murphy Construction Ltd. and/or Galway Realty Ltd. (Galway Realty Ltd. is a subsidiary of A. C. Murphy Construction Ltd.), were the general contractors for Pestalozzi College. (b) Tenders for the construction of Pestalozzi College were called by the borrower, Co-operative College Residences Incorporated. (c) The bid of the successful contractor was $5,450,000. (d) The calling of tenders is the responsibility of the borrower. CMHC was therefore not represented at the opening of tenders.

WATERLOO COLLEGE—ARCHITECTS AND GENERAL CONTRACTORS

Question No. 2,531—**Mr. Hellyer:**

1. (a) Who were the architects for Waterloo College (b) how was the selection made (c) what were the total fees and expenses paid to the architects in respect of this project?

2. (a) What general contractor built Waterloo College (b) were tenders called (c) what was the bid of the successful contractor (d) was a representative of the government or Central Mortgage and Housing Corporation present when tenders were opened and, if so, what was the name of that person?

Order Paper Questions

Hon. Ron Basford (Minister of State for Urban Affairs): 1. (a) J. Malcolm Wells and Elmar Tampold were the architects for Waterloo College. (b) The basis of the selection of the architects for Waterloo College is not known to Central Mortgage and Housing Corporation. (c) Architects fees and expenses are subject to contractual arrangements between the architect and the borrower and are paid by the borrower.

2. (a) A. C. Murphy Construction Ltd. and/or Galway Realty Ltd. (Galway Realty Ltd. is a subsidiary of A. C. Murphy Construction Ltd.), were the general contractors for Waterloo College. (b) Tenders for the construction of Waterloo College were called by the borrower, Co-operative College Residences Incorporated. (c) The bid of the successful contractor was $1,719,313. (d) The calling of tenders is the responsibility of the borrower. CMHC was therefore not represented at the opening of tenders.

TARTU COLLEGE—ARCHITECTS AND GENERAL CONTRACTORS

Question No. 2,532—**Mr. Hellyer:**

1. (a) Who were the architects for Tartu College (b) how was the selection made (c) what were the total fees and expenses paid to the architects in respect of this project?

2. (a) What general contractor built Tartu College (b) were tenders called (c) what was the bid of the successful contractor (d) was a representative of the government or Central Mortgage and Housing Corporation present when tenders were opened and, if so, what was the name of that person?

Hon. Ron Basford (Minister of State for Urban Affairs): 1. (a) J. Malcolm Wells and Elmar Tampold were the architects for Tartu College. (b) The basis of the selection of the architects for Tartu College is not known to Central Mortgage and Housing Corporation. (c) Architects fees and expenses are subject to contractual arrangements between the architect and the borrower and are paid by the borrower.

2. (a) A. C. Murphy Construction Ltd. and/or Galway Realty Ltd. (Galway Realty Ltd. is a subsidiary of A. C. Murphy Construction Ltd.)(b) Tenders were not called for the construction of Tartu College. (c) Not applicable. (d) Not applicable.

NEILL-WYCIK COLLEGE—ARCHITECTS AND GENERAL CONTRACTORS

Question No. 2,533—**Mr. Hellyer:**

1. (a) Who were the architects for Neill-Wycik (b) how was the selection made (c) what were the total fees and expenses paid to the architects in respect of this project?

2. (a) What general contractor built Neill-Wycik (b) were tenders called (c) what was the bid of the successful contractor (d) was a representative of the government or Central Mortgage and Housing Corporation present when tenders were opened and, if so, what was the name of that person?

Hon. Ron Basford (Minister of State for Urban Affairs): 1. (a) J. Malcolm Wells and Elmar Tampold were the architects for Neill-Wycik College. (b) The basis of the selection of the architects for Neill-Wycik College is not known to Central Mortgage and Housing Corporation. (c) Architects fees and expenses are subject to contractual arrangements between the architect and the borrower and are paid by the borrower.

2. (a) A. C. Murphy Construction Ltd. and/or Galway Realty Ltd. is a subsidiary of A. C. Murphy Construction Ltd.) (b) Tenders were not called for the construction of the Neill-Wycik College. (c) Not applicable. (d) Not applicable.

LEGAL FIRM RETAINED BY CMHC RESPECTING MORTGAGE FOR NEILL-WYCIK COLLEGE

Question No. 2,534—**Mr. Hellyer:**

1. What legal firm acted for Central Mortgage and Housing Corporation in respect of the mortgage on Neill-Wycik College?

2. What was the total fee paid?

Hon. Ron Basford (Minister of State for Urban Affairs): 1. Mr. A. J. P. Cameron, of the firm Cameron, Brewin and Scott, Toronto, was retained by Central Mortgage and Housing Corporation for legal work in respect of the mortgage on Neill-Wycik College.

2. Legal fees in connection with a Central Mortgage and Housing Corporation direct loan are paid by the borrower and Central Mortgage and Housing Corporation, therefore, does not have any record of the total fees paid to Mr. Cameron.

LEGAL FIRM RETAINED BY CMHC RESPECTING MORTGAGE FOR PESTALOZZI COLLEGE

Question No. 2,535—**Mr. Hellyer:**

1. What legal firm acted for Central Mortgage and Housing Corporation in respect of the mortgage on Pestalozzi College?

2. What was the total fee paid?

Hon. Ron Basford (Minister of State for Urban Affairs): 1. Mr. John D. Richard, of the firm Gowling and Henderson, Ottawa, was retained by Central Mortgage and Housing Corporation for legal work in respect of the mortgage on Pestalozzi College.

2. Legal fees in connection with a Central Mortgage and Housing Corporation direct loan are paid by the borrower and Central Mortgage and Housing Corporation, therefore, does not have any record of the total fees paid to Mr. John D. Richard.

LEGAL FIRM RETAINED BY CMHC RESPECTING MORTGAGE FOR WATERLOO COLLEGE

Question No. 2,536—**Mr. Hellyer:**

1. What legal firm acted for Central Mortgage and Housing Corporation in respect of the mortgage on Waterloo College?

2. What was the total fee paid?

Hon. Ron Basford (Minister of State for Urban Affairs): 1. Mr. J. K. Sims, of Kitchener, was retained by Central Mortgage and Housing Corporation for legal work in respect of the mortgage on Waterloo College.

2. Legal fees in connection with a Central Mortgage and Housing Corporation direct loan are paid by the borrower and Central Mortgage and Housing Corporation, there-

fore, does not have any record of the total fees paid to Mr. J. K. Sims.

LEGAL FIRM RETAINED BY CMHC RESPECTING MORTGAGE FOR ROCHDALE COLLEGE

Question No. 2,537—**Mr. Hellyer:**

1. What legal firm acted for Central Mortgage and Housing Corporation in respect of the mortgage on Rochdale College?

2. What was the total fee paid?

Hon. Ron Basford (Minister of State for Urban Affairs): 1. Mr. R. J. Wright, of the firm Lang, Michener, Cranston, Farquharson and Wright, Toronto, was retained by Central Mortgage and Housing Corporation for legal work in respect of the mortgage on Rochdale College.

2. Legal fees in connection with a Central Mortgage and Housing Corporation direct loan are paid by the borrower and Central Mortgage and Housing Corporation, therefore, does not have any record of the total fees paid to Mr. R. J. Wright.

LEGAL FIRM RETAINED BY CMHC RESPECTING MORTGAGE FOR TARTU COLLEGE

Question No. 2,538—**Mr. Hellyer:**

1. What legal firm acted for Central Mortgage and Housing Corporation in respect of the mortgage on Tartu College?

2. What was the total fee paid?

Hon. Ron Basford (Minister of State for Urban Affairs): 1. Mr. Peter Zinko, of Toronto, was retained by Central Mortgage and Housing Corporation for legal work in respect of the mortgage on Tartu College.

2. Legal fees in connection with a Central Mortgage and Housing Corporation direct loan are paid by the borrower and CMHC, therefore, does not have any record of the total fees paid to Mr. Peter Zinko.

ROBERT OWEN COOPERATIVE LIMITED

Question No. 2,554—**Mr. Woolliams:**

1. What date was Robert Owen Cooperative Limited incorporated?

2. What are the names of the directors and officers of the corporation in question?

3. What are the names of any solicitors and law firms who have acted for this corporation to date for any purpose?

4. In the negotiations for a loan or loans from CMHC, what are the total amounts of mortgage moneys that have been applied for?

5. Have any moneys to date been advanced to Robert Owen Cooperative Limited for any purpose?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I am informed by the Department of Consumer and Corporate Affairs and Central Mortgage and Housing Corporation as follows: 1. There is no federally incorporated company by the name of Robert Owen Co-operative Limited. However, the Robert Owen Development Co-operative, Inc., was incorporated under the laws of the Province of Ontario on January 1, 1970.

2. Information on the directors and officers of the company may be obtained by applying to the Companies Branch of the Government of Ontario.

3. Information is not available on the names of any solicitors and law firms who have acted for Robert Owen Development Co-operative, Inc.

4. Robert Owen Development Co-operative Inc., has not applied to CMHC for a loan under the National Housing Act.

5. Not applicable.

ALLOCATION OF LIP FUNDS TO PROVINCES FOR 1973-74

(*Supplementary*)

Question No. 2,688—**Mr. Dick:**

How much of the $83 million allocated to the 1973-74 Local Initiatives Program will be made available to (a) British Columbia (b) Alberta (c) Saskatchewan (d) Manitoba (e) Ontario (f) Quebec (g) New Brunswick (h) Prince Edward Island (i) Nova Scotia (j) Newfoundland (k) Northwest Territories (l) Yukon?

Mr. Mark MacGuigan (Parliamentary Secretary to Minister of Manpower and Immigration): (a) British Columbia, $9,096,000; (b) Alberta, $3,636,000; (c) Saskatchewan, $2,326,000; (d) Manitoba, $2,981,000; (e) Ontario, $11,527,000; (f) Québec, $27,409,000; (g) New Brunswick, $5,017,000; (h) Prince Edward Island, $945,000; (i) Nova Scotia, $4,581,000; (j) Newfoundland, $4,507,000; (k) Northwest Territories, $511,000; (l) Yukon, $285,000.

INFORMATION CANADA BUILDING, VANCOUVER—RENTAL FEES

Question No. 2,723—**Mr. Reynolds:**

1. (a) What rates are paid, per square foot, by retail outlets for (i) main floor space (ii) second floor space in the area (800 Block Granville and Robson) of the Information Canada Building in Vancouver (b) what rate is paid by the government for the entire main and second floors of the Information Canada Building (c) is this rate competitive with those rates paid by other retail outlets in that area and, if not (i) for what reason (ii) what is the estimated overpayment in rental fees for the next five years?

2. (a) What is the appraised value of the building occupied by Information Canada (b) did the government not consider it expedient to purchase rather than rent the building and, if not, what saving was effected by rental rather than purchase?

Hon. Jean-Eudes Dubé (Minister of Public Works): 1. (a) (i) Main floor space, $2.60 to $12.00 per square foot. The $2.60 rate is a lease negotiated 10 years ago. Several leases are in the $4-$8 range and include a percentage of gross sales in addition to the square foot rental. (ii) Second floor space, $3 to $8 per square foot. Several buildings in the lower range $3 to $5, are either walk-up or with old elevators, poorly maintained and without air conditioning. (b) The rate is $11.11 per square foot per annum. (c) (i) The rate is competitive. Four of the more recently negotiated leases (1970-73) reveal basic rental rates between $10 and $12 per square foot, with adjustments for additional revenue based on a percentage of gross annual sales.

The rates paid in nearby centres, such as Pacific Centre (700 Block Georgia) and Royal Centre (1000 Block West Georgia) vary from $14 to $22 per square foot per annum. (ii) There is no overpayment of rental fees to be estimated. The rate paid is competitive in consideration of the location, size, traffic flow and similar criteria.

2. (a) The market value of the property is estimated to be in the range of $1,000,000 to $1,300,000. (b) At the time preliminary investigations were being made to locate possible locations for the Information Canada facility, the owner of the subject building indicated the property was not for sale. Furthermore, future Crown construction would provide space for this operation.

COMPLAINTS RESPECTING OVERFLIGHTS OF SAC AIRCRAFT FROM LORING AIR FORCE BASE, MAINE

Question No. 2,737—**Mr. Corbin:**

1. Has the Department of External Affairs received complaints concerning SAC aircraft from the U.S. Loring Air Base which fly over Canadian territory at more or less low altitudes in the area including Saint-Leonard, Grand-Sault, New Denmark and Perth-Andover and, in particular (a) the unpleasant noise caused by such aircraft (b) the fact that such aircraft are armed with nuclear devices (c) the fact that such aircraft were flying over Canadian territory?

2. How many complaints were received, from whom and on what date in each case?

3. What was the response of the government in each case?

Hon. Mitchell Sharp (Secretary of State for External Affairs): 1. A check of relevant files back to 1968 reveals that no complaints concerning SAC aircraft from the U.S. Loring Base have been received by the Department of External Affairs.

2. Not applicable.

3. Not applicable.

NON-CANADIANS IN CANADIAN PENITENTIARIES

Question No. 2,743—**Mr. Reynolds:**

1. How many non-Canadians are in the Canadian Penitentiary System?

2. How many are in penitentiaries on drug offences?

3. Has the government considered a policy of deportation rather than prison terms?

4. Are the same figures available to the government for provincial institutions and, if so, what are they?

Hon. Warren Allmand (Solicitor General): 1. Six hundred fourteen, as of 12 October 1973.

2. Nine hundred fifty-nine, (includes 177 non-Canadians).

3. While the matter of sentencing persons to deportation in lieu of other kinds of sentence that can be imposed is not a matter that is under consideration by the Department of Justice, consideration is being given to amending the law in order that persons may be deported while on parole.

[Mr. Dubé.]

4. No.

VISIT OF MEMBERS OF PARLIAMENT TO SASKATCHEWAN PENITENTIARY

Question No. 2,744—**Mr. Howard:**

Since January 1, 1958 has any person, who was at the time of the visit a Member of Parliament, visited the federal penitentiary at Prince Albert, Saskatchewan and, if so, what is the name of each such person and the date of each such visit?

Hon. Warren Allmand (Solicitor General): Yes.

Visitor	Date of Visit
The Hon. Davie Fulton Minister of Justice and Attorney General of Canada	April, 12 1959
The Hon. L. T. Pennell Solicitor General of Canada	March 26–27, 1966
The Hon. G. J. McIlraith Solicitor General of Canada	March 8, 1969
Mr. Frank Howard, M.P. Mr. R. Thomson, M.P. Mr. J. Skoberg, M.P.	April 3–4, 1970
The Hon. Jean-Pierre Goyer, Solicitor General of Canada	August 5, 1971
Mr. Colin Gibson, M.P. Mr. John Gilbert, M.P. Mr. Mark MacGuigan, M.P. Mr. Robert McCleave, M.P. Mr. Terrence Murphy, M.P. Mr. Kenneth Robinson, M.P. Mr. Gordon Sullivan, M.P. Mr. Donald Tolmie, M.P. Mr. Henry Latulippe, M.P.	June 4, 1970 Members of the Standing Committee on Justice and Legal Affairs.
The Rt. Hon. John G. Diefenbaker, M.P.	October 21, 1972
The Hon. Warren Allmand Solicitor General of Canada	March 9, 1973
Mrs. Albanie Morin, M.P. Mr. Stuart Leggatt, M.P. Mr. Reg. Stackhouse, M.P. Miss Flora MacDonald, M.P. Mr. Norval Horner, M.P.	September 24, 1973 Members of a sub-committee of the Standing Committee on Justice and Legal Affairs.

DISTRIBUTION OF COPIES OF SPEECHES MADE BY MINISTER OF AGRICULTURE

Question No. 2,827—**Mr. Cossitt:**

1. Were copies of political addresses given by the Minister of Agriculture to the Prince Edward-Hastings Liberal Association on October 12, 1973, the Youth Conference of the Toronto and District Liberal Association on October 13, 1973 and the Simcoe North Liberal Association on October 13, 1973, printed and distributed at public expense and, if so (a) how many copies were produced in each case (b) what was the cost involved in each case (c) what was the total number of persons receiving copies in each case (d) what is the description of all groups of persons to whom such distribution was made?

2. What is the total number of addresses made by the Minister of Agriculture since he assumed his portfolio to political gatherings that have been reprinted and distributed at public expense?

Hon. E. F. Whelan (Minister of Agriculture): 1. Copies of speeches delivered by the Minister of Agriculture for Canada were printed, and distributed, at public expense, on October 12 and October 13, 1973. The speeches were not political addresses, in the partisan political sense, but reviews of policies, programs and proposals. (a) 1,995 copies were prepared, 1,460 in the English language and 535 in the French language. (b) The direct cost was $189.79. (c) The copies were distributed to 1,845 people. (d) The copies were distributed to members of the news media and the public who have specifically asked the Department of Agriculture to provide them with the text of all prepared speeches delivered by the Minister of Agriculture. Anyone who requests copies may obtain them by applying to the Information Division of the Canada Department of Agriculture.

2. The Minister of Agriculture for Canada has delivered up to October 15, 1973, 57 prepared speeches. This number is one-tenth of the number of speeches he has been requested to make. Every speech made has been distributed to the news media and public. The Minister of Agriculture has delivered most of these speeches on week-ends or Wednesday nights.

CANADIAN TRANSPORT COMMISSION—PUBLICITY EXPENDITURES

Question No. 2,851—**Mr. Nystrom:**

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

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

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

Hon. Jean Marchand (Minister of Transport): The Canadian Transport Commission advises as follows: 1. Normal information services operating expenditures (including salaries) in 1972-73 were $48,685, and in 1973-74 to October 31 were $30,179.

2. Nil.

3. Nil.

ECONOMIC COUNCIL OF CANADA—PUBLICITY EXPENDITURES

Question No. 2,858—**Mr. Nystrom:**

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

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

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

Right Hon. P. E. Trudeau (Prime Minister): 1. 1972-73, $8,645; 1973-74 to date, Nil.

2. Name: John Doherty & Company Limited; Address: 46 Elgin Street, Ottawa, Ontario; Purpose: Advertising for the submission of briefs with regard to this Council's Special Reference on Cyclical Instability in Construction.

3. Nil.

GOVERNMENT OFFICIALS ON THE INTERNATIONAL COMMITTEE INVESTIGATING TECHNICAL MATTERS CONCERNING SUBMERSIBLES

Question No. 2,985—**Mr. Forrestall:**

1. With respect to the answer to Question No. 2,322, what are the names of those officials of the government presently represented on the International Committee operating under the auspices of the American Bureau of Shipping to investigate technical matters concerning submersibles and what are their responsibilities within the Department?

2. What other nations are represented on this Committee and on how many occasions and at what dates has this Committee or sub-committees thereof met to discuss the standardization of external adaptors since January 1, 1972?

Hon. Jean Marchand (Minister of Transport): 1. The Ministry of Transport representative for technical matters concerning submersibles on the American Bureau of Shipping Special Committee on Submersible Vehicles is Mr. W. E. Bonn. Mr. Bonn is Superintendant, Hulls Inspection and Standards, Steamship Inspection, Marine Safety, and his responsibilities are as follows: Under the direction of the Chief, Steamship Inspection Division of the Marine Safety Branch at Ottawa Headquarters, organizes and controls the planning, development and co-ordination of departmental programs covering the inspection of ships' hulls, structural fire protection systems, assignment of load line, damaged and undamaged stability, flooding and heeling systems and associated machinery and equipment, programs for the design and approval of ships subdivision, and the design and operation of ships in Arctic waters; provides direct supervision to assigned staff at headquarters and functional supervision to field inspection staff.

2. The above-mentioned committee consists of 31 members from both industry and government and has representatives from five countries, viz., U.S.A, Canada, Switzerland, France and the United Kingdom. Canada is represented by five members from the industry, the Canadian Armed Forces and the Ministry of Transport. The book "Guide for the Classification of Manned Submersibles" produced and presently being modified has been the subject of the two meetings held since January 1972. The standardization of external adaptors is a high priority item for the next meeting, tentatively planned for early December 1973.

NUMBER OF POLAR BEARS SHOT

Question No. 2,991—**Mr. Paproski:**

1. How many polar bears were shot in Canadian territory (a) by licensed Eskimo hunters (b) by non resident sportsmen using Eskimo licence privileges in 1971, 1972 and 1973?

2. What is the latest official estimate of polar bear population in Canadian territories?

Order Paper Questions

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): In so far as the Department of the Environment is concerned: Statistics for Canada 1. (a) 1970-71, 395; 1971-72, 411; 1972-73, 429. (b) 1970-71, 5; 1971-72, 10; 1972-73, 9.

2. Approximately 10,000.

In so far as the Department of Indian Affairs and Northern Development is concerned: Statistics for Northwest Territories 1. (a) 1971, 385; 1972, 406; 1973, 421. (b) 1971, 7; 1972, 9; 1973, 8.

2. Approximately 8,000.

INDIAN RESERVES—SALARIES AND APARTMENT HOUSES

Question No. 2,996—**Mr. Godin:**

1. By province, what are the average salaries paid on Indian reserves to the (a) band leader (b) secretary-treasurer (c) members of the executive?

2. Are Indian owners of apartment houses which are rented to non Indians subject to any rental controls?

3. Is there a regulation on the number of housing units they may own?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): 1. Band leaders, secretary-treasurers and members of the executive do not receive a salary from the department. However, salaries can be paid by bands out of their funds but this varies on the various reserves and the information is not available.

2. The department does not maintain a record of any apartment houses on Indian reserves that may be rented to non-Indians. However, if there are any, there are no controls imposed by this department.

3. There is no regulation imposed by this department on the number of housing units Indians may own.

MINT—MANUFACTURE OF COIN CASES

Question No. 3,030—**Mr. Baker:**

1. Which companies (or company) were contracted by the Royal Canadian Mint to manufacture coin cases?

2. Did the purchase orders include cases for newly minted Olympic coins?

3. On what dates were the contracts entered into and how much was each contract?

4. Did the Royal Canadian Mint call for tenders before entering into the above contracts (or contract) and, if so, what other companies made bids and for what amounts?

5. On what basis were the contracted companies (or company) selected by the Royal Canadian Mint?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): 1 and 2. The Universal Package Corp., Montreal, was awarded a contract for coin cases for Olympic coins.

3. A contract was awarded on August 10, 1973 for $600,000 for coin cases. A second contract was awarded on August 20, 1973 for $225,000 for coin capsules. These capsules to be used for other coins not packaged.

4. Yes, the Royal Canadian Mint did call for tenders. The following companies were requested to submit originally designed sample cases and a price which was to include all packaging machinery, conveyer systems, etc., that would be necessary for automatic packaging: Calumet Warehousing and Distributing Ltd., Toronto; Major Box and Wire Works Ltd., Montreal; Cooper Canada Ltd., Toronto; Gunther Mele Ltd., Brantford; Queen Leather Products Inc., Montreal; American Packaging Corp., Montreal; Arrow Cases Mfg. Co. Ltd., Toronto; Premier Leather Goods Co. Montreal; R. H. L. Plastics Ltd., Montreal; Dominion Tool and Metal Products Ltd., Montreal; Universal Package Corp., Montreal. Of the above, the following submitted originally designed packages at various prices: R. H. L. Plastics Ltd. 1 Sample, 1.2 cents per unit, plus $17,000 for packaging machinery; American Packaging Corp., 2 samples, 4.3 cents per unit and 4.75 cents per unit; Premier Leather Goods Co., 1 sample, 8.1 per unit plus approx. $300,000 for automatic packaging; Universal Package Corp., 3 samples, 8.75 cents per unit, 11.75 cents per unit and 15 cents per unit.

5. The cases were chosen on the aesthetic quality, durability and general suitability of their original design for the $5 and $10 silver coins. The decision was not made by the Royal Canadian Mint but was made at a meeting of the Olympic Advisory Marketing Board at one of their regular meetings. This Board is composed of representatives from COJO, Treasury Board, Department of Industry, Trade and Commerce, Post Office Department, Department of Finance, Royal Canadian Mint.

NEW FEDERAL BUILDING—BRIDGEWATER, N.S.

Question No. 3,074—**Mr. Crouse:**

Has the government any plans for a new federal building in Bridgewater, Nova Scotia and, if so (a) what is the estimated cost of this building (b) what is the target date set for its construction (c) on what date will it be completed?

Hon. Jean-Eudes Dubé (Minister of Public Works): Yes. (a) It is not customary to reveal estimated costs before a contract has been awarded. (b) The fall of 1974. (c) The spring of 1976.

BOWDEN CORRECTIONAL CENTRE, ALBERTA

Question No. 3,081—**Mr. Gleave:**

Has the Bowden Correctional Centre in the Province of Alberta been purchased by the government and, if so (a) on what date (b) what price was paid (c) on what date were prisoners housed in the facility and if prisoners are not housed in the facility, on what date does the government feel the facility must be available for its designated use?

Hon. Warren Allmand (Solicitor General): No. However, the purchase of the Bowden Correctional Centre from the province of Alberta is currently the subject of active negotiations between federal and provincial authorities. (a), (b) and (c) not applicable.

AVERAGE PRICE OF NEW HOUSE, YORK REGION, CITY OF TORONTO AND METROPOLITAN TORONTO

Question No. 3,103—**Mr. Stevens:**

What was the average price of a new house in the third quarters of 1967, 1970 and 1973 in (a) York region (b) the city of Toronto (c) Metropolitan Toronto, excluding the city of Toronto?

Hon. Ron Basford (Minister of State for Urban Affairs): I am advised by Central Mortgage and Housing

Corporation that their records of NHA lending provide the following information of the average prices of new housing in York County, for the following periods:

Average Estimated Total Price of New Dwellings Financed Under NHA[1]

Items	Third Quarter		
	1968[2]	1970	1973[3]
York County, excluding Metropolitan Toronto	25,311	27,425	—
Metropolitan Toronto, excluding Toronto City	29,294	30,065	—
Toronto City[3]	—	—	—

[1] single detached dwellings on freehold tenure, including loans approved to home owners and sales prices of houses purchased from builders.

[2] data for 1967 are not readily available.

[3] single family dwellings on freehold tenure have not been financed in these areas in the third quarter of 1973, nor in the city of Toronto during the three periods in question.

BUTTER STORAGE

Question No. 3,128—**Mr. Reynolds:**

How many pounds of butter are currently in storage in Canada and what is the policy of the government in disposing of this butter?

Hon. E. F. Whelan (Minister of Agriculture): As of November 1, 1973 there were 55,075,000 pounds of butter in storage in Canada. Butter stocks held by the Canadian Dairy Commission are made available for sale at the butter support price of 71 cents per pound.

ACCEPTANCE OF ICCS MEDAL FOR ARMED FORCES PERSONNEL ONLY

Question No. 3,133—**Mr. Munro (Esquimalt-Saanich):**

Has a decision been taken to refuse to award the Indo-China Medal and the Viet Nam Medal to civilians, both men and women, who were assigned to duties in those theatres at one time or another from 1954 to 1973 and, if so, on what grounds was it decided to favour the military components and exclude the civilians?

Hon. Mitchell Sharp (Secretary of State for External Affairs): 1. The government of Canada has decided to approve acceptance of the International Commission of Control and Supervision (ICCS) Medal for Armed Forces Personnel only. The main reason for not authorizing civilians to receive such a medal, despite the Canadian government's full awareness of the latter's outstanding performance, was the fact that the many civilians who had previously served in Viet Nam and in comparable operations elsewhere in the past had not been similarly treated. This decision is in keeping with previous and normal practice in the foreign service.

Order Paper Questions

NATIONAL HARBOURS BOARD—MR. W. G. RATHIE

Question No. 3,151—**Mr. Reynolds:**

1. Will the Minister of Transport require Mr. Rathie to give up his position in his private company to assure fair representation from him as a member of the National Harbours Board?

2. Has the Minister admitted that a conflict of interest exists and, if so, what action has been taken in this matter?

Hon. Jean Marchand (Minister of Transport): 1. No.

2. The Minister of Transport does not recognize that there is a conflict of interest and accordingly has not required the resignation of Mr. Rathie.

NCC—RESEARCH PROJECT INVOLVING POLLUTION OF PINKS LAKE, GATINEAU PARK

Question No. 3,153—**Mr. Coates:**

1. Has the National Capital Commission a research project underway involving the pollution and contamination of Pinks Lake in the Gatineau Park and, if so (a) on what date was the project initiated (b) what are the names of those involved in the project (c) what are the qualifications of each researcher (d) are they ordinarily employees of either the National Capital Commission or the Public Service and, if not (i) on what basis are they remunerated for their services (ii) what is the total amount paid in salary and expenses to those involved?

2. Who has been in charge of this project since its inception and on what basis was he selected for this position?

3. (a) On what date will the project be completed (b) will the findings be made public and, if not, for what reason?

4. Who has responsibility for acting upon whatever recommendations are contained in this project?

Hon. Ron Basford (Minister of State for Urban Affairs): In so far as the National Capital Commission is concerned: 1. Yes. (a) July 1972. (b) Dr. M. Dickman, Department of Biology, University of Ottawa. (c) M. Dickman PHD; Fresh Water Ecology—Zoology, U.B.C. Post Doctoral Limnology, Uppsala Sweden. (d) No. (i) Contract, Department of the Environment. (ii) $7,100.

2. Dr. Dickman was requested to carry on the specific study of Pinks Lake upon completion early in 1972 of a much larger study which included Pinks Lake and four other lakes in Gatineau Park. The larger study indicated that additional work was required to determine the source of nutrient pollution.

3. (a) Field work completed, report in process of assembly as of November 12. (b) Yes.

4. National Capital Commission in consultation with Department of the Environment.

DEPARTMENT OF FINANCE—PURPOSE OF TRIPS MADE BY MR. R. DE C. GREY

Question No. 3,224—**Mr. Knight:**

1. In the fiscal year 1971-72, what were the purposes of the trips made by R. de C. Grey, Assistant Deputy Minister of Finance (salary range: $28,000-$35,000), to (a) Washington ($110) (b) Washington ($217) (c) Washington ($197) (d) Washington ($188)?

2. In what months of the year were these trips made?

Hon. John N. Turner (Minister of Finance): 1. (a) To attend meeting of the Council of International Actuarial Association. (b) To attend meeting of National Association of Insurance Commissioners.

2. Brussels, September; New York, June.

NATIONAL RESEARCH COUNCIL—PURPOSE OF TRIP MADE BY MR. W. G. SCHNEIDER

Question No. 3,253—**Mr. Knight:**

1. In the fiscal year 1971-72, what was the purpose of the trip made by W. G. Schneider of the National Research Council (salary range: $37,500-$42,000), to Paris ($716)?

2. In what month of the year was this trip made?

Hon. C. M. Drury (President of the Treasury Board): In so far as the National Research Council of Canada is concerned, the answer is as follows: 1. (a) Discussion with President of 'Centre national de la recherche scientifique' (CNRS) pertaining to Canada-France-Hawaii Telescope Project. (b) To attend Ministerial Meeting of 'Organization for Economic Cooperation and Development' (OECD).

2. (a) June 1971. (b) October 1971.

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QUESTIONS PASSED AS ORDERS FOR RETURNS

FILM PROJECTS APPROVED UNDER OFY AND LIP PROGRAMS

Question No. 1,745—**Mr. Orlikow:**

1. Since the inception of the Opportunities for Youth Program and the Local Initiatives Program, how many projects approved under these two programs in each province had as their objective the production of a film?

2. How many of these projected films were actually produced?

3. Has the government any information as to the actual number of times which these completed films were shown to audience groups?

Return tabled.

MULTICULTURALISM PROGRAMMING

Question No. 1,907—**Mr. Yewchuk:**

1. How many representations including letters have been received criticizing the paucity of multicultural programming?

2. Does the government plan to utilize satellite TV distribution to provide non-official language programming and, if so, in what languages and to what areas?

Return tabled.

FEDERAL ASSISTANCE TO CANADA MONDE-WORLD

Question No. 2,453—**Mr. Cossitt:**

1. Did Canada Monde-World receive funds from the Department of the Secretary of State in 1972 and, if so, on what dates, for how much and for what purpose?

2. Has Canada Monde-World received or will it be receiving funds from the Department of the Secretary of State in 1973 and, if so, on what dates, for how much and for what purpose?

3. Who signed any applications or requests received by the government from Canada Monde-World for such funds?

4. Is the government aware of Mr. Jacques Hebert having any connection with Canada Monde-World?

[Mr. Turner (Ottawa-Carleton).]

5. Were any representations of any kind whatsoever made on behalf of such grants by the Prime Minister or anyone whatsoever acting on his behalf?

6. How many persons were or will be recipients or beneficiaries of such funds and, specifically, what was or will be the average amount spent per person by the government?

Return tabled.

FEDERAL ASSISTANCE TO AIRCRAFT MANUFACTURING COMPANIES IN CANADA

Question No. 2,588—**Mr. Rowland:**

For each of the past five fiscal years, for each of the aircraft manufacturing companies in Canada, what grants, loans or other financial assistance were provided by government departments or agencies (a) in what amounts (b) under what programs (c) for what purposes?

Return tabled.

COST OF TRIP MADE BY MINISTER OF NATIONAL DEFENCE IN AUGUST

Question No. 2,596—**Mr. Cossitt:**

1. What was the total cost to the taxpayers of the trip to various parts of the world made in August by the Minister of National Defence and by those accompanying him?

2. (a) What government aircraft was used for this trip (b) how many miles did it travel (c) how many flying hours were involved (d) on what dates did it leave and return to Canada (e) what was the total cost of its operations during the time involved?

3. (a) What were the names of all crew members of the aircraft (b) what were their total expenses paid by the government, including salaries?

4. (a) What were the names of all other persons carried on the aircraft at any time during this trip and, in each case, what amount if any, did they contribute to transportation costs (b) did the government pay any sums whatsoever towards any expenses of these people and, if so, how much in each case?

5. What would have been the cost to the government of transportation if the Minister of National Defence had made this same trip as a passenger on a commercial airline?

6. (a) How many members of the press accompanied the Minister (b) how were they selected and by whom (c) how many were from the Minister's constituency or Province?

Return tabled.

DEPARTMENT OF NATIONAL REVENUE—INCOME TAX

Question No. 2,677—**Mr. Stevens:**

1. As of April 1 in each of the years 1953, 1958, 1963, 1968 and 1973 (a) what was the number of employees in the Department of National Revenue processing personal income tax returns and, secondly, processing corporate income tax returns (b) what was the number of persons auditing such personal income tax returns and such corporate income tax returns?

2. For the fiscal years ending March 31, 1953, 1958, 1963, 1968 and 1973 what was the number of personal and, secondly the number of corporate income tax returns (a) filed and, in each case, what was the total tax paid (b) audited and, in each case, what was the tax re-assessment?

Return tabled.

ECONOMIC COUNCIL OF CANADA—RESEARCH EXPENDITURES

Question No. 2,908—**Mr. Nystrom:**

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

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

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

Return tabled.

PUBLIC SERVICE EMPLOYEES IN CONSTITUENCY OF ELGIN

Question No. 3,013—**Mr. Wise:**

1. What are the names and addresses of all government employees presently working in the constituency of Elgin?

2. With what department is each employee in the constituency of Elgin associated?

Return tabled.

DEPARTMENT OF SUPPLY AND SERVICES TENDER MPE 0274-2-8322/3/4/5

Question No. 3,060—**Mr. Dinsdale:**

1. With respect to the Department of Supply and Services tender MPE 0274-2-8322/3/4/5, has the government awarded a contract for item 1(B)AO, parcel sortation systems for the bulk mail facility and letter sorting plants to McInnis Co., of Windsor in association with Arrowjet General of Frederick, Maryland (a) did Ferranti-Packard of Toronto in association with Speaker Sortation Systems submit a tender (b) did Speaker Motions of Canada in association with Speaker Motions of Milwaukee submit a tender (c) what was the price of the tender in each case?

2. Did the Canadian Post Office Project Officers report that the McInnis bid did not meet the specifications of a performance type contract and, if so (a) did DSS review the McInnis tender (b) was the tender award increased from $1,760,211 to $4,160,436 (c) was a similar review made of the other two tenders?

3. Of the three companies involved, which tender included mechanically assisted loading as specified under the provisions of a performance type contract (a) was the McInnis bid upgraded to include mechanical loading (b) what was the revised cost of this upgrading (c) what is the technical competence and experience of McInnis Co. in this specific area of technology?

4. (a) Which of the three tenders were supported by the Post Office Project Officers from the standpoint of technical competence and actual experience in manufacturing the 1(B)AO parcel sortation systems essential to meeting delivery requirements (b) which tender did the Consultants on the Project, Cole-Sherman Associates of Toronto, support from the standpoint of technical competence and actual experience in manufacturing parcel sortation systems, with the vital delivery date in mind?

5. Was the Canadian Post Office Project Officer on this project withdrawn from the evaluation process at the request of DSS?

6. What is the practical experience of each of the three companies submitting tenders in actually manufacturing and supplying postal sorting equipment?

7. (a) Did the American affiliation of McInnis Co., Arrowjet General, change ownership to the American Chain and Cable Co., since submitting the original tender (b) is the Canadian affiliate of ACCO, the Canadian Mechanical Handling Systems, a competitor of McInnis?

8. What is the Canadian affiliation of the other two companies submitting tenders?

9. Has the project been delayed by the negotiations with the McInnis Co. (a) was the original delivery date October, 1974 (b) has it now been delayed and, if so, until what date?

10. What is the estimated daily cost of slippage on delivery date?

11. Which of the three companies have been involved with other contracts for CPO Mechanization Project (a) what are these projects (b) has the performance been satisfactory?

12. Is there logistic and training compatibility between the bulk mail facility and the McInnis equipment?

13. (a) Is it the practice of DSS to award contracts on the Canadian Post Office Mechanization Project, without regard to technical competence (b) what are the criteria in making these awards?

Return tabled.

Mr. Cossitt: Mr. Speaker, I rise on a point of order. On October 15 the Minister of Justice (Mr. Lang) gave his version of answers to some of my questions on the order paper on the subject of lawyers receiving business from the government. Specifically, I refer to his answer to question No. 2279 in which the minister gave what he said were names and addresses of lawyers given business by his department in the province of Nova Scotia during the last fiscal year. Included in this list was the name of Mr. A. D. McInnis of Antigonish, who subsequently advised me by letter dated October 17 that he had in reality not received any such business from the Department of Justice, that he found the inclusion of his name by the minister annoying, and that he desired clarification of the matter.

• (1410)

May I draw to the attention of the parliamentary secretary starred question No. 3028 placed on the order paper on October 22 in order to clarify the situation as requested. That was 42 days ago, Mr. Speaker. I can see no reason whatsoever that would justify such a long delay in furnishing what should be a very simple answer.

In conclusion, Mr. Speaker, such delays can only make one suspect the accuracy of the minister's entire list, and surely the minister in fairness to Mr. McInnis—

Mr. Speaker: Order, please. Oral questions.

ORAL QUESTION PERIOD

[*English*]

ENERGY

EFFECT OF FURTHER INCREASE IN VENEZUELAN CRUDE OIL PRICE ON PRICE TO CONSUMERS EAST OF OTTAWA VALLEY LINE—IMPACT OF PREVIOUS INCREASES

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources arising out of the news of a further increase in the tax reference price of Venezuelan crude oil. Can the minister inform the House what this will mean in terms of increased product prices to Canadian consumers

east of the Ottawa Valley line and when it might be expected to have any such effect upon consumers there?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, we cannot be sure it will necessarily result in an immediate price increase. I would think it would be a matter of some weeks at least before a price increase would be felt in the crude feedstock supply to eastern Canadian refiners. At that time I think the government will have to look at the cost situation and see, in light of recent increases, whether any further increase would be justified.

Mr. Stanfield: Can the minister tell the House whether the increases in product prices he has already approved, the most recent of which went into effect a couple of days ago, have now taken into account all previous offshore crude price increases, that is, previous to the most recent announcement by Venezuela, or are there still more price rises to be anticipated as a result of previous increases in offshore crude prices without even taking into account the most recent increase in Venezuelan posted prices?

Mr. Macdonald (Rosedale): Mr. Speaker, my understanding is that the two most recent increases take into account increases that occurred during the autumn, specifically from the end of September to early October and the one between the middle and the end of October which resulted from substantial increases in both Arab and Venezuelan prices. I believe there was an increase in the late summer, in August, which was not covered at the time the restraint went on. That has not been recovered, but I am not anticipating that it will be the subject matter of an application for a price increase. At the moment I am not anticipating any further applications.

Mr. Stanfield: Mr. Speaker, I have a further supplementary question. In view of the close contact the minister has established with the government of Venezuela as a result of his visit there, is he in a position to tell the House whether we should anticipate any further increases in the posted price of Venezuelan crude in the near future?

Mr. Macdonald (Rosedale): Mr. Speaker, I think it is fair to say that in the course of our discussions with Venezuela they never made any commitment with regard to price; it was really on the question of supply that they expressed interest in a possible accord. As to whether additional increases will take place, I think this may depend on the international supply situation, and it may very well be that the Venezuelan government will find a basis for further increases in its tax reference price as the months go on.

INTENTION RESPECTING ESTABLISHMENT OF GOVERNMENT AGENCY TO PURCHASE OIL FROM VENEZUELAN GOVERNMENT AND LIFTING OF PRICE FREEZE

Mr. David Lewis (York South): Mr. Speaker, I have a supplementary question for the minister. Has the government given any further thought to setting up a government agency to purchase oil on a government to government basis? As I understood his answer a moment ago, Venezuela has not yet decided to take its royalties in kind rather than in money. May I ask the minister whether further discussions have taken place so that the Venezuelan government may be encouraged to take them in kind on the basis that Canada will have a government purchasing agency to deal with the Venezuelan government?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I think it would be a correct description of our position that we have not attempted to persuade Venezuela to follow this practice, although we have indicated to the Venezuelan government that we would be interested in discussion with them if they took the decision to take royalties in kind.

Mr. Lewis: Mr. Speaker, may I ask the Minister of Energy, Mines and Resources or the Prime Minister, whichever wants to answer, whether it is not a fact that the Venezuelan decision to take royalties in kind might well depend on whether a customer like Canada had a government agency to deal with them? If that is the case, can the government take faster steps to set up the necessary agency?

Mr. Macdonald (Rosedale): Mr. Speaker, I think the decision whether to take in kind or not would depend on factors other than the presence of an agency. I would agree that over the longer run the possibility of effecting that kind of supply agreement would certainly be assisted by the existence of such a corporation in Canada. I hope to be able to announce to the House in a relatively short period of time the government's decision in the latter regard.

Mr. Lewis: May I ask the minister or the Prime Minister or the Minister of Finance, although he is absent, whether it is still the government's intention to abandon the price freeze on January 31 and to allow prices across Canada to increase as of February 1 and, if so, to what level?

Mr. Macdonald (Rosedale): Mr. Speaker, as the hon. member will know, the government of Alberta has commenced a legislative session today involving certain amendments to its legislation with regard to the taxation of oil royalties in that province arising, in part, from price increases. At the moment we are having discussions, and I expect to have them again this week, with the government of Alberta on this matter in which the question of the price from February 1 onward is intimately involved. At the moment I cannot be more precise than that.

FEDERAL ASSISTANCE TO PEOPLE OF NEWFOUNDLAND ON LOW AND FIXED INCOMES TO MEET INCREASED FUEL OIL COST

Mr. James A. McGrath (St. John's East): Mr. Speaker, may I direct a supplementary question to the Minister of National Health and Welfare. As the price of fuel oil in Newfoundland has doubled in three years and is now substantially higher than in the rest of the country, and as per capita consumption is four times the national average, may I ask the minister, especially in light of the high unemployment rate in that province, if he has had any talks with the government of Newfoundland, or with the Atlantic provinces for that matter, with a view to providing some direct means of federal assistance for those

people on middle, lower and fixed incomes who are hardest hit by the fuel price increase?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, as I told the House before, I sent a telegram last week to my colleagues. I have not had an answer from my colleague in Newfoundland but I have received one from my colleague in Prince Edward Island. It seems that the provincial ministers concerned are taking appropriate steps at the present time to make sure that those in need are not going to be caught short of the money necessary to meet their needs with regard to fuel.

Mr. Speaker: Order, please. I will recognize the hon. member for Oshawa-Whitby on a supplementary, and then the hon. member for Perth-Wilmot.

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INDUSTRY

SURVEY OF COMPANIES ON CONSEQUENCES OF ENERGY CRISIS—PUBLICATION OF FINDINGS

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, may I direct a question to the Minister of Industry, Trade and Commerce. Last Friday I asked the minister whether he was going to make public the analysis of the survey his department is doing among 1,000 corporations in Canada on the consequences of the energy crisis. At that time the minister did not indicate clearly whether the government would or would not do so. I therefore ask the minister now, does he intend during the present week, for example, to inform the House of his findings from that survey?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I think, at this stage of the analysis, it is still too premature to make any announcement of that kind.

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ENERGY

REQUEST FOR ASSURANCE OVERLAND OIL MOVEMENT WILL BE IN OPERATION WHEN SEAWAY CLOSES—SURVEY OF FACILITIES

Mr. Bill Jarvis (Perth-Wilmot): Mr. Speaker, may I direct a question to the Minister of Energy, Mines and Resources. Having regard to the fact the Montreal-Lake Ontario section of the seaway will close two weeks from today on December 16, can the minister give any assurance that overland oil movement will be in operation at that time when the St. Lawrence movement is curtailed?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I cannot give assurances in the kind of figures with which I responded to the hon. gentleman last week. As I mentioned at that time, there will be considerable investment required in both loading and unloading facilities and also in the repair of existing rolling stock. We certainly hope that some part of this will be available. We are actively considering additional measures that the government of Canada can take in order to enhance overland oil movement.

Mr. Jarvis: Mr. Speaker, may I direct a supplementary question to the Minister of Transport. On November 28 the Minister of Energy, Mines and Resources indicated that the Minister of Transport was completing a survey with regard to the overland system from Sarnia. Has the minister completed this survey and, specifically, has he been in touch with the appropriate trucking firms?

Hon. Jean Marchand (Minister of Transport): Excuse me, but I did not hear the first part of the question. Could the hon. member repeat it?

Mr. Jarvis: Mr. Speaker, my supplementary question is for the Minister of Transport. On November 28 the Minister of Energy, Mines and Resources indicated that the Minister of Transport was completing a survey with regard to the overland supply system from Sarnia. Has the minister completed the survey and, specifically, has he been in touch with the appropriate trucking firms?

• (1420)

Mr. Marchand (Langelier): Yes, Mr. Speaker. We are in touch with the trucking firms as we are in touch with the railways to see what can be done next winter if we have to transport oil from Sarnia to Montreal.

Mr. Jarvis: Will the minister tell the House what specific steps he is taking to ensure that overland oil supply will be in operation before the St. Lawrence freeze-up?

Mr. Marchand (Langelier): Mr. Speaker, I do not know if that is a wise thing to do. The first thing we have to do is find the rail cars and trucks that will be in a position to move the oil as soon as it is necessary to move it.

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EXTERNAL AFFAIRS

PROTECTION OF CANADIAN VISITORS TO UNITED STATES AGAINST BEING STRANDED IF GAS RATIONING INTRODUCED

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. It arises from the possibility of gasoline rationing in the United States. Has the minister consulted with his American counterparts to get an agreement from the Americans to ensure that the interests of Canadians abroad will be protected so they will not be stranded there if gasoline rationing is introduced in that country?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I would not think that Canadians who wish to travel in the United States would be exempted from those kinds of measures. I should think they would want to comply.

Mr. Beatty (Wellington-Grey-Dufferin-Waterloo): What specific measures will the minister be taking on behalf of the Canadian government to protect the interests of Canadian nationals travelling abroad who find them-

selves trapped there? Is the minister not concerned about the interests of Canadians?

Mr. Sharp: Yes, Mr. Speaker, we are concerned. I think we can look after the interests of Canadians in this regard. However, I do not think we should create the impression that we should be free when Americans are subject to rationing.

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AIRPORTS

WINNIPEG—REQUEST FOR REPORT ON PROPOSED RUNWAY RELOCATION

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, my question is for the Minister of Transport. Has the minister reached any decision or can he report on the request for runway relocation at the Winnipeg airport in order to reduce air pollution, noise and for safety reasons?

Hon. Jean Marchand (Minister of Transport): No, Mr. Speaker. We are still discussing this with the municipality.

Mr. McKenzie: Will the government be taking immediate steps to acquire land in preparation for runway relocation?

Mr. Marchand (Langelier): As soon as a decision is reached.

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ENERGY

OIL PIPELINE EXTENSION TO MONTREAL—STARTING OF CONSTRUCTION, FINANCING, OWNERSHIP

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I wish to direct my question to the Minister of Energy, Mines and Resources. Can the minister give any more information on the extension of the pipeline to Montreal as to when he expects the construction of the pipeline to start, whether financing has been lined up and whether or not it will be publicly owned?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I am afraid I cannot report very much more since my meeting on Friday with the representatives of the pipeline company. I hope to be able to do so within a relatively short period.

Mr. Nystrom: Can the minister assure us there will be adequate steel to construct the pipeline and have it completed by 1975?

Mr. Macdonald (Rosedale): My information is there will be, Mr. Speaker.

OIL PIPELINE EXTENSION TO MONTREAL—AVAILABILITY OF STEEL

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, my supplementary is for the Minister of Industry, Trade and Commerce. Has the minister or his colleague, the Minister of Industry, Trade and Commerce, been in touch with the steel companies of Canada in order to obtain advice whether in fact there will be steel available to commence the pipeline at this time? My information reveals that this will not be possible before March, 1975.

[Mr. Beatty (Wellington-Grey-Dufferin Waterloo).]

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I met with the presidents of all the steel companies of Canada on Thursday of last week.

Some hon. Members: Oh, oh!

Mr. Alexander: Now that the minister has advised he met with the presidents of the steel companies, will he take us into his confidence, answer my question and let the House and the people of Canada know whether in fact there will be sufficient steel in order to carry on with this pipeline?

Mr. Gillespie: Mr. Speaker, just 15 seconds ago my colleague, the Minister of Energy, Mines and Resources, in answer to another question indicated there will be no problem and that sufficient steel can be made available to build the pipeline. I did not feel it necessary to repeat the undertaking that had already been given.

Mr. Alexander: Can the minister advise us as to the date he indicated to the steel companies when the government wishes to start construction of the line? Can he give us some indication so we may know what time we are talking about and the completion date?

Mr. Gillespie: My colleague has already stated that an announcement will be made in due course.

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EXTERNAL AFFAIRS

SUGGESTED INVITATION TO SAUDI ARABIAN AND ALGERIAN OIL MINISTERS TO VISIT CANADA

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I should like to address a question to the Secretary of State for External Affairs. In view of the fact Canada has no resident ambassador in Riyadh and bearing in mind the importance of obtaining fuller knowledge of Arab oil policies affecting Canada, will the minister consider having an invitation extended to Sheik Yamani, Saudi Arabian oil minister, and his Algerian counterpart, to visit this country after the conclusion of their visits to western Europe and the United States?

Hon. Mitchell Sharp (Secretary of State for External Affairs): I will take this suggestion under consideration.

Mr. Macquarrie: In the same process, would the minister consult with the chairman of the Standing Committee on External Affairs and National Defence with a view to having these gentlemen invited before that committee so that we might enlarge our limited knowledge of the relations between their part of the world and our part of the world?

ENERGY

OIL PIPELINE EXTENSION TO MONTREAL—NEGOTIATIONS WITH ONTARIO AND QUEBEC ON LOCATION—COMPLETION DATE

Hon. Marcel Lambert (Edmonton West): I have a question for the Prime Minister, Mr. Speaker. Would the right hon. gentleman tell the House what negotiations have taken place with the provinces of Ontario and Quebec with regard to the location of the pipeline extension to which he referred in his statement a week ago Thursday night? Can he also advise the House whether he is satisfied with the information given to him by his colleague, the Minister of Trade and Commerce, that he can guarantee the line will be completed by 1975?

Right Hon. P. E. Trudeau (Prime Minister): As to the first part of the question, the answer is that I have not been personally involved in this discussion of location. As to the second part of the question, the answer is yes.

* * *

FINANCE

PROPOSED NEW REFERENCE LIBRARY, TORONTO—REQUEST THAT GOVERNMENT SEEK DEFERMENT UNTIL CONSULTATIONS HELD WITH COMMUNITY GROUPS

Mr. Andrew Brewin (Greenwood): Mr. Speaker, my question would have been addressed to the Minister of Finance but in his absence I direct it to his parliamentary secretary. In view of the fact the federal government is putting up some $3 million under the winter works program for the building of a new $32 million metropolitan Toronto reference library, and in view of the fact a number of local community planning groups have expressed strong opposition to this project, particularly because of lack of consultation with them, will the federal government seek to have the proposal deferred until it can be looked into further and appropriate consultation undertaken with the community?

[*Translation*]

Mr. J.-Roland Comtois (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I took due note of the hon. member's question and the Minister of Finance will reply to him as soon as possible.

[*English*]

Mr. Brewin: Will the parliamentary secretary, when speaking to the minister, call his attention to the fact that renovation of the present building and the provision of additional parking space might well enable the needs of the library to be met adequately with a saving of more than $20 million?

CAPE BRETON DEVELOPMENT CORPORATION

REQUEST THAT MINISTER ASCERTAIN FROM PRESIDENT REASON FOR DENIAL OF SERVICE PENSION TO MINER

Mr. Donald MacInnis (Cape Breton-East Richmond): Mr. Speaker, I have a question for the Minister of Regional Economic Expansion. Now that the minister will be meeting face to face with the president of the Cape Breton Development Corporation—

Some hon. Members: Oh, oh!

Mr. MacInnis (Cape Breton-East Richmond): I don't know what the hell is so funny about it.

An hon. Member: It came from your own side.

Mr. MacInnis (Cape Breton-East Richmond): —will the minister ascertain from the president of the Cape Breton Development Corporation why a miner with 45 years service has been denied and is being denied a service pension on the basis that he is receiving a compensation pension?

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): I thank the hon. gentleman for having given me notice. I have already had three hours of face-to-face conversation with the gentleman in question and I shall be continuing these discussions tomorrow. The matter the hon. member has raised is one I propose to bring up with him, and I hope to have some answers for the hon. gentleman shortly.

• (1430)

Mr. MacInnis (Cape Breton-East Richmond): Am I to understand from the minister that the letter he wrote several weeks ago to the president has not yet been replied to?

Mr. Jamieson: Mr. Speaker, I am afraid that the purport of that question escapes me. I am not at all certain what is meant by it.

Mr. MacInnis (Cape Breton-East Richmond): Then let me ask a supplementary by way of explanation. Did the minister not inform me that he had written to Tom Kent to inquire as to the status of the compensation payments which were being used to subsidize pensions, and did he not receive a reply long since to the letter he sent to Tom Kent?

Mr. Jamieson: Mr. Speaker, the purpose of my meetings with the president of the company is to discuss these matters. I am expecting to get an oral reply from him and will discuss the matter in detail, just as soon as I know what he says.

Mr. MacInnis (Cape Breton-East Richmond): Would the minister take me up on my request to be at the meeting along with himself and Mr. Kent when these matters are being discussed?

Some hon. Members: Hear, hear!

Mr. Jamieson: Mr. Speaker, if I were absolutely certain that such a meeting would be simply face to face, I would comply.

* * *

[*Translation*]

ENERGY

GASOLINE AND FUEL OIL—SUGGESTION THAT MINISTER ASK PROVINCES TO REDUCE TAXES

Mr. Marcel Roy (Laval): Mr. Speaker, I would like to ask a question of the Minister of Energy, Mines and Resources.

As the sales tax on gas is 25 cents a gallon in Newfoundland and New Brunswick and 7 per cent on heating oil in British Columbia, has the minister pointed out to his provincial colleagues that a reduction in the sales tax would be greatly appreciated by consumers?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, such a suggestion was made at the last federal-provincial conference of energy ministers in Toronto and my provincial counterparts replied in the negative.

[*English*]

PROPOSED MACKENZIE VALLEY NATURAL GAS PIPELINE—REPORTED WITHDRAWAL OF POSSIBLE PRIVATE FINANCING—GOVERNMENT POSITION

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources. In view of persistent reports that the private sector is withdrawing its original interest in financing a Mackenzie Valley natural gas pipeline, has the government an alternative plan for getting this vitally needed outlet for natural gas built if private financing is not forthcoming?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, may I thank the hon. gentleman for giving me notice of the question. I have had an opportunity at a very recent date to discuss their proposals with the Canadian Arctic gas study group. They have indicated their intention in the relatively near future, within a matter of several months, to make application to the appropriate regulatory authorities both in Canada and in the United States for a pipeline. The gentlemen were kind enough to indicate that the emergence of the El Paso alternative proposal in Alaska was a matter of concern to them, and also that they were concerned about the situation in Canada vis-à-vis native rights in the Mackenzie valley. Subject to these concerns, I believe they will be going ahead at an early date to seek regulatory approval.

PROPOSED MACKENZIE VALLEY NATURAL GAS PIPELINE—INQUIRY AS TO ESTABLISHMENT OF NON-DEVELOPMENT CORRIDOR PENDING SETTLEMENT OF NATIVES' CLAIMS

Mr. Erik Nielsen (Yukon): Mr. Speaker, I have a supplementary question for the Minister of Indian Affairs and Northern Development. Has he written a letter, or has anyone in his department written a letter, to the Northwest Territories Indian Brotherhood or the Fort Wrigley people informing them that the government is establishing a corridor eight miles wide, four on either side of the Mackenzie River, within which no development will take place until such time as native claims in the Northwest Territories have been negotiated to a settlement?

[Mr. MacInnis (Cape Breton-East Richmond).]

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I do not know precisely which letter the hon. member is referring to since I and my officers have written often to the Indians of the Territories, but I shall investigate and report to the House. Of course, all required measures will be taken to protect the interests of the Indians, for certain indications have perhaps been so interpreted by the hon. member.

* * *

[*English*]

EXTERNAL AFFAIRS

METHOD OF RETURNING VESSEL, "GREENPEACE III", FROM TAHITI—ACTION TO OBTAIN COMPENSATION FROM FRANCE

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, my question is directed to the Secretary of State for External Affairs and has to do with the *Greenpeace III* vessel. Since the government of France has released the *Greenpeace III* in Tahiti some 7,000 miles from Vancouver, I should like to inquire whether the government of Canada is insisting that the ship be delivered, or is the government planning alternatively to assist David McTaggart financially in its return?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, the government is considering the alternative, which is to help Mr. McTaggart bring the vessel back to Canada.

Mr. Rose: I wonder whether the minister would be a little more explicit. Since McTaggart is under medical orders to stay within 12 hours of a hospital because of an eye injury suffered during the French boarding of this vessel on the high seas, is Canada demanding reparations or compensation from France and, if so, what is France's attitude to these demands?

Mr. Sharp: Mr. Speaker, the first question related to bringing the ship back to Canada and the answer I gave was that we were considering assisting Mr. McTaggart financially to bring his ship back. The second question related to the damage that he claimed he suffered at the hands of the French navy. We have been pressing this case with the French government, so far without success.

INDIAN AFFAIRS

REQUEST THAT ACCESS OF INDIANS TO DISTRICT OFFICES NOT BE INHIBITED

Mr. Joe Clark (Rocky Mountain): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development. Since the recent situation at Kenora indicates that native people are having to resort to sit-ins to get attention given to their problems, will the minister assure the House that he will not extend to his district offices the practice of putting up steel walls to keep the Indians out, and will he accede to the request by petition of his departmental employees to remove the steel obstacles to Indians entering the department's head office in Ottawa?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I am glad to reply to the hon. member who once more is late with his news. If he goes to the building he will see there is no more steel wall since last week, when I gave orders to take it away.

Mr. Clark (Rocky Mountain): May I have the assurance that the practice of putting up obstacles to keep out native people will not be extended to district offices, as I asked in my original question?

Mr. Chrétien: Mr. Speaker, I will take all the necessary steps to make sure these people have access to my officials and my department, but I will never put up with people who want to use violence in order to make their point.

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, I have a supplementary question for the Minister of Indian Affairs and Northern Development. Would the minister assure the House that in the meantime he has not taken official action to rename the headquarters building of his department "Fort Chrétien"?

Mr. Speaker: Order, please.

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INDUSTRY

CAPITAL INVESTMENT FORECAST FOR 1974—EFFECT OF ENERGY CRISIS

Hon. Paul Hellyer (Trinity): Mr. Speaker, my question is for the Minister of Industry, Trade and Commerce. Does the crash survey now being taken by his department indicate that the minister has changed his mind about the prediction he made on November 26 that next year will be a very good year?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): No, Mr. Speaker. I think next year will be a very good year.

Mr. Hellyer: Can the minister give the House an estimate of the effect on capital expenditure in 1974 resulting from the energy crisis?

Mr. Gillespie: The last analysis we did on this clearly indicated that the business community expects to increase its capital investment very substantially, by over 20 per cent. I have had no reason yet to modify those figures.

Mr. Hellyer: Mr. Speaker, the minister is still giving information based on the pre-energy crisis situation. Can he give us more up to date information? In particular, can he give us an estimate of the effects on Canadian industry of the energy induced slowdown in the United States economy, especially in so far as it affects dollar volume and the number of jobs?

Mr. Gillespie: Mr. Speaker, I think the current situation is too indefinite at the moment to make any forecast.

* * *

● (1440)

NATIONAL DEFENCE

UNWARRANTED INTERFERENCE WITH CIVILIANS BY MILITIA UNIT AT TOLSTOI, MANITOBA

Mr. Doug Rowland (Selkirk): Mr. Speaker, my question is for the Minister of National Defence but in his absence perhaps his parliamentary secretary could answer it. The question relates to an incident at Tolstoi, Manitoba, this past week in which a number of civilians were terrorized by a militia unit on exercise. Does the parliamentary secretary have some explanation for the incident, and would he indicate to the House whether any disciplinary action is being taken against those who perpetrated the incident?

Mr. Leonard Hopkins (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, this was an unfortunate incident that should never have occurred and steps are being taken to see that it does not occur again.

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TRANSPORT

PROPOSED BARRIE-TORONTO RAILWAY PASSENGER SERVICE—REQUEST THAT MINISTER EXPEDITE DECISION

Mr. Gus Mitges (Grey-Simcoe): Mr. Speaker, my question is directed to the Minister of Transport. In view of the fact the Canadian Transport Commission held lengthy hearings at Barrie last July 10 to 13, when over 40 briefs were presented in favour of the establishment of a rail passenger service between Barrie and Toronto, with weekend extensions to Collingwood and Meaford, and taking into consideration the ever-increasing highway congestion and the energy shortage, will the minister take the necessary steps to expedite a favourable decision in this matter as soon as possible?

Hon. Jean Marchand (Minister of Transport): Yes, Mr. Speaker. I received this report this morning and I will be happy to look into the matter and make a decision.

Oral Questions

ENERGY

POSSIBILITY OF URANIUM STOCKPILING PROGRAM IN LIGHT OF OVER-ALL SHORTAGE

Mr. J. R. Ellis (Hastings): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. In view of the over-all energy shortage, has the minister considered the possibility of a uranium stockpiling program? I am particularly interested, of course, in that part of north Hastings where there are four uranium mines sitting idle.

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, we have not specifically considered new stockpiling. We anticipate that with an improvement in the international price for uranium there will be a greater incentive to some of our existing Canadian mines to bring capacity back into production again. I would expect a bright future for the north part of Hastings County in particular.

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GRAIN

WHEAT—REASON FOR DELAY IN PAYMENTS TO ONTARIO PRODUCERS UNDER TWO-PRICE SYSTEM

Mr. R. E. McKinley (Huron): Mr. Speaker, I have a question for the Minister of Agriculture regarding payments to Ontario wheat producers under the two-price system. A few weeks ago we were informed by the grains division of his department that a formula would be worked out and payments made before too long. I understand that the formula has not been worked out and nothing has been done. What is the reason for the delay and when will things be straightened out?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, the $8.3 million are to be paid out to Ontario wheat producers under an agreement we have with the Ontario Winter Wheat Marketing Board. As soon as we receive information from that board, these payments will be made. We are awaiting that information at the present time.

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COMMUNICATIONS

INTENTION RESPECTING LEGISLATION TO MERGE REGULATORY FUNCTIONS OF RADIO-TELEVISION AND TRANSPORT COMMISSIONS

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, my question is directed to the Minister of Communications. In view of the rather inconclusive result of the communications conference last week, does the minister intend to proceed with legislation to merge the regulatory functions of the Canadian Radio-Television Commission with the communications committee of the Canadian Transport Commission?

[Mr. Marchand (Langelier).]

[*Translation*]

Hon. Gérard Pelletier (Minister of Communications): Yes, Mr. Speaker. However, we have taken no final decision on this because of the legislative requirements of the government program.

[*English*]

Mr. Nowlan: Mr. Speaker, in view of the desire stated by the minister at the conference to negotiate, discuss and consult with the provinces, will the federal-provincial officials committee that is supposed to meet early next year have any legislative input?

[*Translation*]

Mr. Pelletier (Hochelaga): Mr. Speaker, with regard to the legislation as a whole, we promised the provinces we would discuss it anew with them before introducing it. But I warned at the federal-provincial conference, and the hon. member must be acquainted with my statement, that concerning the first part which deals primarily with the federal government's straightening out its own affairs, that we would consider ourselves free to legislate without any further consultation with the provinces, especially because the latter seem in no rush to hold another conference.

[*English*]

PARTICIPATION BY REPRESENTATIVES OF YUKON AND NORTHWEST TERRITORIES IN FUTURE CONFERENCES WITH PROVINCES

Mr. Erik Nielsen (Yukon): Mr. Speaker, I have a supplementary question for the minister. Before any further conferences are held on the very important subject of communications, which is rather vital north of the 60th parallel, will the minister ensure that there will be representation at future conferences from the Yukon and Northwest Territories?

[*Translation*]

Hon. Gérard Pelletier (Minister of Communications): Mr. Speaker, the provinces' proposal goes even further: it suggests that the next conference be held in the Northwest Territories.

[*English*]

Mr. Nielsen: Good.

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SCIENCE AND TECHNOLOGY

COMPOSITION OF GROUP TO STUDY CONTROLLED THERMONUCLEAR FUSION

Mr. Randolph Harding (Kootenay West): Mr. Speaker, I have a question for the Minister of State for Science and Technology. In view of the government's proposal for a detailed study of a Canadian program on controlled thermonuclear fusion and the setting up of a management committee comprised of a group centred primarily in the province of Quebec, I should like to ask the minister if requests for inclusion in the proposed study have come from universities in the western provinces which are engaged in similar research studies?

[*Translation*]

Hon. Jeanne Sauvé (Minister of State for Science and Technology): Mr. Speaker, such surveys are not usually made public because of the representative character of the researchers entrusted with them. This feasibility study will make a complete inventory of the situation, including, I trust, the excellent studies performed in Edmonton.

[*English*]

Mr. Harding: Would the minister consider enlarging the present five-group, management committee which has been set up for this proposed study, to include other research groups interested in thermonuclear fusion or, alternatively, that when a draft proposal is prepared a representative group from across Canada will meet to examine that draft and come up with proposals to be submitted to the government?

[*Translation*]

Mrs. Sauvé: Mr. Speaker, when I have the report of this research group, I will be able to provide for participation by the Edmonton group. This is a feasibility study project and we have not yet decided whether we shall launch a thermonuclear fusion research program.

* * *

[*English*]

MANPOWER

LOCAL INITIATIVES PROGRAM—INTENTION RESPECTING PROVISION OF ADDITIONAL FUNDS

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I should like to direct my question to the Minister of Manpower and Immigration. Can he advise the House whether the cabinet has reached a decision on increasing the allocation of funds for the LIP program?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, that decision has not been taken yet.

Mr. Marshall: In view of the lateness of the season and the widespread disappointment in respect of many thousands of applications, is the minister able to indicate whether there is hope for these applicants and will he make an official announcement, hopefully, before Christmas?

Mr. Andras: Mr. Speaker, until such a decision has been made I do not think there should be any inference drawn as to when this will happen. When such a decision is made it will be announced.

* * *

CAPE BRETON DEVELOPMENT CORPORATION

POSSIBILITY OF INCREASE IN BENEFITS PAID PRERETIRED MINERS IN LIGHT OF COST OF LIVING

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I have a question for the Minister of Regional Economic Expansion. Is the minister presently giving active consideration to an across the board raise in benefits paid to preretired Devco miners and their dependants to compensate them for the greatly increased cost of living with which they are faced?

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Mr. Speaker, as the hon. member will know, there was such an across the board increase a few months ago. I am speaking from memory, but if it is not now linked to the cost of living escalation I believe that is the intention. Therefore there would be something of this nature for the workers concerned. I will be glad to look into the matter and get an answer as to exactly how the program works.

* * *

SUPPLY AND SERVICES

STEPS TO INCREASE SUPPLY OF QUARTERS AND DIMES

Mr. A. D. Hales (Wellington): Mr. Speaker, I should like to direct my question to the Minister of Supply and Services. In view of the continuing decline in the supply of quarters and dimes by the Royal Canadian Mint, in view of the problem of retailers in having enough change available, and as conditions will worsen between now and Christmas, what steps is the minister taking to increase the supply of silver coins in order that this problem can be overcome?

[*Translation*]

Hon. Jean-Pierre Goyer (Minister of Supply and Services): Mr. Speaker, we are now minting coins at full capacity, and this is even causing problems with our personnel. However, we are negotiating with our personnel representatives in order to minimize the coin shortage.

[*English*]

Mr. Hales: Would the minister take into consideration a cutback in production for export in this connection?

[*Translation*]

Mr. Goyer: Mr. Speaker, in fact we do not wish to destroy the markets that we have developed outside Canada, but we have certainly reduced our activities in these markets to meet the demand within the country.

* * *

[*English*]

ENERGY

DATE OF COMMENCEMENT OF OPERATIONS OF SUPPLIES ALLOCATION BOARD

Mr. Tom Bell (Saint John-Lancaster): Mr. Speaker, I have a question for the Prime Minister. Is he able to say now when the energy conservation board which he announced on television will be getting under way?

Right Hon. P. E. Trudeau (Prime Minister): Yes, Mr. Speaker, I believe notice of this procedure was given and it is probably on the order paper now.

● (1450)

Mr. Bell: Even if legislation is necessary, will the Prime Minister give the assurance that he will have a minister other than the Minister of Energy, Mines and Resources be responsible for this important task in the coming months this winter?

REQUEST THAT PRIME MINISTER GIVE PRIORITY TO SECURING AGREEMENT WITH ATLANTIC PROVINCES ON OFFSHORE MINERAL RIGHTS

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I wish to direct my question to the right hon. Prime Minister. In view of Premier Regan's statement that an agreement between the Atlantic provinces and Ottawa on offshore mineral rights can be secured as soon as we can get federal officials to find time for a meeting to complete the negotiations, will the Prime Minister give priority to such a meeting so that the development of our energy resources in Atlantic Canada will not be further delayed?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am certain that the delay cannot be attributed to us. I missed the first words of the question and therefore I do not know to whom the words are to be ascribed.

Mr. Fairweather: To Premier Regan.

Mr. Trudeau: I understand they are Premier Regan's. I can only say that I wrote Premier Regan and the other Atlantic premiers and, indeed, the premier of Quebec, a very short while ago indicating to them our desire to proceed with this. Until now they have been proceeding as a group of five provinces. But recent development indicated they were no longer a group. I wrote them saying we wanted to continue the discussions with either all five or a smaller number, but would they let us know as soon as possible.

Mr. Speaker: The Chair will recognize the Leader of the Opposition and then call orders of the day.

OIL PRODUCTS PRICES—NATURE OF GOVERNMENT UNDERTAKING TO COMPANIES ON PRICE INCREASES BASED ON INCREASE IN IMPORTED CRUDE COST

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. A number of days ago he indicated that, in exchange for the voluntary agreement by the companies to freeze product prices, he had agreed that increased cost of imported crude could be passed on by way of product price increases. Could the minister indicate very briefly just what the nature of his or the government's undertaking was to the companies with respect to increased prices based upon increased costs of imported crude and how long this undertaking given by the government is to remain in effect?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, the undertaking is essentially in the form described by the Prime Minister in his statement of September 4 and as expressed subsequently, that identified increases in costs of eastern refiners related to increases in the price of their offshore feedstock could, upon satisfaction to the department and to myself, be passed on in higher prices. This would, of course, be for the period that the prices are under restraint as they are at present.

Mr. Stanfield: Do I gather from an answer given earlier today that the minister is reviewing this position?

Mr. Macdonald (Rosedale): Reviewing the position with regard to eastern refiners?

Mr. Stanfield: Yes.

Mr. Macdonald (Rosedale): At the moment I have had no indication of additional cost increases, but since the cost increase involved in the Venezuelan decision is at a very much lower percentage than the previous one, I would require further satisfaction that indeed there would be any kind of penalty to the refiners from absorbing this cost increase rather than seeking to pass it on.

Mr. Speaker: Orders of the day.

GOVERNMENT ORDERS

[*English*]

PAROLE ACT

APPOINTMENT OF ADDITIONAL AD HOC MEMBERS TO NATIONAL PAROLE BOARD

The House proceeded to the consideration of Bill C-191, to amend the Parole Act, as reported (with an amendment) from the Standing Committee on Justice and Legal Affairs.

Mr. Speaker: The hon. member for Winnipeg North Centre (Mr. Knowles) wishes to rise on a point of order.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise to a point of order with respect to the order of business that has just been called. I think it could be said that there have been some discussions about the order of business this afternoon, and that there are a few difficulties because of the absence thus far of certain members. With respect to Bill C-191, there are a couple of report stage amendments to it in the name of the hon. member for Skeena (Mr. Howard) who will not be here for an hour or so. It was suggested that we might move on to Bill C-190, order No. 43, but I am told that the hon. member for Crowfoot (Mr. Horner), who has put down amendments to that bill, will not be here for an hour either. It was suggested also that we might deal with the residential mortgages bill, but the Minister of State for Urban Affairs (Mr. Basford) is not here. I suppose all this adds up to the fact that it would be a good day to deal with family allowances and the Canada Pension Plan—

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): —except that since we are prepared to give third reading to those two

bills without debate, they would not take much time. In any case, we could do those bills a little later.

In the light of all this, I think there has been an understanding that I would be permitted to move the first of the amendments in the name of the hon. member for Skeena on his behalf, on the understanding that if he arrives while the debate is still in progress, he will be permitted to speak at that time.

Mr. Speaker: Is this agreed?

Some hon. Members: Agreed.

Mr. Speaker: I am wondering also whether hon. members would not feel that motions Nos. 1 and 2 might be moved for debate together but voted on separately. They seem to deal with substantially the same matter. It would be a little difficult to contrive two debates on these separate motions. If this is agreed, I will put both motions to the House.

Mr. Knowles (Winnipeg North Centre): May I suggest that this could be agreed to, and also, in view of the circumstances to which I have already alluded, perhaps the debate might be permitted to deal generally with the question of enlarging the Parole Board. I understand that there are a number of members who want to speak in those terms. But that fits in with your suggestion, Mr. Speaker.

Some hon. Members: Agreed.

Mr. Stanley Knowles (Winnipeg North Centre) (for Mr. Howard) moved:

That Bill C-191, to amend the Parole Act, be amended in clause 1 by inserting the following as subsection 4.1(2) immediately after line 13:

(2) Two of the *ad hoc* members shall be persons of Native Indian origin.

And by renumbering the subsequent subsections accordingly.

That Bill C-191, to amend the Parole Act, be amended in clause 1 by inserting the following as subsection 4.1(3) immediately after line 17:

(3) Two of the *ad hoc* members shall be persons who have served a period of time in a penitentiary under the jurisdiction of the Parliament of Canada whether or not such persons, at the time of their appointment, have been granted a parole.

And by renumbering the subsequent subsections accordingly.

He said: Mr. Speaker, it is my purpose at this point to speak to motion No. 1 and to speak briefly. It seems to me that the motion, in fact, speaks for itself. The proposal is that at least two of the ten ad hoc members who are being added to the Parole Board by Bill C-191 should be persons of native Indian origin. We are all sadly aware of the fact that a disproportionate number of those in our penitentiaries are of native Indian origin. This raises a social problem and a matter of social concern to which we should be giving thought in many ways.

It does seem a crime, if I may use that word in this context, that proportionately so many more of our Indian and native people find their way into our penitentiaries than is the case with those of other racial backgrounds or origins. It is the feeling of these people, and I am sure that others like myself have had ideas along this line, that greater sympathy, a greater understanding of the plight of the native people in penitentiaries, would be accorded if there were some members of the Parole Board actually of native Indian origin. As a matter of fact, there are good arguments for putting persons of native Indian origin in other positions of authority in our correctional system, and representations to that effect have been made by organizations representing our Indian and native people.

● (1500)

I recognize there is always a question raised when it is proposed that any board or body should be constituted on a quota basis. We run into this situation on the question of giving equal representation to women on various boards. We run into it in the case of English and French speaking Canadians, and so on. Yet there are times when, in order to get a principle established, it does seem necessary to make a proposal such as this. Therefore, I suggest that my colleague from Skeena has made a proposal which ought to be considered. I trust that in the discussion of this proposed amendment, ideas will be forthcoming as to what we might do to show more concern for and more helpfulness to our native Indian population. At this moment, however, I urge the House to give its support to this amendment calling for at least two of the ten ad hoc members of the Parole Board to be persons of native Indian origin.

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I would like to say just a few words on behalf of the Solicitor General (Mr. Allmand) with regard to these motions.

Mr. Knowles (Winnipeg North Centre): Isn't he here, either?

Mr. Lalonde: First, I wish to say that the Solicitor General is in Victoria today to discuss with the Attorney General of the province of British Columbia the agenda of the forthcoming federal-provincial conference on corrections to be held in Ottawa between December 12 and December 14.

The essence, and the intent, of Bill C-191 have been fully outlined by the Solicitor General in previous debates, and also in his appearance before the Justice and Legal Affairs Committee. It would seem that the only outstanding matters to be considered relate to the amendments proposed by the hon. member for Skeena (Mr. Howard). As pointed out by the hon. member for Winnipeg North Centre (Mr. Knowles) the two amendments suggest that two of the proposed ad hoc members of the Parole Board be native people, and that two others be former inmates. While the Solicitor General fully appreciates the intent of the hon. member's amendments he did make it clear, I believe during second reading, that he would use the expansion of the Parole Board as an opportunity to broaden the base of the board in a significant way. However, I submit that it would be unwise to require, by law, the appointment of any individuals according to race.

The hon. member for Winnipeg North Centre has indeed recognized this difficulty in other cases, saying it would be quite inappropriate to start spelling out in all our bills relating to various boards detailed compositions based on linguistic representation, regional representation and sex representation. If the hon. member for Skeena were here, I

could tell him that some hon. members sitting behind me would be saying a few words to him for not making any mention of female representation on the board. If one can make a case for former inmates and native people, then one could make a very strong case for adequate representation of women on that board. In actual fact, there are a number of women who are inmates, and who are subject to parole at various times.

I would like to assure the hon. member for Skeena, and the hon. member for Winnipeg North Centre, that the list of names currently being considered by the Solicitor General for appointment as ad hoc members of the Parole Board reflects the necessity of bringing broader participation of all parts of the community to the board's deliberations. The concerns expressed in the hon. member's amendments are very much in the mind of the Solicitor General, and he would like to take them into account when considering appointments to this board. But once more, Mr. Speaker, in terms of a general principle governing the constitution of government boards, it would not be quite appropriate, and not really in the best interests of the operations of those boards to start specifying all kinds of requirements with regard to representation and composition. We believe there is more to be said for allowing greater flexibility, leaving it to the various groups in the community to make sure that the government of the day takes into account the various clientele which a board like this is called upon to serve, and letting the minister be answerable in the House as to the quality of the candidates he would choose for recommendation to the Governor in Council for appointment to a board.

Once more I say that the government is sympathetic to the principle of representation put forward in the amendments. It is, indeed, the intention of the Solicitor General to take those concerns into account when appointing ad hoc members; but we suggest it would be preferable to leave it to the Solicitor General to make sure there would be adequate representation of the various sectors of the community. I repeat that if we continue along this line, we could end up requiring regional representation, linguistic representation and sex representation. There is no end to the definitions of this type that one could put into such a bill. Therefore, while expressing sympathy for the amendments proposed by the hon. member for Skeena, I would urge the House to reject them as not being appropriate for this particular bill.

Mr. Erik Nielsen (Yukon): Mr. Speaker, it is my view that increasing the size of the Parole Board, which the act now says shall consist of not less than three and no more than nine, by adding another ten ad hoc members to it falls for short of solving the problems that the Solicitor General (Mr. Allmand) is burdened with in the responsibilities placed upon his shoulders under the Act establishing his department.

The policies being followed by the government which are making parole problems proliferate are not going to be solved by the simple addition of numbers. When you have government policy being followed by the board to the extent that, in effect, the board is overruling the findings of judges and juries, and imposing an entirely different sentence from that imposed by a judge at a trial or on appeal, even though this falls within the board's powers, it can be seen we are close to the root of the problem. I wish to cite a number of cases in support of what I have just said, one being the case of William Kraft.

• (1510)

Before getting into that, let me say that the root of the present attitude, which I think results in a policy that this government is following; was established by the previous solicitor general in 1971 who then had responsibility for penitentiaries. He established the precept that from now on the policy is going to be to stress rehabilitation over and above all else. That is one of the factors that is set forth in the provisions of the Parole Act now which has to be considered by the Parole Board when considering parole. But when putting that policy into effect, it seems that the emphasis has been placed, decidedly and emphatically, on rehabilitation rather than on the protection of the public.

How far the pendulum has swung, according to Judge Bewley, is evident in the case of Robert Leroy Barber who was convicted of 19 criminal offences between 1950 and 1964 including theft, breaking and entering, assaults on police, and possession of unregistered firearms. In 1964, he was convicted in Toronto of robbery and sentenced to 15 years imprisonment. He was paroled on May 28, 1969. While on parole Barber and an accomplice, Clarence William Kraft who had 22 previous convictions, robbed a bank in Deep Cove, North Vancouver of $34,602 on June 18, 1971. That was just a little over two years after his first parole. Police dogs tracked them down in bushland and there was a gun battle in which 500 rounds of ammunition were exchanged. An RCMP constable and a police dog were wounded and a second dog was killed. Barber was captured and Kraft killed himself.

When the RCMP asked for cancellation of Barber's parole, a national Parole Board representative in Vancouver refused and the reason given was "because Barber was not guilty until proven guilty". Fortunately, the judge before whom he was arraigned denied him bail. When Barber was being sentenced for this latest crime,—he received 17 years for attempted murder and robbery—the same parole representative spoke on his behalf and stated that he felt the man could still be rehabilitated. That is only one of several illustrations of the deeper concerns that beset the Solicitor General than simply increasing the number of members on the Parole Board.

There was a comparatively recent case in the city of Ottawa where an individual was out, I think, on temporary leave of absence or day parole. He had been serving a sentence for a violent crime. While he was out he applied for and was granted a LIP grant, the purpose being to help rehabilitate convicts who were coming out of prison. While he was undertaking this work in the city of Ottawa he was arrested for attempted murder. That is the kind of concern that most Canadians have with respect to the function of parole in this country. They feel that the government is placing undue emphasis on the rehabilitation factor set out in the Parole Act. There are three such factors and I cannot put my finger on them at the moment, but rehabilitation comes last on the list.

I am not speaking against the fact that rehabilitation is one of the criteria that should be considered when parole

is granted, but I am voicing my opposition to placing that factor at the very top of the list and placing emphasis on it and it alone. There is a hard core of prisoners with whom extreme care must be taken before any parole is granted.

I am sure many members read the *Globe and Mail* editorial page this morning. Under the heading "Last word" appeared the following:

> Judge Douglas Latimer did his best to be emphatic in dealing with a man convicted of raping two 16-year old girls at knife point while on parole from a five-year prison sentence for raping a third girl. He sentenced him to life imprisonment plus 15 years and ordered that he serve the three years remaining on his first sentence.
>
> However, a National Parole Board spokesman said the man would be eligible to be considered for parole again in seven years—one of those little pronouncements that seem to suggest judges are often wasting their breath.
>
> When the Commons extended the trial ban on capital punishment it incorporated in the Criminal Code amendment a provision that full parole for a convicted murderer would be impossible until he has served between 10 and 20 years, depending on the sentence handed down by the judge. Day parole or temporary leave would be withheld mandatorily for the first seven years.
>
> The principle is sound. It should not be confined to cases of murder.

That is what Judge Mulligan and Judge Bewley were saying when they were highly critical of the actions of the Parole Board. Indeed, the board can make decisions without any reference to the convicting judge or any of the convicting court officials. It seems to me to be the prudent course for any parole policy that in all cases of parole of a person convicted of violent crime, there should be a mandatory provision requiring consultation with the judge who had an opportunity of seeing the prisoner at first hand. It used to be a policy of the National Parole Board that they would consult with the judge. Perhaps it is the tremendous case load that has caused the government to steer clear of that kind of policy. According to my information, in 1970, there were 5,923 parolees; in 1971, there were 4,965 and in the first six months of 1972, 1,938. That represents a 24 per cent drop in paroles granted at federal and provincial institutions over the same period in 1971.

I think it is a proper observation that the Parole Board's decisions are often made by academics, such as sociologists and criminologists, without consultation with the police or the courts. For that reason, I find the amendments brought in by the hon. member for Skeena (Mr. Howard) of some attraction, but in a moment I will say why I and others cannot support them at this time. The result of the amendments would be the appointment of people who have some knowledge of human nature outside of academia. In any event, these academics and sociologists and criminologists, expert as they may be, have no consultation with the police or with the courts that cause the convict to be sent away.

Judge Bewley of British Columbia has stated that:

> we want the law changed to make the Parole Board an advisory body which would be required to consult the judge who passed the sentence before considering an application for parole. That would keep the power where it belongs . . .

I have a lot of time for that opinion and I think it would avoid a lot of the very curious errors that have been made in the past through the actions of the board.

Let us consider the case of Daniel Ceklay. In September, 1968 in the Georgia Hotel in Vancouver, Ceklay shot a man in full view of hotel patrons. On January 31, 1969, he was convicted of attempted murder and sentenced to 4½ years. In 1970, he was released on parole, just a year and a half after he entered the penitentiary. He had four previous convictions for crimes involving personal violence and threats. In September, 1970, a bare three months after he was paroled, he and an accomplice badly beat a man in a hospital bed, in full view of attending nurses. He was sentenced to ten years imprisonment.

● (1520)

The Canadian chiefs of police have argued that parole is a privilege rather than a right, and that society's rights must prevail over those of the individual. The police chiefs have also asked for closer co-operation between parole authorities and policemen. It must be extremely discouraging to law enforcement agencies of the country which have spent laborious hours, days, weeks or months accumulating evidence for putting behind bars criminals for ten, 15 or 20 years, to see those same individuals paroled at the earliest possible moment.

Since the Parole Board's creation in 1958, some 40,505 men and women have been given parole. Of those, as at December, 1972, 6,182 had violated parole regulations or committed offences after their release under supervision. The Parole Board's rate of failure has increased, from that date, from 8 per cent to 15.2 per cent. Notwithstanding the fact that paroles, in general, have been cut back the failure rate has increased even more. Mr. Choquette, Minister of Justice of the province of Quebec, criticized recently the administration of parole in this country.

Speaking, for the Quebec Minister of Justice, to the province's association of police chiefs and firemen, Mr. Robert Normand, Quebec Deputy Minister of Justice, outlined some of the province's main concerns with regard to the Canadian parole system. According to the deputy minister, the system is inadequate and needlessly open to criticism. His main comments on the system were these: first, a convicted person should not be granted the same benefit of reasonable doubt when seeking parole as was granted during the trial. Mr. Justice Mulligan of British Columbia also makes the same point. Second, the factors affecting the sentence decision should be reviewed when considering the parole of a convicted person. I submit that they should be reviewed. Third, unlike Great Britain, Canada does not conduct in depth consultations with the judges who sentenced the prisoner seeking parole. That point is being made from one end of the country to the other. The legislation still omits provision for that kind of mandatory consultation.

Also included in that speech was a comment on what is termed as an "intimidation" file, which was created as a result of recent unrest in Quebec. Where there is sufficient evidence, the file will be used by police to sentence those involved in subversive actions in the province. He concluded by saying that general police matters are presently being discussed by a ministerially appointed group, headed by Mr. Charles Cliche.

I have only a few more brief comments on the bill before us, sir. This bill provides for an increase of ten ad hoc

members to the National Parole Board. This enlargement of the National Parole Board was promised by the Solicitor General (Mr. Allmand) in his June 1 statement to the House on the penitentiary system and the new regulations concerning parole and temporary absences. I have not seen these new regulations. I believe that the old regulations which are still appended to the Parole Act are not by any means comprehensive.

In his nine-point statment last June, the Solicitor General promised that legislation would be introduced at the earliest opportunity to amend the Parole Act, to permit the appointment of ten additional ad hoc members of the Parole Board. He said that these ten members will be assigned in teams of two to the five parole regions of Canada and will deal primarily with day parole and panel hearings in the institutions. This step will enable the National Parole Board to deal with a considerable backlog of cases that require detailed consideration, and simultaneously satisfy the new volume of decisions on day parole that will come before the members.

The Parole Board at present is composed of nine members and 34 officers. On May 1 of this year George Street, Chairman of the Parole Board, announced that the Parole Board was discontinuing its practice of face-to-face interviews with inmates because of the heavy case load of applicants. He explained this decision on a May 20 appearance on the television show "Question Period". He explained that interviews were being stopped at the present time "until we get more members and the Board is re-organized, because we just couldn't keep up." He noted that the number of cases reviewed in 14 years by the Board went from 5,000 to 17,000 every year. Then, as the Board started to travel, he said, "We got more and more applications and more and more work." One of the most essential processes in any parole system, sir, is that of face-to-face confrontation, face-to-face interview between the applicant for parole and the parole officer. I hope, at the minimum, that the increase of ten ad hoc members will permit a reimplementation of that kind of work.

Mr. Street also pointed out that half of the Board's work deals with provincial prisons. I say in passing that there has been a good deal of criticism directed at the Chairman of the Parole Board, as evidenced in committee hearings and as voiced by the hon. member for Skeena (Mr. Howard). I, for one, have every confidence in the abilities of the Chairman of the Parole Board, Mr. George Street. Instead of dwelling constantly on failures and attributing these failures to one individual, perhaps we should be looking at some of the progressive and meaningful things Mr. Street has been doing in his administration of the Parole Board. I certainly want to say now that we emphatically endorse what he is doing. He is doing a good job.

I should like some questions to be answered. I do not suppose the Minister of National Health and Welfare (Mr. Lalonde), who is doubling for the Solicitor General, will be able to answer these questions. I wish to ask whether the increase of ten ad hoc members to the Board will permit reinstatement of interviews with inmates. Second, are there any plans to decentralize the Board by having panels stationed in different parts of the country so that institutions can be visited on a more frequent basis? Third, are there plans to increase the number of parole officers? I understand that there are some 34 such officers at the moment. Fourth, what will be the effect on the Parole Board of the new regulations regarding parole and temporary absences. Will the expanded board have some input into the system of temporary absences, which are not the concern of the Parole Act—

[Mr. Nielsen.]

Mr. Speaker: Order, please.

Mr. Nielsen: Mr. Speaker, I wish to ask two more questions.

Mr. Speaker: Order, please. Perhaps with the consent of the House the hon. member might be allowed to complete his remarks, although his time has expired. Is this agreed?

Some hon. Members: Agreed.

Mr. Nielsen: Mr. Speaker, my fifth question is this: has any consideration been given to restricting the Parole Board to federal institutions only? The corollary to that is, will some functions of the Parole Board be transferred to provincial parole boards, in cases where there are such boards, or are provinces to be encouraged to set up parole boards, in cases where there are not such boards, in order to decentralize this function. Lastly, when will the Huguesson report be released? If it recommends, as is widely rumoured, amalgamation of parole and temporary absence procedures under the National Parole Board, will the Board be able to handle the increased workload, given its already existing backlog?

Those are questions I should like answered before being asked to vote on this measure. Also, I must say at once that we cannot go along with the amendment proposed by the hon. member for Skeena, because inasmuch as he suggests that we ought to include on the Board two Indians or persons of native origin, or two persons to be drawn from those who have served some time in penitentiaries, or others, we should, as the minister pointed out, open the door to a wide range of people, who, it is suggested, might be left off. The female sex has been mentioned. I can imagine such a provision would open the door to insisting on their being given persons of French speaking origin and five persons of English speaking origin. Breaking down the composition of the board by race, sex and colour would be unworkable. I would be content to have the power to appoint members exercised as in the past in the hope we might get some people a little closer to the earth, and a little further from academia, making the practical decisions that are made by the board. I thank the House for extending my time.

● (1530)

[*Translation*]

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, I will say only a few words on Bill C-191 because I do not intend to participate in a lawyer's marathon. I have always considered that lawyers were most interested in such problems as they give them another opportunity for fighting among themselves.

I am quite surprised at this bill being submitted now. We believe that the National Parole Board has enough members now. We are being presented Bill C-191 aimed at

increasing by ten the number of members and moreover it is suggested that two Indians, perhaps also two Esquimos as well as two ex-convicts be appointed. But why not also appoint two life convicts to complete this group? This is done in the name of equity. As regards the number of members, I do not know whether the hon. member for Skeena (Mr. Howard) found that their number was not all proportional to the population and whether he wants to be fair. Even though the board would include two Indians, two ex-convicts and so on, it would not be proportional to the population and I fail to see what those extraordinary members have to do with parole.

Besides, I have always found that the board often neutralizes the law. Today, Mr. Speaker, I am merely speaking as the man in the street because I am not a lawyer. However, people are wondering why the public at large no longer believe in justice or law. It is that after having discussed a bill for weeks and months to try to adapt it to our society, we immediately note, as we have seen today, that lengthy discussions are held to create a parallel instrument which would neutralize the effects of that legislation.

When a bill is introduced to provide security for society, it seems that every effort is made to restrict it covertly in order to eliminate all security provisions which it included. This is why 90 per cent of the people today do not believe in justice or law, because when sensible legislation is passed, everyone says: Something will happen and the security provided under the legislation will be eliminated. It is precisely what is happening today.

With respect to parole, the board should, as the hon. member who spoke before me said, discuss the case of a prisoner before the judge who sentenced him. But now, even if a jury is most cautious and a judge sentences an individual to a term of one or two years, a board can destroy all that has been done, even without asking for permission to do it. That is becoming ridiculous. So one wonders if that is not a gimmick to give even more problems to lawyers and have them fight more.

Lawyers are probably not busy enough, and still do not make enough money. That is why they are looking for work. So they have a prisoner sentenced, and that costs a lot, but it costs even more to take him out of prison so they can have him back and thus make even more money.

I have attended coroners' inquests for 30 years. I saw so many of them that I lost all faith in them. I have seen so much politics involved in courts of justice that I now call them courts of injustice.

Instead of introducing further amendments to constantly destroy the present legislation, let us rather try to have it appreciated by restoring confidence within the population and respecting sentences handed down by the courts. If the government appointed judges, it must have had confidence in them. When you appoint a jury, it is because you trust it.

I do not agree with the present jury appointment process whereby all members of a jury must be acceptable to the accused. Too often the accused accepts the members of a jury because they are favourable to him. Furthermore, we do see terrible things. That is why we must absolutely get back to the act which says that if a judge has any authority, this authority must be respected and not destroyed by a parallel group that pulls all sorts of strings. By doing this, we shall restore confidence among the people. I repeat that the people have no more confidence in justice.

We must try and restore that confidence and not introduce amendments such as those. Therefore, we cannot approve this amendment.

● (1540)

[*English*]

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, it is not often I intervene in debates of this kind in connection with a bill sponsored by the Solicitor General (Mr. Allmand) but there are some points I should like to make with regard to the two amendments proposed by the hon. member for Skeena (Mr. Howard).

First, may I say I do not support the amendments. It is not that I object to what the hon. member is trying to achieve. On the contrary, I am definitely of the opinion that men and women of experience whose origin is among our native peoples could make a very effective contribution to the parole system as members of the Parole Board. What I do find objectionable is that the hon. member is seeking to impose a quantitative requirement. He says that at least two members of the board should be persons of native origin. Upon the basis of this approach, we might well prescribe minimal representation by other groups which also have an interest in the operations of the Parole Board. I do not think it accomplishes anything to say there should be a minimum of certain categories of people on any board.

Similarly, I think it would be the most unjust thing in the world to include at least two persons with criminal records, people who had served time in an institution. We hope that the records of persons who are rehabilitated are forever extinct. There is provision in other legislation that pardons can be obtained so that a man's record can be expunged completely when he has paid his debt to society. As for the hon. member's suggestion, what a way to indicate to everyone concerned that two members of the board are people who have served time. It would be like asking them to wear a badge saying they had prison records. I cannot accept this. I realise that the hon. member wishes to see on the board persons who have had experience, as it were, on the other side of the table. Well, there may be something in that idea but there is no way in which it could be implemented by passing a law saying the board should include representatives of Canadians who had served time in correctional institutions.

It seems to me that the record of the Parole Board has been unjustly attacked all too often by the hon. member for Skeena and others. The board is having an extremely difficult time attempting to cope with a situation which is, in many instances, beyond its capacity, bearing in mind that Canadian law has a predilection for throwing people into jail. It is a national characteristic in this country. There is hardly a statute carrying a sanction in which the penalty section does not say: Throw him into jail! What is the result? Naturally the consequence is an overblown prison population.

It seems to me we would be far wiser, both from a social point of view and from a financial point of view, to prescribe that in the case of a first offence or, indeed, of a second and third offence in minor matters, culprits should be sentenced not to incarceration in an institution, but to a period of restricted conduct; they would have to report to a probation officer on a regular basis for a determined period. To my mind, it is a downright shame that so many of our statutes, so many of the offences under the Criminal Code should call for a prison sentence. No wonder so many young men and women continue in a life of crime. No wonder the percentage of recidivism is so high. I am no expert in prison administration or penology, but one has simply to be aware of what goes on, to read what appears in the press, and to listen to what is said in this House from time to time to know that this is not the answer.

It seems to me the Parole Board should be allowed wider scope, that increased personnel should be made available for its work. People who have done time in a corrective institution, and native people, certainly, because we know our prisons and penitentiaries contain an altogether disproportionate number of inmates who are of native origin, can certainly make a valuable contribution to its work. Why not a ticket of leave system, a system of probationary sentences whereby an individual must show by his own good conduct and prove by his good behaviour that he merits a return to the full freedoms of society. In this way he would be left outside an institution and not be subject to the very severe restrictions of a corrective institution where all kinds of negative influences are at work. Frankly, the man who can go straight after having served time in a prison or in a provincial jail does so in spite of the system, not because of the system.

Some hon. Members: Hear, hear!

Mr. Lambert (Edmonton West): In these circumstances, I think the personal criticisms that are often made of the chairman of the Parole Board by the hon. member for Skeena, personal and bitter charges against the chairman, are totally without foundation. I am sure the chairman himself would be the first to say that the board is not perfect and that all their decisions are not correct. But they do what is humanly possible, and that is all we can ask them to do. The same could be said of the courts. If we impose upon them a greater burden than that, then let the individual who does so himself adopt that course of conduct. I think we would then hear a lot less criticism of individuals by others who are engaged in much less onerous tasks.

Having said this, let me turn to one area in which I believe there could be improvement. I refer to the degree of liaison between the Parole Board representatives in the various provinces and the local penal administration authorities in provincial jails. As the House knows, many times the Parole Board is quite prepared to entertain an application for day parole in certain cases.

● (1550)

I had a case a while back that was a combination of bureaucratic idiocy which translated itself into the thinking of the magistrate who sentenced a barber to some 60 days in jail, without the option of a fine, because the man had wrongfully taken benefits under the Unemployment Insurance Act. He had entered into a scheme of repayment, the whole thing having been done with the connivance with his employer. The individual had a wife, two children and another on the way. The magistrate, in a spirit of zeal to try to enforce an unenforceable and unworkable Unemployment Insurance Act, sentenced the man to 60 days. His employer said that if day parole could be arranged they could keep the man's job open for him.

This man's wife got in touch with me and the whole thing was arranged without any difficulty with the Parole Board. She had seen the Parole Board to start with and the Parole Board worked very expeditiously on the matter. However, once the decision had been made by the Parole Board, it took three to four days for the provincial jail authorities in Edmonton to process the decision and to have the man transferred from the provincial jail to a detention centre where he would be granted day parole. He almost lost his job, notwithstanding the fact that as far as his employer could do so he was going to try to keep his employment open for him. The alternative as far as society was concerned was that the wife and two children would go on welfare and the man would have been without a job.

I think the original decision of a mandatory jail sentence under the Unemployment Insurance Act for an offence of wrongfully drawing benefits to the tune of just over $200 was totally wrong. It is ridiculous to send the man to jail for that. He is the type of individual who should be on probation, and it seems to me this is the sort of thing for which we should strive. In the city of Edmonton, the former RCMP divisional barracks or administrative offices have been taken over and turned into a day detention centre where parolees can report, some to carry on their jobs, some to attend school and university while technically serving the remainder of their sentences for relatively minor offences. These people are those who have already indicated they are well on the road to rehabilitation. I think this is the natural and progressive step forward.

I should like to see the duties and the scope of the Parole Board expanded, with less people being sent to jail and more being put on probation. As I indicated earlier in my remarks, I do not propose to support these two amendments.

Mr. John Gilbert (Broadview): Mr. Speaker, the hon. member for Skeena (Mr. Howard) has brought us face to face with the problem of discrimination. Most of his speeches in this House have usually been speeches about discrimination against Indians and other groups in our society, but now the hon. member for Skeena is himself practising discrimination. He is saying that we should not discriminate against the Indian, we should discriminate for the Indian. The reason I say that is that he is well aware of the evidence that has been set forth in the Ouimet report, and also in the report on the status of women, which detailed acts of discrimination against the Indian people across the country. As a result of this discrimination, there is a very high ratio of Indians in our prisons today and this is rather unfortunate.

We have before us Bill C-191, the provisions of which add ten additional ad hoc members to the Parole Board. The hon. member for Skeena has said that if we are going

to do this, then in view of the high number of Indians in penitentiaries today we should impose an obligation on the Parole Board to have at least two of their number be representatives of our native Indian people in Canada. I rise to support that motion. I do so, first of all, because of the high incidence of Indian people in our penitentiaries, and secondly because of what the minister said in the Standing Committee on Justice and Legal Affairs. The minister indicated that the kind of person who would be added to the board would be a retired judge, a person with experience in law enforcement, and probably a social worker. I do not think that is an appropriate mix to compose the Parole Board.

This is the reason the hon. member for Skeena has brought forth this motion. There has been no assurance by the Solicitor General (Mr. Allmand) that he would include on the panel of members of the Parole Board people from different walks of life. It is very easy to get a professional person to serve on the Parole Board. Although he probably brings with him an academic training and experience in the field, he does not bring with him the day to day experience of the people with whom the board will be dealing.

One cannot help but support the main principle of the bill, which is to add ten additional ad hoc members to the board. But one does hope that the members who are appointed have that experience that would make them better suited to fill this position. Therefore, I think we owe the hon. member for Skeena some credit for bringing this question of discrimination to our attention. We have the Huguessen report on parole and the Senate carried out a study in this regard. It is now necessary that legislation be brought forward in the near future to implement the recommendations of this report, as well as the recommendations of the Committee on Justice and Legal Affairs.

● (1600)

In the meantime, we have a tremendous backlog of applications. It has been said by the minister that we must deal with these parole applications. He has also said that because of the volume members of the Parole Board have stopped personal interviews with prison inmates. They have also stopped some of their official hearings. All that is taking place at the moment is a review of the reports by members of the Parole Board. As suggested by the Solicitor General (Mr. Allmand), with the addition of 10 members we will be able to reinstate prison interviews of inmates and parole committees that will travel to different institutions to hold hearings.

It was a great step forward when the Parole Board was split into small committees which visited penitentiaries. I think the hon. member for Skeena, having a tremendous background in respect of some of the problems inmates have not only within institutions but on the outside, and having broad and specific knowledge about discrimination against Indian people in the courts and within the institutions, as well as within the structure of our parole system, was right when he suggested there should be a change in the composition of the Parole Board and that there should be discrimination in favour of our Indians rather than against them. It is very easy for us to suggest this, but if we discriminate in favour of the native Indian people I am sure we will hear screams for discrimination in favour of other groups in our society, and perhaps even on the basis of sex.

This amendment provides the opportunity of dealing with discrimination imposed against our native people. I realize the need for a strong parole system, as paroles and probations are two necessary steps in integrating prisoners back into society. It should be pointed out, and I am sure the hon. member for Peel South (Mr. Blenkarn) will do so, that there is a high recidivist rate in Canada. With this in mind, there is a duty on us all to make sure our probation and parole systems work, that our retraining programs are devised in a way that will ensure the rehabilitation of these citizens. Our Indian friends face a problem not faced by the rest of us, and I am sure that the hon. member for Skeena wanted to underline this fact when bringing these motions to our attention.

We now have an opportunity to help these people. The statistics respecting the number of Indian people in our penitentiaries are staggering. Another fact we must consider is that Indians do not, on many occasions, receive legal assistance. I would be quick to say there has been a tremendous improvement in our legal aid, but there is still a long way to go. By adopting this amendment in relation to Indian people, I believe we are taking a big step in the right direction.

The second motion, and I understand we are dealing with them both at the same time, deals with the appointment of former inmates to the Parole Board. I suggest this is a real challenge. I think there is a tendency for most people in our society to look at those who have been convicted of a criminal offence and sent to penitentiary in a different way than they look at others. It seems to me that people who have been convicted and have been in jail may have something to offer a parole board. These people have knowledge about the situation inside our penitentiaries, and I think they could make a contribution that cannot be made by sociologists, psychiatrists and psychologists. In this way our Parole Board can get first-hand knowledge about discrimination taking place not only in our penitentiaries but also in respect of our educational system and our system of employment.

What I have suggested would represent a step forward in our penitentiary system, but such a step requires a great deal of courage. Hon. members who have spoken today have displayed some reluctance to take such a great leap forward. During the capital punishment debate, many members professed to be against capital punishment but then proceeded to set forth certain exceptions. I think we must have courage in order to cope with this grave problem. By adding two members of the Indian race to the Parole Board, and by adding two members to that board who have had prison experience, I think we will move a long way toward coping with this problem. I hope we do not get tied up in an academic approach to this matter.

I trust that the Solicitor General will take to heart what has been suggested this afternoon, and I hope that the Minister of National Health and Welfare (Mr. Lalonde) will indicate that he thinks this is a good idea. These members would be ad hoc members of that board and subject to reappointment. This is not absolutely necessary, but I hope that hon. members will not be too restrictive or

too discriminatory in respect of the appointment of these members to the board.

● (1610)

Mr. Deputy Speaker: The minister wishes to rise on a point of order.

Mr. Lalonde: A few questions have been asked of me by the hon. member for Yukon (Mr. Nielsen). If hon. members were to agree, I could give him the answers now.

Mr. Deputy Speaker: If the minister, who has already taken part in the debate, is to be given the opportunity to reply unanimous consent would be required. I could put the question now, or perhaps I could put it after other hon. members have spoken. Is it agreed that the minister have the right to reply now?

Some hon. Members: Agreed.

Hon. Marc Lalonde (Minister of National Health and Welfare): I will only take a few seconds, Mr. Speaker, and I thank hon. members for allowing me to put on the record answers to some of the questions raised by the hon. member for Yukon.

First of all, he asked whether the changes that are proposed in this bill will allow the reinstatement of face to face interviews. The answer is, yes. This would mean a significant improvement in the services provided by the board to the inmates. We certainly hope also that there will be a significant improvement in the assessment of the various cases that come before the board.

Second, the hon. member asked whether there would be decentralization by regional panels pursuant to this amendment. There again the answer is, yes. Our intention is to set up a series of two man teams who would sit in the various regions and who would be responsible for the inmate population in the territory to which they have been assigned. This again would allow for a much greater contact with the inmate population and would give opportunity for gaining greater personal knowledge of the cases by the members of the board who would be present in the various regions in the country.

The third question deals with increasing the number of parole officers. I am advised that there has been an increase this year but the problem, it is felt, really lies with the Parole Board itself, in the sense that the members of the board were overworked and, because of their limited number, they could not cope with the type of service they would have wished to provide to the inmate population. Also, there has been an increase in the number of probation officers, and although one can expect a normal increase, it is not planned that there should be a substantial addition to the number of probation officers in proportion to the number of people on the Parole Board.

Mr. Nielsen: How many are there?

Mr. Lalonde: I am afraid I could not give the hon. member the exact information. He will have to ask the Solicitor General (Mr. Allmand).

So far as the effect of this proposal on temporary absences is concerned, this matter is being reviewed. At present it is under the jurisdiction of the penitentiary

services. We hope that the Parole Board, in its new form, will be again in a better position to have personal contacts with both the inmates and the prison administrators in each region and will be in a better position to perform its duties.

The fourth point had to do with Parole Board activities, and the take-over by the provinces in this field. Discussions are taking place on this very subject at present, and I suspect that the Solicitor General is discussing this matter in Victoria this afternoon. Some provinces have shown interest in this respect, others have not. This subject will be on the agenda of the federal-provincial conference which is to take place between the 12th and 14th of December in Ottawa. So, we will have to await the results of that conference to find out exactly what the situation will be.

The last question concerned when we would release—

Mr. Nielsen: I was reading old notes.

Mr. Lalonde: The report was released on June 22. I could not believe my ears when I heard the hon. member and realized how well acquainted he was with what goes on in the House.

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I should like the minister to clarify one point in his answer. He referred to two members of the Parole Board sitting in various regions. Will the decisions which they make at the local or regional level be binding on the whole board? I could put it more clearly. For example, a panel of board members sits at the Drumheller institute or at Prince Albert and makes a decision there. Does that decision need to be reviewed again in Ottawa? That is one of the problems. Everything will be moving smoothly if those decisions are binding on the board.

Mr. Lalonde: I am subject to correction in this respect but I remember having discussed this matter with my colleague and his intention, if I remember well, was that those decisions at the regional level would be final. However, the Solicitor General might contradict me when he comes back. So far as I can remember, the intention was to decentralize the operations of the board and to make sure that decisions are made by the people who know the inmates and who know the local conditions. However, once more I would like to stress that the Solicitor General might say that I was wrong and that I misinterpreted the situation.

Mr. Don Blenkarn (Peel South): Mr. Speaker, I am not so sure that the addition of ad hoc members to this Parole Board will solve the concerns of the people of Canada. Indeed, the whole question of people being allowed out of the institutions only to commit further crimes and further damage to lives and to property, is of concern to all Canadians. The hon. member for Yukon (Mr. Nielsen) mentioned the fact that a person on parole who comes from my area had twice committed the crime of rape. I want to mention another one to you. It is the case of a man on parole, again from my constituency, who was previously charged with drug offences. He was out on a nice weekend pass, and was again picked up for drug offences.

The problem is that too much effort has been expended by the Parole Board on allowing persons out on leave from the institution, persons who have clearly not demonstrated they are prepared to integrate into society. The people of this country are most concerned about the attitude that has been displayed by this government over the past years towards public safety. It is time they paid attention to the people of Canada and said: we will not allow people who have not reformed and who are still a menace to society to wander in the streets of this country. The thinking seems to be that since the rehabilitation, of the inmate may be helped by parole the rest of the people can take the consequences of the government's lack of ability to come to grips with social reality. Recently we had the example of a person released on a weekend pass who murdered the daughter of a prison guard.

How can any of us possibly be in favour of this kind of activity? If adding ten members to the Parole Board on an ad hoc basis will help, I compliment the minister for that addition. But unless there is a change in attitude in respect of allowing people their freedom prior to completion of their sentences, there will not be an improvement. This bill will only be a cover up for the problems that have occurred.

● (1620)

It may be that our prison system itself is totally at fault. Indeed, there has been more than ample evidence before a committee of this House which has yet to report that our prison system does little if anything to rehabilitate people, to reform people so that they can once again integrate into society. The number of persons who are allowed out of our institutions, either on parole or on completion of their sentences, and who return to those institutions again, and again and again, is overwhelming. Well over two-thirds of the people who serve time in our institutions return to serve time again. That is a disastrous situation.

It is high time the government introduced methods into the administration of our penal system that would rehabilitate people and thus enable them to integrate into society once more. It is high time the government took the clear stance that until the authorities were clearly satisfied that persons in institutions were properly able to integrate into society, those persons should stay in our institutions. Surely, the government has an obligation to protect those of us who perhaps need protection from the avarice, from the crime, from the brutality of some members of society who really do not fit into society.

I wish to refer to the amendments before us. They propose two things. They suggest that the Parole Board have at least two members representing the native culture of this country, and another two members who have had experience in the penal system on the other side of the fence. I commend the hon. member for Skeena (Mr. Howard) for bringing these to the attention of the House. But I, too, can see all sorts of reasons why it would be most difficult to talk about people of various racial backgrounds, people of various social experiences and backgrounds.

Certainly, we need good people, but one of the deep concerns is that the people serving on the Parole Board, and the people suggested by the minister for these ad hoc jobs, are people who come from the goody-goody side of society. They are people who really do not know what it is all about. They have studied. They have gone to university, and they know something about penology. Maybe they were good police officers. Maybe they were fine lawyers at one time. But what do they know about sticking a knife in somebody's back, or how to make a zip gun in a penal institution, or how to sneak heroin, marijuana or cocaine into that institution? What do they know about imposing discipline in a penitentiary? They are goody-goodies, and they really cannot analyse whether a person has reformed and is able to go back into society. So, they go by the record. Some pretty competent people are criminals. Anyone who knows his way around knows how an institution works, knows how to fill in forms, knows the right things to say at the right time, and before the right officer.

It does not matter that the officer is not a member of the National Parole Board. The criminal can satisfy the guard on duty. He is a cute fellow, and he can persuade the parole Board that he should be allowed out. We need somebody who understands the criminal mind, who understands what is going on in an institution, who understands when someone is really ready for parole or just wants a night out on the town, or wants to return to work in his old profession. Making X number of judges or X number of former police officers or members of the Public service ad hoc members of the parole board is not good enough. The amendments proposed by the hon. member for Skeena stipulate that the board have a couple of native people on it, and a couple of ex-inmates. I suggest that the minister should not be bound to do either. Perhaps he should have more than two native people and more than two ex-inmates on the board. He should not be bound by exact numbers, but he certainly should have people on the board who are not just goody-goodies. The minister should appoint people who know what is going on in the institutions, who could get inside the prisoners, who would understand when they are ready for parole, and when they are rehabilitated.

We have all had experiences in our constituencies of people allowed out on parole or probation. Recently in my riding one young man was allowed out on parole. It was said that he was going to be able to get a job and do all sorts of wonderful things. He got out in June. He had 12 offers of jobs from the Manpower organization. He has not taken one of them. He finds he can live well on welfare. I do not know what else he does for a living, but I am sure he does not live only on welfare. When will he be back in the institution? He will be back probably as soon as the police catch him. Clearly, he was not ready for parole. Yet we let him out of the institution so that he can be put on welfare, so that he can engage in his other activity again, so that he can keep the police officers busy, keep another court busy, and provide work for more lawyers and legal aid people before he goes back to jail.

That is not rehabilitation. That is not the proper use of parole. But that is the kind of thing that has gone on and is going on. If adding ten new members to the Parole Board will help, that will be great. But first the board itself must look seriously at how it is operating, to see if it is going to get down to business, to see if, as suggested by the hon. member for Yukon (Mr. Nielsen), it gets the judges report at the time of the original sentencing, to see

it makes sure that there are proper in depth interviews, that there are good psychiatric reports, and helps to ensure the prison system is encouraging the proper attitude among inmates so that they are ready for work again.

But there is no point in having remission of sentence and putting a person out on the street early just because somebody thinks it might be a good idea, or somebody thinks that if he got out of the institution he would be able to rehabilitate himself. The chances are he will not. The chances are he will be back again. The chances are that the people of Canada will suffer from his crimes again. That is not the answer. What we need is a complete investigation, as a result of which the Solicitor General (Mr. Allmand) will reorganize the whole system so that we do not have the problems we have had in the past and which continue.

● (1630)

Mr. Speaker, the whole question of putting people to work and getting them rehabilitated is the most important penal reform this country has to face. It can only face it with a Solicitor General and a government that is prepared to look the problem in the eye and not use parole as an easy method of emptying the prisons. We must have a government that is prepared to engage in a concentrated effort to make it possible for those who are serving time in our institutions to be reformed. We must have a government that is prepared to make it pretty clear that parole will not be used as a method of rehabilitation, but that parole will be used for those persons who have been rehabilitated. In the past, parole has been used as a method of rehabilitation and that is not the proper use of it. The penal system must be reorganized to accomplish the rehabilitation. The parole system is a system whereby you say to someone who has been rehabilitated that he can now go out because he can take part in society. It should not be used, however to push people out of jail in the hope that they will rehabilitate themselves in society.

Mr. Speaker, one of the finest institutions or groups that I have seen operating in the province of Ontario, a and one of the few good things to have come out of the LIP program, is an organization called "Operation Springboard" which was basically sponsored by the United Church of Canada. This is an organization that, through ex-convicts, attempts to relate to convicts presently in prison so that when and if they are paroled or discharged, they will be able to fit into society. It is an organization of ex-inmates working to help straighten out those persons now in prison. I have spoken to the Solicitor General about this organization and I know he is impressed with its record, but even that record is pretty bad. Members of the organization have told me confidentially that most of the people they work with cannot be helped yet most of them are given parole.

This brings me to the second amendment which refers to the use of ex-inmates as members of the National Parole Board on an ad hoc basis. Operation Springboard is an organization run by ex-inmates. Ex-inmates know what it is all about; they know the problems of rehabilitation and they know the numbers of persons allowed out who are very quickly brought back in again. The success of that organization could well be the beginnings of a model system whereby we might learn how to rehabilitate prisoners, by using ex-inmates.

[Mr. Blenkarn.]

I want to make it clear that I do not believe the National Parole Board should be used as a method of clearing the jails; rather it should be used as a method of allowing those persons who are clearly able and rehabilitated, to leave the prison system. We should not just allow people out because we think they might go straight. That is not the way the Parole Board worked in the past, and I ask that it not be the way the Board works in the future.

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, we are at the report stage of the bill which provides for an increase of ten ad hoc members on the National Parole Board, and we are considering two amendments moved by the hon. member for Skeena (Mr. Howard), one of which reads:

> Two of the ad hoc members shall be persons who have served a period of time in a penitentiary under the jurisdiction of the parliament of Canada whether or not such persons, at the time of their appointment have been granted a parole.

I should like, first of all, to say a few words about a matter which seems to have been misunderstood by the media at times as well as by people considering the Parole Board. We should differentiate between the function of the Parole Board and the function of those persons in authority who are granting temporary releases. If we look at the record of the Parole Board under the chairmanship of George Street, I think we will find that they have done an excellent job. They try to weigh very carefully each case as it comes before them and, except for a few mistakes,—and nothing can be perfect when you are dealing with human beings and human behaviour, especially with this type of person—they have done excellent work. I should like to congratulate the minister for increasing the number of members on the board, but the number of officers should also be increased.

I ask the Minister of National Health and Welfare (Mr. Lalonde), who is piloting this bill in the absence of the Solicitor General (Mr. Allmand) who is at a conference, if these two members of the Parole Board were meeting in different regions, whether they would have binding authority to make decisions on any persons coming before them for a hearing. I would hope that to be true because I think the most important aspect is not increasing the number of parole officers, but is to make certain that these hearings are held at the regional level. In this way, the various institutions in western Canada such as those in Alberta, Manitoba, Saskatchewan and British Columbia would be served. I would hope that hearings could be held in those areas so that people could come before the board there rather than having a number of applications of deserving people delayed for a long time.

I know what the hon. member for Skeena is trying to do, and I am somewhat sympathetic to his amendment which would put two native Indian people on the Parole Board. Unfortunately, if you go to a police court you often find a line up of Indian people on drunk charges or some other minor charges. Because many of them do not have the money to pay fines, they find themselves incarcerated. I am sympathetic to the idea, but I am going to oppose it. That is not because I think it is a bad idea. I oppose the amendment on the ground that we should not specify certain groups of people the members of which are eligible to sit on the board. You might say that those serving on

the board should be of Scottish origin, or of French origin; that there might be French-Canadians or English Canadians, or people whose origins were Ukranian or German. I cannot accept that. Surely, we are all Canadians. That is the very basis of the Bill of Rights and the hon. member's amendment would fly in the face of the Bill of Rights.

● (1640)

I hope that the Solicitor General (Mr. Allmand) and his department will make sure that one or two board members are native people, that is, representatives of the first Canadians. Perhaps the matter could be remedied in that fashion. Discriminating, and saying that we should have two from this group and two from that would divide the nation, not into two parts but into many parts. I have never subscribed to that idea. We are all equal as Canadians, and all equally citizens of Canada. If the Bill of Rights means anything, it means that.

The hon. member, in his second amendment, suggests that there might be some sense in appointing to the board two people who have served time whether in federal or provincial institutions, as they may be better able to understand the situation with which the Parole Board would be dealing than some other people could understand it. I cannot accept that suggestion, either. The next step might be to say that the judges in our criminal courts should be men who have served some time in these institutions to which they are sentencing people appearing before them. I do not think anybody in his right mind would accept that theory. On the other hand, bearing in mind our advance in jurisprudence and understanding, the fact that someone has served time but has rehabilitated himself should be no bar to his serving as an officer of the Parole Board. If the authorities were to consider that suggestion, we might go some way towards what the hon. member for Skeena is trying to do. Nevertheless, I cannot accept what he is proposing. The best I can suggest is this: When new officers are to be appointed to the Parole Board, consideration might be given to some of the proposals the hon. member has made. On the other hand, I cannot, and I am sure the Canadian people cannot, accept the hon. member's suggestion with regard to the personnel making up the board.

In Canada, of course, we work under two programs, that of the Parole Board, and that of temporary releases. As I said at second reading, most failures in this area have occurred under the temporary release program. Although I did not vote for abolishing capital punishment, Parliament abolished that penalty. We should not slide back in this area. The minister has said that back-to-back absences and temporary releases would be abolished. In those cases involving people who have committed murder, cases in which capital punishment does not now apply, surely the whole board should decide whether that kind of person should be released.

In this regard I need only refer to the Head case. That man committed a second murder while out on temporary absence in British Columbia. I also refer to the Swearngen case. He was sentenced for murder in 1963. He was released for a Christmas holiday, and duplicated the crime for which he had been originally sentenced. I mention merely these two examples; there are dozens of other examples. I hope that when the Solicitor General sets up the enlarged board, and brings in rules and regulations under the new act, he will specify that the whole board must sit in review before anyone who has been sentenced to life is allowed to go free, without supervision. Otherwise, we will run into the same difficulties we experienced with the temporary release program.

The *Globe and Mail* took the skin off George Street for certain mistakes he is alleged to have made. Those mistakes had nothing to do with the Parole Board; they had to do with the temporary release program, over which the Parole Board has no jurisdiction whatsoever. The Parole Board was given a black eye for those things which had happened under the previous solicitor general, who practically ruined the way in which the system had been operating for a number of years.

We have in Canada approximately 9,000 people in federal penitentiaries. In 1962-63, it cost, on average, $3,380 to keep one person in prison, for a total cost of $23.9 million. In 1971-72, the cost per inmate was $9,325, almost double the 1962 cost, for a total national bill of $79.8 million. It has been suggested that in Canada more people, proportionately, are in federal and provincial institutions than in any other nation. I, therefore, support progressive and, indeed, aggressive parole programs under which inmates can be released from various institutions in order that they may rehabilitate themselves and join the stream of society.

On the other hand, in cases where people have been convicted of violent crimes, there should be no release from an institution until there has been a hearing by the full parole board, backed by reports of psychiatrists, psychologists and all those whose work is necessary if an adequate decision is to be made. That should be done before violent criminals are allowed to return to the street, to the main stream of society.

Having said that, I do not think there is much more I can say about the hon. member's proposals. As I said on second reading, this bill is a move in the right direction. Nevertheless, I must oppose the amendment, for reasons which I mentioned in my opening remarks.

Mr. Alex Patterson (Fraser Valley East): Mr. Speaker, I have listened with interest to this debate and heartily agree with some of the suggestions and comments which have been made. I also disagree with some other aspects of this debate. We are dealing with something that is of extreme concern to all people of this country. I think, as well, that we are dealing with an issue that is not easy of solution. The answer will be difficult to arrive at. In the final analysis, I think we will find that there are many differences which will still be unresolved at the conclusion of the debate. I am thinking particularly of the parole system.

In thinking of parole, I am also reminded of other problems which have arisen in connection with the administration of justice. Recently, a feeling of insecurity has been created in this country as a result of what happened under certain programs involving penal reform and the administration of justice. The people have felt in some cases, while recognizing the problems involved, that there has not been adequate concern or recognition of the importance of the safety of the citizens of Canada.

The question we are considering today poses a great many problems. I agree that, in many respects, the Parole Board has done an admirable job; nevertheless, I am not going to join those who have given the board bouquets, even though there are many instances in which the board's decisions have been justified. I can think of many instances in which the board's decisions have not been wise. In many respects, it has completely overlooked some fundamental problems and not paid sufficient attention to the activities of those to whom it is extending parole not for the first time, but for the second time, or, perhaps, the third time.

● (1650)

In a recent debate the hon. member for Scarborough East (Mr. Stackhouse) referred to the fact that you can pass out bouquets and perhaps reserve some judgment. He stated the situation is similar to a doctor saying he has saved two thirds of his patients, so don't blame him for the other third who became worse. In some respects, the Parole Board has functioned adequately. There are other cases which deserve some attention and concern on the part of those who are in authority. If we were dealing with something less than human life or the lives of many humans, perhaps the government would be justified in having a permissive attitude towards our policies governing social reform, the administration of justice, the granting of bail, parole and so on. The fact is, the security and protection of society is very much at stake.

The incidents revealing errors made by the parole board and those engaged in the granting of temporary absences, involve human life in general. I do not think that we can somehow say we are going to counterbalance these errors by some successes that have been achieved. The parole board ought to give serious consideration to its activities, and certainly the minister concerned ought to pay attention to some of the criticisms that will be and have been levelled during this debate. There have been violations of parole by inmates. Crimes have been committed by those who have been let out. This has horrified Canadians in various communities. In addition, great harm, and in some cases death, has resulted for many Canadian citizens. Perhaps we should not blame the Parole Board altogether because they have to rely upon professional advice in assessing the various cases.

Our attention was drawn to a situation that was brought to light by a story in the June 4, 1973 issue of *Newsweek*. The reference was to an incident in the United States, but it can also be considered in light of certain situations that exist in Canada. The article relates how a young boy 15 years of age, who was mad at the world, killed his grandparents. I want to point out the possibility of error, even on the part of professional men. I quote from the article:

> Two court-appointed psychiatrists examined Kemper and declared him no danger to society. "He has made an excellent response to the years of treatment," one of them report. "I see no psychiatric reason to consider him a threat to himself or any other member of society." . . .
>
> But the psychiatrists were to be proved tragically wrong.

The result was that he went out and engaged in further criminal activities. Most psychiatrists admit the problem is almost unsolvable because specialists have no way of predicting anti-social behaviour. I again quote from the article:

> Usually, court-appointed psychiatrists rely entirely on an interview, often cursory and seldom lasting more than an hour. And if the patient is clever enough, he can deceive the examiner.

Dr. Bernard Diamond of the University of California, a founder of the American Academy of Psychiatry and the Law and one of the nation's outstanding forensic psychiatrists stated:

> "If a person lies or restricts his response, it may be impossible to determine whether he is mentally ill."

Therefore, we do recognize the problems of those who are responsible for our parole system. I do not think it is altogether a determined attitude to clean out our penal institutions, although some may have that attitude. I certainly do not agree with it. I would like to see our penal institutions without any inmates, but I would not like to see them empty at the expense of the safety and security of the community. Therefore, I would express continuing concern over the administration of justice and the granting of parole in our society.

As I mentioned before, we have tied in with the problem of the parole system the granting of temporary releases or the pass system. Even though these programs are administered by different agencies, we must recognize that they are part of a situation that has created confusion, uncertainty and fear, as well as undermining the credibility of our system. In addition, these incidents have brought about a situation in which the implementation of a sensible and sane penal reform program faces a great deal of opposition. This is one of the most unfortunate aspects of the whole problem.

It is all very well to try to get people out and see them rehabilitated. I believe we ought to bend our efforts in that direction. However, we must recognize that if that is done without proper consideration and care, those who are released will continue to perpetrate acts of violence and infringement of the law. This will not encourage society in general to say this is a good program and should be continued. They will say it is not working. They will back away and say they do not want anything to do with it. The poor results of the program were dangerous for the minister's predecessor, who stated that rehabilitation was going to take precedence over the safety of individuals. The Prime Minister (Mr. Trudeau) saw fit to move that gentlemen to another position. Questions are now being raised as to whether he is adequate for that new portfolio. Perhaps the situation we have today is dependent upon the particular course that was established during the administration of the former minister. The present Solicitor General (Mr. Allmand) is taking a more wholesome attitude with regard to this matter. I regret that he is not able to be here. I know he is engaged in activities in other parts of the country and I do not say anything about that. However, I do regret that he is not able to be with us today.

The minister must give a great deal of attention and consideration to the citizens of this nation. He must realize that if he is going to expect the co-operation and assistance of communities and individuals in rehabilitating or assisting to rehabilitate these people have to follow the law. It must be a very carefully planned and supervised type of operation and program. We realize the present

bill is somewhat limited, but it does open up the whole matter. It appears to me that adding members of the Parole Board will not be effective in meeting the major problems which confront the board at the present time, although it may lead to some improvement. The minister said he was studying the Huguessen report and would be introducing legislation later to implement some of its recommendations. It seems to me that for the present at least, he is not prepared to go very far in carrying out those proposals. We await further legislation which will disclose his own thinking with regard to what is contained in that report.

● (1700)

Two amendments have been proposed. One would require that two of the additional members of the board would be from the native peoples. I have a great deal of sympathy with the motivation which prompted the hon. member for Skeena (Mr. Howard) to put forward this amendment. We read from time to time of the high percentage of native people who run afoul of the law for various reasons and find themselves behind prison bars, so this is a matter of real concern. Perhaps there is some ground for feeling that white people cannot understand the thinking of the native people and, on the basis of the treatment accorded to the native people down through the years, that discrimination may be shown against them by the Parole Board in the absence of native representation. Nevertheless, I agree with other members who have argued that to accept the amendment would be to create a precedent which would be unwise, since in the establishment of other boards and commission in the future we might find ourselves resorting to a similar operation although it would be extremely difficult for every facet of our community or society to be represented on these boards. Thus, I do not think the course recommended by the hon. member would be a wise one to follow.

His second proposal was that the board should be comprised of two members who had been, in a phrase used by my hon. friend from Peel South (Mr. Blenkarn), "on the other side of the fence." I should not like to see this recommendation find expression in the act itself. I am reminded of a situation which arose when an Opportunities for Youth grant was given in respect of a study of the drug situation. Some of those who conducted the study were drug addicts and, of course, they recommended that drugs be freely available. That, of course, was to be expected in the circumstances. I do not think anything should be written into the law along the lines suggested by the hon. member, even though I believe such people as he mentioned should not be barred from participating in the work of the board in certain circumstances.

A number of examples of violation of parole on the part of various individuals have been brought to our attention today. I shall not take up any time by referring to such cases, but I wish to conclude by saying that though offenders should be given every opportunity to rehabilitate themselves we must do everything possible to ensure that those who have committed violent crimes, especially, do not return to become a danger to society.

Mr. Duncan M. Beattie (Hamilton Mountain): Mr. Speaker, it gives me a great deal of pleasure to join my colleagues on both sides of the House to applaud this amendment to the Parole Act. I support the principle of this bill without qualification, Mr. Speaker, because it is long overdue. It is so long overdue that I feel compelled, before continuing with my comments on the measure, to ask a question: Why has it taken the government so long to discover that the Parole Act no longer serves the purpose for which it was designed?

At the present time, the Parole Board is based in Ottawa and it is hopelessly understaffed. This has been known for a very long time. We did not need a royal commission or a task force to tell us that. It has been common knowledge for a long time that the Parole Board has abandoned the practice of interviewing prisoners face-to-face because it could not keep up with the backlog of requests for parole hearings. Because of understaffing and because of the growing backlog of requests for hearings, the board has been forced, in many cases, to grant parole on the basis of incomplete information. It was inevitable that the board would hesitate in some cases to grant paroles which were justified, and it was also inevitable that some of the paroles which were granted would prove to be bad risks. The evidence of this can be seen in the extremely high rate of parole violations. It is a sad fact that a great many parolees in the past two or three years have committed serious crimes such as rape and murder after being paroled.

While I support this amendment, and while I applaud any move which would increase the number of members and officers of the Parole Board, I must confess I have some reservations about how effective the measure would be. I have witnessed too often the way in which the government uses bona fide situations such as this for partisan political purposes. No safeguards are built into the bill to prevent the government from using it as an opportunity to reward party hacks and camp followers. Parliament Hill and many of the government agencies are crawling with defeated members of the Liberal caucus in the last parliament, and I am apprehensive that the bill before us will be used to look after those who have not yet been suitably rewarded.

In this connection, I must ask whether the procedures and practices followed in the past by the Parole Board will still govern the new, enlarged board. There is a demonstrated need here for a clean sweep. The entire parole system has fallen into disrepute in the past few years and the dedicated, competent members of the board are under the same cloud as those who are disinterested and incompetent, those who, in fact, are members because of certain services rendered at some other time and in some other capacity. It will not be enough just to swell the ranks of the Parole Board. We must ensure that the Board is given new guidelines, terms of reference which are in line with present day situations and needs. I would like to see the board granted sufficient flexibility to enable it to deal with applicants on a personal basis, but in view of the failure of the parole system in the last couple of years, especially with regard to leaves of absence of prisoners, this would have to be approached with great caution.

● (1710)

There are many aspects of the parole system that must be reviewed, Mr. Speaker. I have no doubt we will find

that our basic approach to parole and rehabilitation needs updating. While I have been an outspoken critic of the sleazy and haphazard administration of the Canadian penitentiary system and of our parole system, this is not to say that I have no feeling for the plight of the offenders and prisoners in our society. I recently spent some time in the B.C. Penitentiary as a visitor, and I am just as aware as anyone else that these are people that we are dealing with, and that they must be treated humanely and with a view to returning them to society when their debt has been paid. However, I feel perfectly justified in criticizing this government when I look at the record. There is no doubt whatever that in many cases the sympathy of this government is misplaced when you examine its policies and some of the bills that have been tabled to deal with the problem of violence in our society.

I have some sympathy for the unfortunate people who decide to follow a life of crime and who resort to violence to achieve their ends. However, the weight of my sympathy and concern is for the unfortunate victims of criminal acts. It is very difficult for me to muster up any sympathy for a prisoner in one of our prisons who, having been given a leave of absence on humanitarian grounds, commits murder upon an innocent Canadian citizen. This is happening over and over again today under the present prison administration and the present Parole Board administration. I maintain that it is extremely difficult for even a member of parliament to remain purely objective and to think about these acts humanely.

An amendment to the government's capital punishment bill, passed in the last few weeks, allows a judge to specify that a convicted murderer must serve from 10 to 20 years of a life sentence before becoming eligible for parole. This is an improvement over the old policy whereby the same murderer could qualify after serving only seven years. Unfortunately, this provision applies only to a person convicted of murder. This provision should have been extended to include other types of crime, where the perpetrator could reasonably be considered unworthy of sympathy or consideration. I refer my colleagues to the case of a young man who was recently sentenced to five years in prison for rape. While on parole from his sentence he raped two 16 year old girls, and was sentenced to life imprisonment, plus 15 years. This man will be eligible to apply for parole in seven years.

I said earlier that I would like to see the Parole Board function under rules and regulations that are flexible enough to allow them to assess each application for parole on its own merits, and the case of the rapist I just mentioned is certainly a case in point. If it were possible to keep this man from committing further crimes, then I am sure that anyone would be in favour of putting him back on the street. But the only guarantee that we have right now is that he remain in custody. If, on the other hand, I thought that a future Parole Board would turn this man out on society after he had served the seven-year minimum, then I would do everything possible to see that the Parole Board was denied this authority.

In another case that I am about to cite, Mr. Speaker, I wonder whether or not the Parole Board has in fact exceeded its authority. If not, and if the board can overrule a sentence imposed by a judge, then this is certainly the time and place to re-examine the terms of reference of the board and the regulations under which the board functions. I refer to the case of a Hamilton judge who recently sentenced a youth to a prison term, plus ten strokes of the lash, for committing a brutal and vicious assault on a 95 year old man. After the sentencing the youth directed a torrent of verbal abuse at the judge, mouthing obscenities as to what the judge could do with the sentence. The Parole Board afterwards wiped out the part of the sentence, imposing lashes and in my view also wiped out the deterrent value of the sentence.

What is the point of giving a judge the authority to pass sentence on a convicted offender if a Parole Board is granted even higher authority? I would be interested in knowing just what procedure the Parole Board was required to follow in wiping out that sentence. If this is a blanket authority, then I will call for a review of that and other levels of Parole Board authority. We have a provision for appeal in our judicial system, and it sets our system apart from most others in the world. If there had been any feeling on the part of the convicted youth that his sentence was too harsh, then he could have appealed the sentence, using counsel provided by the courts. This is the proper way to contest or protest a decision of a judge; the authority to overrule a judicial decision should not be vested in a quasi-judicial officer.

We are being asked to consider an amendment proposed by the hon. member for Skeena (Mr. Howard), a member who enjoys my esteem and my high regard. That hon. member proposes that the enlarged Parole Board be composed of at least two persons of native Indian origin as ad hoc members. He further proposes that two of the ad hoc members should be persons who have served a term in a prison administered by the federal government. I am aware of the purpose of the hon. member's proposed amendments, and I would like to say that I am sympathetic to both amendments. However, I would be apprehensive about making appointments to the board on those recommendations. In the first place, there is the danger that such appointments would destroy or inhibit the objectivity of the board's assessments and decisions, and we should make every effort to ensure that its objectivity is not inhibited or even put in question. My own view is that the board should be constituted in such a way that it will be required to seek the advice and counsel of people of the same native group wherever practicable, but only in cases where Indians or Eskimos are involved. We would tend to isolate people by race or for a multitude of other reasons if we carried this idea to its extremes; what we are really after is a fair and objective assessment of an individual's ability to live in our society and accept its responsibilities.

As I have stated before, I want to see every effort made to prevent anyone from using the Parole Board for partisan political purposes. I noted in a speech on this subject on May 15 of this year that the present Solicitor General (Mr. Allmand) inherited an awful mess from his predecessor, and a large part of it stemmed from the fact that political appointments to important positions in the penitentiary system destroyed its efficiency and undermined the morale of career employees in the system. We have seen enough of this type of appointment in the federal public service, and I do not want to see any more of it in the vitally important parole system. I would not like the

Solicitor General to think that I came here today only to criticize and complain about the way he is trying to do a difficult job. My purpose is neither to bury nor to praise him, and just to show that I do have a warm spot in my heart for the minister I would like to conclude by throwing him a bouquet.

I am in wholehearted agreement with his proposal to restructure the parole service on a regional basis, and to attempt to restore the practice of having parole officers interview applicants on a face-to-face basis. I might recommend also that the parole service attempt to get some input from family members, police officials who are knowledgeable about the applicants, and any other sources of useful background data. In conclusion, may I say that this return to a personal approach to assessment of parole applicants is the best move that has so far been proposed. But I wonder if we are realistic in proposing the addition of only ten more members to the board. Will this be enough to allow the board to clear up the enormous backlog in applications for parole and for temporary absences, and at the same time do justice to the new applications that will be forthcoming?

This is a question that we should be answering now rather than later, along with such questions as whether the National Parole Board should also be dealing with provincial prisoners, whether the board should be empowered to overturn sentences by a court, and whether or not the board should try to cope with the separate problems of temporary absences as well as parole of sentence. These should be worked out in more detail. In conclusion, Mr. Speaker, I express the hope that the minister will have answers ready for my questions, as well as other questions that are being asked today.

• (1720)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Boulanger): Order, please. Before I recognize the hon. member it is my duty, pursuant to Standing Order 40, to inform the House of the questions to be raised tonight at the time of adjournment as follows: The hon. member for Palliser (Mr. Schumacher)—inquiry of the ministry; the hon. member for Assiniboia (Mr. Knight)—external affairs—Garrison dam diversion, North Dakota—further action by Canadian government—consideration by International Joint Commission; and the hon. member for Peel South (Mr. Blenkarn)—Public Service—amount of increases offered by government to those at lower levels.

GOVERNMENT ORDERS

[*English*]

PAROLE ACT

APPOINTMENT OF ADDITIONAL AD HOC MEMBERS TO NATIONAL PAROLE BOARD

The House resumed consideration of Bill C-191, to amend the Parole Act, as reported (with an amendment) from the Standing Committee on Justice and Legal Affairs and motions Nos. 1 and 2.

Mr. Stan Schumacher (Palliser): Mr. Speaker, I will try to do my part to keep these motions before the House until the hon. member for Skeena (Mr. Howard) arrives to support them. I am not that favourably disposed to his amendments, but I think he should be given an opportunity to support them if at all possible. The purport of the hon. member's amendments is to establish a quota system in respect of appointments to our National Parole Board.

At the outset, I must say that I am opposed to artificial quotas in respect of any judicial board or, for that matter, any other organization associated with the day to day activities of our penal system. The best example of the application of a quota system to an organization, and how it can hurt such an operation, is to be found in the experience of the Democratic party in the United States in 1972. Following the 1968 national convention of that party in the city of Chicago, a so-called group of reformers captured control and decided to open participation in that party to a number of formerly outside groups. This covered black people, young people, females and all sorts of others who were from that point on recognized as official working members. Then, we saw what happened in 1972 when that very effective compaigner, Senator George S. McGovern, was nominated as the presidential candidate. I think it is well recognized that the operations of that so-called reform party were not too effective.

I think we should have some second thoughts in respect of the imposition of quotas as related to our native people and ex-convicts. This is a bad principle, and I do not think it could fail but to have a bad result on the parole system of this country. I have no objection to the appointment of two people of native origin to our National Parole Board, but surely the criterion to be followed should relate to the qualifications, educational or otherwise, of the people involved. Surely this should be the first consideration in respect of whether individuals should be appointed to this national board, regardless of their ethnic background. The Solicitor General (Mr. Allmand) should certainly select qualified people for appointment to this board, and I am sure there are many people available who would serve with effectiveness.

Reference was made by the hon. member for Calgary North (Mr. Woolliams) to the work done by the Chairman, Mr. George Street. I should like to associate myself with the remarks of that hon. member. Mr. Street has been a very good chairman, and, with the exception of one or two decisions made by that parole board, we have seen an excellent job of administration. When considering the appointment of people to this board, we must consider the people with whom they will be dealing. The prison population of this country has been growing by leaps and bounds

and, unfortunately, a significant proportion of that population is made up of Indians.

The Drumheller Institution lies within the constituency I represent. We have heard examples of what takes place in institutions from other hon. members of this House. Let me say that I am pleased to be able to report that the Drumheller Institution has not given the Solicitor General or law enforcement officers in this country very much trouble. Surely, this institution could be cited as an example of a well-run and effective penal reform institution in Canada. A significant number of Indians are imprisoned in this institution. I feel that these Indian people should have representation on our National Parole Board, and I would like to hear the views of the Minister of National Health and Welfare (Mr. Lalonde) in this regard. I think the efforts of our Parole Board could be improved by such representation. This would certainly be true of the population of the Drumheller Institution, and I am sure the same would apply to the Prince Albert penitentiary and other penitentiaries in this country.

Having regard to the appointment of convicts or ex-convicts on the Parole Board, I do not adopt the same point of view expressed by other hon. members because this is a little too close to the Alice in Wonderland approach. That approach is quite common in respect of some problems dealt with by members in this House, but I think it is unacceptable. Apart from the principle of tokenism, I do not think convicts or ex-convicts have demonstrated an ability to serve as effective members of the Parole Board. I do not intend to belabour that suggestion, but I must say I have no sympathy toward this amendment of the hon. member for Skeena.

● (1730)

I think it is useful at this stage to ask a question or two about what is happening in our society to produce such a rapid increase in the prison population. We find it going up and up. We also find that the cost of maintaining prisoners in these institutions is rising at an ever-increasing rate. We find, as well, that there are people who feel that the treatment meted out at these institutions is so desirable that on occasion they have made special efforts to be caught after committing an offence, in order that they may be sentenced to a term of imprisonment; particularly during the winter months in certain parts of our country.

Mr. Horner (Crowfoot): Would the hon. member permit a question?

The Acting Speaker (Mr. Boulanger): Does the hon. member agree?

Mr. Schumacher: Yes, Mr. Speaker.

Mr. Horner (Crowfoot): In view of the fact that the hon. member represents the riding in which Drumheller penitentiary is located, I wonder if he could give the House some idea of the percentage of Indians and Metis who now occupy the cells in that penitentiary?

Mr. Schumacher: I believe it is about 25 per cent, which is a significant number when you consider that there are between 450 and 500 inmates in that penitentiary.

[Mr. Schumacher.]

Mr. Horner (Crowfoot): Would the hon. member permit another question?

Mr. Danson: Did you rehearse this, Jack?

The Acting Speaker (Mr. Boulanger): Does the hon. member agree?

Mr. Schumacher: Yes.

Mr. Horner (Crowfoot): In view of the fact that 25 per cent of the inmates in the Drumheller penitentiary are Indians or Metis, and that most of the inmates in that penitentiary come from what may be called the southern half of Alberta—and also from other parts of Alberta—could the hon. member give the House an idea as to the percentage of the population of Alberta that is Indian or Metis?

Mr. Schumacher: I am afraid I cannot give the hon. member that information. Perhaps he will be able to dredge it up before he participates in the debate. In fact, I do not know whether the answer to his question can be given accurately, because the Drumheller institution, as I noted before, is an unusual one. It does not create many problems for the penitentiary service or for the Solicitor General. Also, it is unusual in the fact that it does not draw its population from one particular part of the country. Although located in Alberta, it is populated by inmates who come from the four western provinces primarily, and it is mainly reserved for young offenders who have committed their first offence. So I do not know whether that percentage could be applied with relevance to the population of Alberta.

In any event, we now have a problem with the prison population. I think that every hon. member who has any connection with penal institutions knows that far too many people are coming in and there is far too high a rate of recidivism. The situation reached a critical stage at Drumheller in the past summer and a number of mobile houses, or modular type buildings, have had to be erected outside the fence of the Drumheller institution. There are now 50 or more inmates who reside outside the institution's fence. The fact is that the prisoners at that institution are better behaved than others and they do not present much of a security problem. I do not know whether it says anything for the quality of everyday life at that institution when you realize that the inmates do not have to be behind the fence, let alone behind bars, in order to stay there.

I think the House would be better employed trying to attack some of the root problems instead of trying to streamline the parole procedures to see whether we cannot get more people out quicker, particularly in view of the rising population in such institutions. It is interesting to note that the Solicitor General is at present attending a federal-provincial conference on the subject. I believe there will be a continuation of that conference, or another federal-provincial conference held here in Ottawa next week, and it will be interesting to see if any solutions are brought forth at those meetings.

Reference was made in the debate this afternoon to a possible connection between the sentencing judge and the Parole Board. I think there has not been enough communi-

cation between the judge who sentences a prisoner to a term of imprisonment and the people who decide whether they should let the inmate out before the term of his imprisonment has expired. I am happy to see that the Huguessen report makes reference to that matter, and that to some extent the amendments to the Parole Act implement that report.

May I say, in conclusion, that I will await the next stage of this bill before participating further.

Mr. J. H. Horner (Crowfoot): Mr. Speaker, in rising to speak to the amendments proposed by the hon. member for Skeena (Mr. Howard), I am horrified by the decision of the House to group together amendments Nos. 1 and 2. Although I have filed a number of amendments at the report stage of various bills, I have always been cautious in the way I have grouped them. Although I do not want to cast any aspersions upon those who did the grouping, being the member who represents the constituency of Crowfoot, and in that way directly or indirectly representing that great Indian chief, Chief Crowfoot, I cannot allow the present grouping to be accepted without comment.

What the House has done—inadvertently, I might add—is to group one amendment proposing that two native people be appointed to the Parole Board with another amendment that two persons who have served a period of time in a penitentiary be appointed to the Parole Board. In grouping those amendments we are saying, in essence, to the native and Indian people of Canada that an Indian or a native person is equal to one person in jail, whether or not that Indian or native person has committed any wrong or has been apprehended or sentenced by a court. Such an Indian or native person is being assumed equal to a convicted person. I will not be party to such grouping and I hope that a great many members of the House will not be party to it either.

• (1740)

There is one thing we Canadians must acknowledge—that the Indian and the Eskimo are the first citizens of Canada. Whether you like it or not, Mr. Speaker, or whether anybody else in this House likes, it is a fact beyond changing by the present white man who rules Canada, beyond changing by the past white man who ruled Canada, and beyond changing by the white man who will continue to rule Canada in the years ahead. We cannot erase that fact.

As I look around the world today, I see that in many countries the first citizens are coming into their own. Just look at South Africa. Look at any other country you want to name. The original inhabitants are coming into their own. But what are we doing in this parliament? We are creating a sin among sins, one of the greatest sins: we are saying that these people in our penitentiaries are the same as people already serving a sentence. Mr. Speaker, many Indians, many native people feel they are serving a life sentence within a white man's world.

When I looked at these two amendments and saw they were grouped together, I thought a sin had been committed by this House. I could not allow it to go unnoticed. To me it is an important matter. First of all, I represent the majority of the people whom Chief Crowfoot represented when Canada became a nation. I have always said to myself that I must have a special part in my heart for these people. They are the ones who brought about peace in western Canada. Chief Crowfoot said, "I must recognize that there shall be no continuance of this continual strife between the white man and the Indian. There shall be peace as long as the waters flow, the grass grows green and the sun shines." Of course, I am paraphrasing what he said in his memorable statements in 1878.

As a representative of that group of Indians, I too must recognize the part that Chief Crowfoot played. On coming to Ottawa, representing the constituency of Crowfoot, one of the first things I did was to write a letter to the Blackfoot tribe at Gleichen, Alberta. In it I said that I now represented the tribe of Chief Crowfoot. I wrote that I would do my best to believe what he believed in, in 1878; that there should be peace between the white man and the Indian, and that the Indian's rights and beliefs should be respected. I wrote that I would dearly like to have a picture of Chief Crowfoot hanging in my parliamentary office as long as I represented them. I received a very nice reply from the secretary of the Crowfoot band in which he said it was indeed a pleasure to send a picture of Chief Crowfoot to hang in the parliament buildings in Ottawa, that during his lifetime Chief Crowfoot had visited Ottawa on many occasions, and they hoped that with the return of his picture his beliefs would return with it.

I had no intention to speak on this bill dealing with the Parole Board until I saw that these two amendments were grouped together. I thought this was done out of careless disregard for the Indian people. I asked myself, why is it that 25 per cent or more of the inmates in our jails and penitentiaries today are Indians and native peoples? What have we done wrong as a society? Have we callously disregarded their beliefs, their philosophy and their concept of life? Have we told them, "If you don't adhere to our wishes and our desires, we have no alternative but to send you to jail"? The grouping together of these two amendments reinforces my belief that this is what the white man has said to himself on many occasions and in numerous courts. We have said, "We cannot understand your ways, your beliefs. We care not for your concept of life. If you don't adhere to ours, we will send you to jail." That is what we have said time and time again. That is why in Drumheller penitentiary over 25 per cent of the inmates are native people, as pointed out by the hon. member for Palliser (Mr. Schumacher) in reply to my question.

There are some native people in this House, Mr. Speaker. To my knowledge they have not spoken on these amendments. Nothing would give me greater pleasure than to hear from them their concepts and views. But I say to everyone in this House who is not a native person, let us examine where we have gone wrong. What have we done, not just recently but over a period of 50 or 75 years?

I have just finished reading a tremendously interesting book, "Across the Medicine Line," by C. F. Turner. In this book he describes the problems of the native people 100 years ago. He writes about Chief Sitting Bull, how he fled the terrible Americans and came to live in Canada for several years. It is a recently published book and can be obtained in the parliamentary library. The author tells us the great man that Chief Sitting Bull was. He was a man

among men. All the sub-chiefs under Sitting Bull were men among men in those days. I say to hon. members of this House, look around you; how many prominent men do you see in today's Indian race? Is it the fault of the Indians? No, it is because the white man has failed to understand them; in fact, has demonstrated an expressed unwillingness to understand them. He has not cared; he has shown no desire, no love, no appreciation of Canada's first citizens. We have run roughshod over our first citizens. We have said they are "no accounts." On the white man's conscience must rest that responsibility. He has failed to hear, to listen and to pay attention to their problems.

Of course, we have not been as bad as the Americans. We can proudly say that we have not created a Wounded Knee in Canada—yet. But just look at the James Bay project. The courts have played havoc with the treaty of 1812 which the native people up there signed. The courts have played havoc with the conscience, the heart, the beliefs and the soul of those native people. True, the Supreme Court is hearing that case today; but we in this House have allowed the Minister of Indian Affairs and Northern Development (Mr. Chrétien) to rise in his place and plead that he understands the Indians and encourages them in their fight.

● (1750)

This government has the right to move in and disallow, if necessary, any provincial legislation which it feels is wrong or detrimental to the well-being of Canada and its future. If this House so desired, it could have moved in and dealt with the question of James Bay and the lands involved in the area. It could have revoked the provincial legislation that brought about that problem. But it chose not to do so.

Speaking to the bill before us, Mr. Speaker, I have no harmful thoughts with regard to the chairman of the National Parole Board. He has been in office at a very difficult time because this House has failed to lay down the criteria by which he could administer the Parole Act. I do not have time to go into the whole concept of capital punishment versus its abolition. However, I do say that we have placed the chairman of the National Parole Board in a very difficult position during these past years, because we have failed to lay down the concepts that he must adhere to and he has had to try to judge the mood of the people on his own. He has tried to judge what is best for people who have run afoul of the law and who perhaps can be released.

The only part of this bill that I wish to speak to is the first amendment standing in the name of the hon. member for Skeena which suggests that two of the ten ad hoc members of the Parole Board should be native people. How can I disagree with that, Mr. Speaker, when I sit here in Chief Crowfoot's name? Nearly a hundred years ago he said that there shall be peace as long as the rivers flow, the grass grows green and the sun shines. Well, Mr. Speaker, the rivers are running, although more polluted, the sun is shining and the grass has been growing green, particularly in the summertime. In saying that, Chief Crowfoot placed his trust in the hands of the white man and said, in effect, "I acknowledged your greater numbers. I acknowledge your great armaments. I place in your hands a trust that you will take care of my people, that you will not see them in want or suffering starvation, and you will see them treated fairly and equally."

[Mr. Horner (Crowfoot).]

Mr. Speaker, anybody interested in the history of the Royal Canadian Mounted Police or, as they were called at one time, the Northwest Mounted Police, should read "Across the Medicine Line". It tells how the RCMP dealt out justice fairly and equally and won the respect of the native peoples of the plains and of the northlands. Is there a man in this House who can say that we have continued to understand the problems of the Indians and the native people since that time, when over 25 per cent of the inmates of our jails and penitentiaries across the country are native people? What percentage of the Canadian population do they represent, Mr. Speaker? Just 2 per cent.

I ask every member of this House to examine these figures, to examine his conscience and ask himself as he goes to bed tonight if his conscience is clear, as a white man, taking over this land from its first citizens. Let him ask if he has dealt fairly with the native people as Chief Crowfoot would have wanted. There is not a white man in Canada who can say that we have. It is all well and good for us to pass this bill, Mr. Speaker, and make a number of amendments to please ourselves. Normally, I do not support the ideas of the hon. member for Skeena, particularly his socialist ideas. But on this occasion, when he asks that two members of the National Parole Board be native people, I do not think he is going against the desire of most white men in this House of Commons.

There should not be one Liberal cabinet minister rise in his place to say that he is against this amendment. If there is, I hope that every native person in Canada remembers who it was and the political party to which he belongs. It was the right hon. member for Prince Albert (Mr. Diefenbaker) who gave the native people the vote and told them that the only way they could exert pressure upon the white man was through the exercise of their vote. I hope they remember, Mr. Speaker.

The hon. member for Kamloops-Cariboo (Mr. Marchand) is a very capable native person, one who has a right to be proud amongst his native people. But if he fails to stand up and speak in favour of this amendment, then I would not blame the native people for saying that he has become one of those who has been washed in some kind of water which has cleansed him of his native beliefs.

The Acting Speaker (Mr. Boulanger): Order, please.

Mr. Horner (Crowfoot): May I call it six o'clock, Mr. Speaker?

The Acting Speaker (Mr. Boulanger): It being six o'clock, I do now leave the chair until 8 p.m. Order, please. May I remind the hon. member that his time has just expired.

Mr. Horner (Crowfoot): No, Mr. Speaker. I do not agree with that. I was watching the clock very closely, and I have two minutes left.

The Acting Speaker (Mr. Boulanger): Order, please. We will be able to check.

Mr. Horner (Crowfoot): Mr. Speaker, may I ask for further time when the House reconvenes at eight o'clock?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Horner (Crowfoot): I think there is agreement, Mr. Speaker.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

Mr. Horner (Crowfoot): Mr. Speaker, I rise on a point of order. I was speaking at six o'clock, and when the Acting Speaker called it six o'clock it was suggested that my time had expired. I did not think my time had expired before six o'clock and I did not have the appropriate occasion, in any event, to ask the unanimous consent of the House for permission to continue.

Mr. Speaker: Order, please. The hon. member appreciates that the time is kept, on behalf of the Chair and of hon. members, by the table. The Acting Speaker was advised at the time that the hon. member's time had expired. The Chair will inquire whether there is unanimous consent for the hon. member to continue his remarks. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Speaker: There appears to be agreement.

Mr. Horner (Crowfoot): Mr. Speaker, I appreciate the kindness of the House in allowing me further time to speak about the proposed amendments to Bill C-191. Before six o'clock I had been dealing with the amendments of the hon. member for Skeena. Speaking as a white man representing the constituency of Crowfoot, I am disappointed that the House should consider at the same time both amendments proposed by the hon. member for Skeena.

The hon. member's first amendment suggests that two of the additional ad hoc members of the board shall be persons of native Indian origin. His second amendment suggests that two of the additional ad hoc members shall be persons who have served time in a penitentiary under the jurisdiction of the Parliament of Canada. I was most disappointed in noting that these two amendments are to be considered at the same time. The idea that Indian or, for that matter, Eskimo people—that is, native peoples—should be equated with somebody who has served in a penitentiary is a degrading idea. That is what I feel, as a member of parliament in Ottawa, representing the constituency to which Chief Crowfoot gave his name. My constituency is called after him.

I felt very humiliated, to say the least, when I found that these two amendments were to be considered at the same time and voted on together. I hope the House will not do that. I hope this House will consider the problems of the native people and pay close attention to those problems. Their difficulties arise from the fact that they were the first Canadian citizens. Like it or not, they were the first citizens of Canada and we must acknowledge that fact. We cannot lump those people with other people in Canada who have been sentenced to incarceration in penitentiary.

I say, however, that the hon. member for Skeena has moved a worth-while amendment. Mr. Speaker, 2 per cent of Canadians are native peoples, yet of that 2 per cent, 25 per cent are in jail. As white men, no matter what our ethnic background may be, we must acknowledge that fact. We must ask ourselves, why is this so? We must examine the entire problem of the native peoples. Speaking as the member representing the constituency bearing the great name of Crowfoot, I say that the part Chief Crowfoot played in Canadian history has an important bearing on this issue. My constituency in southeastern Alberta is called Crowfoot as a result of the trust Chief Crowfoot placed in the white man in the early 1870s, and in 1877 and 1878. Because of the trust he placed in the white man, Chief Crowfoot said, as I pointed out before six o'clock and as I will repeat in order to imprint the words on members of the House and on Mr. Speaker, "There shall be peace."

• (2010)

He meant that there shall be trust and belief one in another; that is what he really meant. He said there shall be peace, but he meant there shall be trust. There shall be peace, there shall be trust, there shall be understanding: he said those words. He went on to say how long that trust and understanding would remain. He said it would remain as long as the rivers flow, the grass grows green and the sun shines. The rivers are still flowing, the sun is still shining and the grass will again be green in the spring. This is the early part of December and the grass is not green today. But he said those words in the sense that he was placing his trust in the white man for many years to come. He hoped his trust in the white man would be borne out. There was no question about his trust in the Indians. He had trust in them, even though most judges and magistrates might say the Indian had broken faith and had not adhered to the law. At that time Chief Crowfoot said, in effect, "Please believe that we will try to adhere to the white man's law."

I suggest that if hon. members read the book about Sitting Bull they will comprehend the difficulty of the Indian understanding the white man's law. Chief Sitting Bull had a great deal of difficulty understanding the difference between the American and the Canadian law. However, the Northwest Mounted Police explicitly explained the law to Sitting Bull. The Indian of that day accepted the law. Have we understood the explanation of that law? Therein lies the problem. It is easy for normal white men to conceive the law. They do not understand the difficulty. To equate it very simply, 25 per cent of the Indian and native people have run afoul of the law, in spite of the fact they represent only 2 per cent of the population of Canada. Have we sufficiently explained the law to them? I defy any member of this House of Commons to stand up and say we have explained it to them but they are ignorant and dumb and refuse to accept it. That is

what a lot of the government's proponents are thinking. I defy any member of the cabinet to stand up and say that. They may couch their words in different language, but that is what they are thinking.

I go back to the time when there was peace on the prairies. That was because Chief Crowfoot put his trust in the white man. He said the white man understands there shall be peace, and the Indian would accept the white man's justice which was laid down clearly and unequivocally. Have we deteriorated from the position which the Northwest Mounted Police took in the late 1800s and early 1900s? You do not have to read much history to determine that question. We have deteriorated from the position laid down by Colonel Walsh when he talked with Chief Sitting Bull. Some members may doubt what I say. If so, I suggest they read the book "Across the Medicine Line" by Turner. They will then understand that we have pulled the rug out from under the Indian trust which Chief Crowfoot placed in the Queen's system of justice.

The first amendment moved by the hon. member for Skeena suggests that there be an ad hoc committee of ten members, two of whom shall be Indian or native people. Who in this House can oppose that? Would any cabinet minister oppose that? Nothing would give me more pleasure than to hear a cabinet minister stand up and say he was going to oppose it. I would want the country, particularly the Indians, to hear that. They would realize, not how the white man has broken faith with them but how the Liberal Party has broken faith with them. It is not the white man nor the Conservative Party that has broken faith with the trust Chief Crowfoot placed in the white man's Canada and the law of the Queen of England.

At that time the Queen of England was superior to all persons within this colony. We quite correctly divorced ourselves from the Queen in the sense of having our own rule. We divorced ourselves from what might be called colonial rule. However, we must still adhere to and believe in the basic foundation by which the Queen solved the disruption that could have occurred in this country. We must still believe in that solution. The Queen said there shall be justice and fair play among all people in Canada, that all people in Canada must be here and that justice must prevail.

The white man can no longer say that justice prevails when we have 25 per cent of the native and Indian peoples in our jails. We cannot say that the Queen's wishes or the wishes of the white man, when he signed the peace treaty with Chief Crowfoot, are being adhered to when 25 per cent or more of the native and Indian peoples, who represent 2 per cent of our population, are in our jails. This is an appalling failure by the white man in his understanding of the problems of the native people.

I will watch closely the vote on the first amendment moved by the hon. member for Skeena. I had hoped these amendments would be voted on separately. As I say, it came as a great shock to me to find these two amendments lumped together, the first having to do with representation of the Indian people and the second dealing with representation on the board of people who have served time in institutions of correction.

[Mr. Horner (Crowfoot).]

● (2020)

Why should these two amendments be dealt with together? Is the hon. member who moved them saying, in allowing this procedure, that he lumps all the native people together with men and women who have served penitentiary sentences? I know that many of my constituents who live on reserves believe they are, in essence, serving a penitentiary term, but they don't like that thought and neither do their leaders. I do not accept it in any circumstances. These amendments should be voted on separately, if for no other reason than to clearly show the native people that they are not being dealt with on the basis of equality with people who have served a penitentiary term. The native people should be dealt with as the first citizens of Canada. They were here first, whether we like it or not, and we have occupied their land.

Chief Crowfoot was right when he said peace would be best for the Indian people. Chief Crowfoot said, and I paraphrase his words—let no man hold it against me, because I represent Chief Crowfoot in this House—that the Indians were prepared to sign a peace treaty valid as long as the river flows, the grass grows green and the sun shines, provided the white man was prepared to recognize that they enjoyed certain rights. Can we not accept the proposition that two of the native people should be members of the Parole Board, despite the fact that 25 per cent or more of the persons held in our penitentiaries are native or Metis people?

I will watch closely the manner in which this debate proceeds and I will take it upon myself to notify all of Chief Crowfoot's following, all the descendants of the Indian people whom Chief Crowfoot represented at the signing of the treaty, how the cabinet voted, how the Liberal Party voted on this issue. Is this a matter completely beyond the comprehension of most white men in the House of Commons? Are we not prepared to recognize the problems facing the Indian people? I say we would be wise to support the first amendment moved by the hon. member for Skeena.

Mr. Frank Howard (Skeena): Mr. Speaker, first of all I want to express appreciation to my hon. friend from Winnipeg North Centre (Mr. Knowles) for moving these amendments on my behalf earlier today when Air Canada and I could not quite agree as to when I should get back to Ottawa.

I think, also, with respect to the remarks of the hon. member for Crowfoot (Mr. Horner), I should say that while I welcome very much his endorsement of my motion—and hope that it passes—the grouping together at the report stage of various amendments into one item for the purpose of debate is a prerogative of Mr. Speaker under the rules. And that is what Mr. Speaker did: he brought the two motions together in one item as they were considered to be one motion for the purpose of debate. But when the vote takes place on them, they will be separate items. I want to get that point through to the hon. member for Crowfoot, and to others as well.

I am not the first to have thought of this idea of specifically selecting native Indian people to take a position on the Parole Board. I think it is regrettable that we should have to think in these terms, that we should need to select

a particular group of people and say to them, "The law falls upon you so heavily; the law demands that so many of your people go to jail that we have found it necessary to take extraordinary steps to ensure that there should be representation on the Parole Board of someone from the general grouping of people we call native Indians in order that full and proper consideration be given to applications by native people who happen to be in penitentiaries or provincial jails over which the National Parole Board has jurisdiction."

I have some statistics here with application to federal penitentiaries in western Canada. I do not know whether those who compiled them were talking only in terms of native Indian people registered in band lists, or whether they were talking in terms of both registered band Indians and non-status or Metis people. I am inclined to think the former. But the statistical analysis of the numbers of people in federal prisons in western Canada indicates that the range of native peoples in relation to total inmate population is around 25 to 30 per cent. In some of the provincial jails the percentage is much higher—up to 80 per cent, I have heard, in some areas.

● (2030)

People of Indian origin in jail do not receive the same kind of equitable consideration in the matter of parole applications as the non-Indian population. Not too long ago a survey was conducted in the Matsqui institution, a federal prison in British Columbia. On the question of day parole—that is to say, inmates released for one day over an extended period of time—although I do not have the figures immediately available to me, they are in my office, the native Indian people who applied for day parole received parole to a much lesser extent per ratio of population than the non-Indian people in Matsqui. In other words, if you were white and applied for day parole, your chances were good; if you were Indian, the chances were good that you would be turned down. The same statistics apply to temporary absences from that institution; the white inmate population got the advantages, the favourable consideration, whereas the number of successful native Indian applicants was much less per capita.

Mr. Caouette (Témiscamingue): That is in your province?

Mr. Howard: Yes, in Matsqui institution in the Fraser Valley. I am talking about a particular survey made over a period of time. In so far as paroles were concerned as distinct from day paroles, the same situation prevailed; the white inmate population, or non-Indian population, at Matsqui received better consideration and treatment than the Indian inmates.

I do not know what the case is at Prince Albert, where the inmate population in the Saskatchewan penitentiary is somewhere in the neighbourhood of 40 to 50 per cent, but I am inclined to think that the same situation prevails because it is the same Parole Board that deals with parole applications and with day parole applications, and I cannot see why they would favour one group in one institution and not favour the same group in another. There is a universal application of the parole criteria.

Some of the reasons given for this, apart from what I consider to be a general lack of understanding on the part of penitentiary administrators and Parole Board officials of native Indian feelings, their home life and culture, in their assessment of the rehabilitative possibilities of Indians I think are fairly scant. But there are other factors that the Parole Board take into consideration. One is home environment. If a person applies for parole, they find out what is the situation at the home he will go to if paroled. I do not mean his family home but, rather, his home community. What are the possibilities there for parole supervision?

For example, the Parole Board discovers that if a native person goes home to the reserve, most times it is in a remote area where the opportunity for parole supervision is much less than it is in an urban setting. If he goes home to an urban setting, the chances are that he was never permitted to get fully into the community in the first place but existed only on the fringe of it. Therefore, his chances, so the Parole Board consider, of making a success of his parole are less and thus he does not get equal consideration in the granting of parole from that point of view either.

Employment is another factor the Parole Board examines. We all know—at least I hope we all know, though I sometimes wonder when listening to the debate in this House whether there is a full appreciation of this—that the native Indian person in society is the low man on the list when it comes to employment. Within the native Indian population there is a high percentage of unemployed. Within the native Indian population individuals have the least chance of finding a job, and I am sure this is a consideration the Parole Board weighs. Thus, the chances of a native in jail getting equitable consideration for parole, apart from the fact that the Parole Board and some officials may be completely ignorant of what it is like to be a native Indian, are far less than the chances of the non-Indian.

In society generally there is not too full an appreciation of the cultural, economic and social position of the native Indian in this land. It is just a simple fact of life that there are large groups of people in Canada who know absolutely nothing about the native Indian and do not want to. His position in society is disregarded, ignored. By many he is considered the invisible man. In jail, apart from the custodial staff I think the same thing applies; there is not any great desire to look upon this person as having any greater or lesser difficulty than anybody else, when in fact he has.

Outside of society there are a number of native people—this applies, I think, to any group that has been treated in the way the native person has been treated—who feel left out of things. They feel denigrated. They feel put down. They feel their position has no appreciation on the part of the great bulk of Canadian society. They feel they have been discriminated against deliberately and consciously, though not so much now as in years past, in terms of education, employment possibilities and the simple, uncomplicated respect that one human being should have for another. They feel rejection or, at the very best, non-acceptance by society.

When the native person comes to town—I think this situation can be duplicated in Toronto, Winnipeg, Regina,

Vancouver, any urban centre that attracts people from outside—he invariably lives or finds his associates in a certain part of town. He finds that he has to live on the periphery of society. He finds he has to live on the fringe and does not fully become part of the community. Again he feels left out. He lives in an urban area where drugs and booze are most easily and readily available.

● (2040)

I am not talking in straight terms of native people; I am talking about human beings. History has shown that in times when a person or a group of persons feels rejected, despondent and not wanted, they develop a sharp sense of inferiority, following which it is very easy for them to turn to ways of easing or lessening their internal sorrow. Most often they turn to the use of alcohol, but very often they turn to drugs of various sorts.

I have heard an expression very often from native people in my home area. I do not repeat this in any sense to do harm to the native people, but very often one says to another, "Let's get drunk and be somebody." In other words, what is being suggested is that they use alcohol to rid themselves of their inhibitions. They turn to alcohol as an anaesthetic. They wipe out their misery in this way. I suggest this misery has developed as a result of the relationship these people have with society. That is a pretty sad commentary on what our society has done to the Indian people.

From the easy accessibility of alcohol or drugs, or a combination of the two, it is a very short step to jail. These people wind up in our penal institutions because of their use of alcohol or drugs, or because of what they do as a result of being intoxicated from the use of one or the other. This is probably one reason there are so many Indian peoples in our jails. The percentage of the total Indian population is much higher than the percentage of others in our society. Indian people are not more criminally minded than others. In fact, I think they are less so. Most of them that I know are more honest than a lot of white people. They suffer a great deal of misery and torment in trying to feel their way and find their place, much more so than other individuals in this country.

We are talking now in terms of sociology. We must change our social values. We must give these people a deliberate and conscious respect for themselves in terms of our society. We are talking about life, we are talking about building up respect, and we are talking about family life. This is all-important to the meaningful existence of these people. These are the things we must do in a sociological sense. We must cut down the difficulties faced by these people, many of whom are not able to cope with the everyday strains and difficulties we all must face. As a result, they end up in our jails and penitentiaries.

I think the appointment of native Indian people to our Parole Board would be a wonderful thing. I suggest this in the hope that these people will give the Parole Board some understanding of the difficulties which exist in our penitentiaries: they would impart a great deal of knowledge to such a Parole Board in respect of the discrimination suffered by these and many others of various ethnic origins. As a result, the native people might be given equitable advantages in respect of their parole applications. This would be advantageous whether these paroled natives go from jail to remote communities or return simply to the urban area from which they came. The whole point is that these people would be returned to society as a result of tenderness and affection, with an opportunity to make good out of prison.

The minister has said on one or two occasions that he would like to appoint Indians to the Parole Board. I have referred to the appointment of two in the motion, but that is an arbitrary figure. No matter what number one hits upon, it is arbitrary. I have always had the feeling that when someone suggests the appointment of one native person to a board, there is tokenism involved. I suspect that is what is happening in this case. I hope the minister is not guilty of that approach to the problem. I remember when Ellen Fairclough was made the minister of citizenship and immigration. That was in the government of the right hon. member for Prince Albert (Mr. Diefenbaker). That appointment was extolled as the most dramatic and wonderful thing that could happen in Canadian society. She was the first woman appointed as a minister in a Canadian government. The fact that she was incompetent did not matter—it was democratic, and extolled as such. I suggest that we should move as far as possible from that approach.

The other thing I have in mind in respect of the selection of one person is that perhaps the minister has a person in mind already. I am not sure that this is the case, but I suspect that the minister has in mind an individual who has an attachment to the Liberal Party. Such action seems to be typical of the record of the Liberal Party. That may be what is being done, because following the next election the hon. member for Kamloops-Cariboo may not be here.

The Acting Speaker (Mr. Laniel): Order, please. I regret having to interrupt the hon. member, but his allotted time has expired. He may continue with the unanimous consent of the House.

Some hon. Members: Go ahead.

An hon. Member: Don't take as much time as Jack Horner.

Mr. Howard: I apologize, Mr. Speaker, for not realizing that my time was limited to 20 minutes. I will not transgress on the generosity of hon. members of the House. I am inclined to think that the minister has one individual in mind and that individual has had some attachment to the Liberal Party. It is my suggestion that such an appointment might not be the best one.

The number of people to be appointed is, I repeat, arbitrary. Some hon. members might suggest that three or four should be appointed. I picked the number two because of considerations for regional and geographic factors. I do not intend any sort of division, but there are two basic groups of Indian people in Canada. There are Indians who come under the jurisdiction of the Department of Indian Affairs and Northern Development and the Indian Act. These Indians are registered as such on band lists as treaty Indians. Then there is the other group which does not fall within the jurisdiction of the federal authority or

the Indian Act. These are the non-status Indian people; the Métis, as referred to by certain people.

There are these two groups, and I mention two appointees in the hope of taking both groups into account. An individual might be selected from each of these groups to be appointed as a member of the Parole Board. Some hon. members will argue that this is a good or an excellent idea. In fact, I came into the House just before the bells rang at eight o'clock, and a couple of hon. members from a particular party said to me, "It's a good idea, an excellent idea; but I do not think we will vote for it. We don't think we should spell out that sort of thing in the law. We should leave it to the intricate mentality of the minister who may be making the appointment as to whether or not at any given time he will or will not appoint someone of native Indian extraction to the board." To me it is such an important question, such a necessity, that I think this parliament is almost duty bound to try to write it into the law and to spell out that that will be such a guarantee.

● (2050)

This is an ad hoc addition that we are talking about anyway. These members would not be permanent members of the board, as are the other board members. They will come and go as the minister determines at any given time. They are temporary. The hope in my mind is that a sense of responsibility about native Indian people in jail can be imparted to the board so that it deals with parole applications by native people on an equitable basis.

I also hope that we will be able to generate within society a sense of respect for people that has not heretofore been very prevalent, so that the population of native Indians in our jails decreases and eventually disappears. As we approach that time, the necessity of having people selected for membership on this board because they are of particular racial extraction or origin will likewise disappear. But until we reach that time, we should nail it down and say that it is necessary to have this type of concern reflected in the laws that we pass, in the hope that it will generate some sense of good feeling in the nation on the part of the board about people in jail who are of native Indian origin, and that the numbers of these people in jail will be cut down eventually to the point of elimination.

There is another motion that deals with people who are ex-convicts. I do not want to make any extended comments about them because of the time factor. I should like to say simply that in another sense, people on the board who have had some experience of having gone through jail, who have been rehabilitated or who may be on parole—because that is what the motion says—should also be appointed to the board and thereby bring to the board a sense of experience that the members of that board do not have right now.

This does not necessarily bring with it greater leniency on the part of the board by proposing to put ex-convicts on it. In fact, the reverse may well be true. We know of a situation in Matsqui prison where a pilot treatment unit that was in existence for drug offenders was presented with two temporary absence passes by the medical director, who received them from the warden and who was told to distribute them as he saw fit among the people in the unit.

The inmates in the pilot treatment unit were undergoing group therapy. The medical director said to them, "I have two weekend temporary absence passes for you people. You decide who will get them". Their first response was, "We can't do that; that is not our responsibility. We don't want to touch that; that is for you to decide". He said, "No, siree. You inmates decide. Start taking some kind of responsibility toward other human beings. And remember this, that if those whom you pick blow it, that's the end of the temporary absence possibilities for a long period of time". The group of inmates wrestled with that problem for some weeks. They were very cautious and careful about their choice because they were dealing with themselves. The two men who received the temporary passes came back on time after the two or three days. Nothing serious occurred, and the system progressed from there on not too badly.

I think the same thing could prevail on the Parole Board if we could get some ex-convicts on it and as parole supervisors and working on the staff. They would have a much better rapport and relationship with and consideration for the person who leaves the jail on parole than is the case now. I think I should conclude my comments on that aspect at this time and again express my appreciation to hon. members for having accorded me a few extra moments.

[*Translation*]

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I have listened with great attention to the hon. member for Skeena (Mr. Howard) speaking in favour of the presence of Indian members within the Parole Board, as well as ex-convicts who would, according to him, bring new knowledge on the matter of parole.

In any event, Bill C-191, an Act to amend the Parole Act, has been reported with an amendment by the Standing Committee on Justice and Legal Affairs, by the Sollicitor General (Mr. Allmand).

Mr. Speaker, the reason I somewhat dislike the present composition of the Parole Board is that they take ages to give us results. We ask them for information, they are not ready to provide it.

If we recommend and not for political purposes, the release of an inmate because we are satisfied that he can find a job, fulfill normal tasks, the Parole Board takes so much time that when we get the answer, the prisoner has usually been released after serving his sentence. This means that the Parole Board is not very fast and does not give proper answers whenever we ask questions or write letters. Often, we write a letter and we get an answer one month and a half later. They always take recommendations into consideration and the stamp of Mr. Street or somebody else is always there. It takes ages to get results.

Mr. Speaker, I do not intend to say that, as proposed in this amendment, we must show discrimination and say: the Parole Board should include two former inmates, two Indian people, two English-speaking Canadians, two French-speaking Canadians, two Ukrainians, two Italians, two French people—

Mr. La Salle: We have enough Canadians—

Mr. Caouette (Témiscamingue): Mr. Speaker, as the hon. member for Joliette (Mr. La Salle) said, it seems to me that we have enough Canadians. I consider Indian people as having full Canadian citizenship. If one of them is chosen to sit on the Parole Board, so much the better. If none of them is chosen, so be it. If English-speaking Canadians, Ukrainians, Polish, Yugoslavs, are appointed, good, but it will not be because they are Yugoslavs, French-speaking or English-speaking Canadians, but because they are Canadians. This is what we want on the Parole Board. The Indian people must be considered the same way as others, no more, no less. If any rehabilitated ex-convicts are appointed, good, but let them not be there as ex-convicts but as Canadians. They have made mistakes, but very few among us have never made any mistake. We have all done so at one time or another. Let them not say: Because they are ex-convicts, we accept them on the Parole Board.

● (2100)

Mr. Speaker, one would have to—

Mr. La Salle: One would have to serve a sentence to be a member of the National Parole Board.

Mr. Caouette (Témiscamingue): —as the hon. member for Joliette (Mr. La Salle) said, one would have to serve time in prison to be a member of the National Parole Board. I believe the main amendment should be to enable the board to expedite things, to solve cases more quickly and not to spend hours before answering requests. If there is a shortage of employees, let us give them employees; a shortage of secretaries, let us give them some; and whenever a member of Parliament writes to them, let them be decent enough to reply as soon as possible. Months go by before they give an answer. I can understand that we can make mistakes, the same way the Parole Board did make mistakes already.

I never recommended the release of a person named Dion for instance who had killed young people in Quebec City. He was released. He killed again, he went to prison, he was again released; he was released four times. The board had considered the record and everything that time.

As I said a while ago, there are mistakes. I once recommended the release of a 19 year old boy in my constituency. It took so many letters: one from the parish priest, one from the mayor, one from the bishop, letters from everybody. Finally he was released. I will not name him but I remember. I forgive him but I do not forget. Once he was released, he arrived in Rouyn at noon by plane and the same night broke into my garage and stole $350 worth of tires. This guy I had recommended for parole, well, he was picked up again.

An hon. Member: You didn't recommend him again!

Mr. Caouette (Témiscamingue): No, I did not recommend him for a second time, Mr. Speaker. I prefered that he stay where he was.

Therefore, we can be mistaken like this. I realize that the Chairman of the Parole Board himself can be mistaken, that precautions must be taken. In many cases, the recommendation for the parole of criminals has been done with much less caution.

An hon. Member: Name them.

Mr. Caouette (Témiscamingue): Yes, I can name some: Chartrand, Pépin, Laberge, etc., were not liberated by Mr. Street but by the province of Quebec. They could go home during the weekends. During the rest of the week, they could also stay at home, or almost. This was a prison system suited to individuals while the regular system was completely different.

Mr. Speaker, this has nothing much to do with the Parole Board but I should like to make a complaint to the government: the Parole Board is ineffective. It includes dead wood, do-nothings, people who do not answer when we have business with them, who no not follow up on requests or recommendations. They drag on, they make no decisions and then refuse to tell us why. We are told that all this should be kept secret before Parliament! Therefore, I ask the government to urge the parole officers to be more active, vigourous and not so sluggish. Let them not die from lingering illness but give them orders for action.

As regards the amendment providing for the appointment of a couple of Indians and ex-convicts to the Parole Board, I find it secondary. When the hon. member for Skeena suggested that in his province there are more Indians inmates than white inmates it is because Indians do not behave as well as the others.

There are Indians in my riding. In fact there are two reservations. However, I have seldom seen an Indian being jailed. Since those people are behaving there is no need to imprison them. There is no need for us to ask for parole for them because they are not in jail. Therefore, I conclude that the Indians in my riding are behaving better than in the Skeena riding. In my riding the Indians are not jailed whereas it seems that in Skeena they are about all imprisoned.

Mr. Speaker, I have much respect for the Indians which I consider as Canadians. If they do not want to be considered as Canadians, it is up to them. There should not be any preferential treatment for the Indians nor for the French-speaking, English-speaking, Ukrainian-speaking or Italian-speaking Canadians. We are all full-fledged Canadians. Consequently, let us have genuine Canadians on the Parole Board and not do-nothings with marshmallow backbones. We need people able to take their responsibilities and to reply when they are asked questions.

[*English*]

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, the amendments before the House lead me to consideration of the much broader question of parole and the manner in which it is being implemented. I should like to speak briefly at the report stage of Bill C-191 to urge that the amendments proposed to the Parole Board Act, providing for the addition of not more than ten members to the National Parole Board, be implemented as quickly as possible. The need for a larger, more flexible board with regional representation and regional areas of jurisdiction is obvious when one considers the tremendous backlog of cases now before the board; and as the board assumes

wider responsibilities for day parole as well as full parole, that backlog is apt to increase accordingly.

● (2110)

I am not at all sure that ten new members added to the board will be sufficient to handle the ever-growing administrative and time-consuming paperwork that accompanies applications for parole; but at least their numbers will help to distribute the burden of interviews, reporting and judgment that is proving onerous for the presently constituted board.

The proposal to have these new members located in various regional centres across the country will, I trust, restore the former practice of allowing inmates to be interviewed personally by parole panels, a practice which was a much fairer and more equitable one than the present system of forwarding detailed documentation to Ottawa for assessment and adjudication by officials far removed from the penal institution in which the inmate is housed.

The number of inmates in our federal institutions is at an all-time high—approximately 9,000 men and women. Not only have convictions been increasing, but the granting of parole has been considerably tightened up in the last few years, with the resultant overcrowding in penal institutions that now poses such significant problems in our penitentiary system; problems of lack of physical facilities, training programs and, as well, problems of lowered staff morale due to longer work hours and heavier duties. These problems all contribute to the security risk factor, one which poses a potential threat to the communities where penitentiaries are located.

I would like to see the minister move ahead much more rapidly than he has to confront these very serious problems, by utilizing the proposals in the Huguessen report and the wealth of information presented to the committee under the distinguished chairmanship of Senator Hastings. I would like to see the recommendations put forward in the Outerbridge report given early consideration so that a large network of halfway houses can be available for inmates who can be considered for early parole. To accomplish this, a strict screening of applicants for such centres would be required on the part of the Parole Board.

But having visited many of our federal institutions, I am convinced that there are many who should probably not have been incarcerated in such institutions in the first place, and there are others who, having served an initial sentence, would be of more benefit to themselves and to the general public if allowed to operate in a much less restricted atmosphere. Halfway houses under the supervision of the parole service should be able to offer that opportunity. The words of the Outerbridge report make this very clear. An article in the Calgary *Herald* of September 25, 1973, comments on the report and quotes excerpts as follows:

> In general, halfway houses are smaller, more visible to the public, less expensive to operate and they do not require capital construction costs as high as those of prisons.
>
> In addition, if residents are well selected, CRS's—community residential centres—can be introduced without substantially increasing the risk to the community.
>
> The report says "more than 90 per cent of incarcerated offenders are released to the community within two years, and, the question remains whether the risk to the community is greater or smaller after their incarceration then before."
>
> We submit that it is likely to be greater.
>
> In our opinion, therefore, it seems logical that a high priority should be placed in the developments of alternatives to imprisonment.
>
> Presented at a time when paroles are down and the prison population is rising at such a rate that the Canadian penitentiaries service is contemplating a building program, the report calls for an expansion of halfway houses as "an alternative means of relieving the increasing pressure on our prisons."

I would suggest to the Solicitor General (Mr. Allmand), in his consideration of parole, that the time has come for a revision of mandatory supervision releases to see whether or not this form of release is proving effective or whether it is, in all too many instances, extending sentences in a manner that was not originally intended when the program was introduced. I would also urge that where the facilities are available, such as in Ontario, parole applications for inmates in provincial institutions on criminal charges be processed by provincial parole boards rather than by the National Parole Board. If such a step were to be taken, it would substantially reduce the congestion that now exists at the national level.

When the minister first served notice that he intended to add new members to the Parole Board, I asked him to give consideration to the appointment of a native person to the board and he gave his assurance that this was being actively considered. Having in mind the numbers of native persons in prison and the treatment they are accorded, I trust this proposal is still receiving his very careful assessment.

Finally, I would like to see the Solicitor General initiate a campaign designed to encourage members of the general public to get involved in helping those who have been released on parole to normalize their role in society. That would mean encouraging business and labour to guarantee a certain number of jobs for men and women on parole. It would mean accepting ex-inmates into homes and community organizations in a way that happens all too infrequently. It would mean recognizing that men and women who come out of penal institutions—and let us face up to the fact that they do come out—need all the help, support and encouragement of the general public that they can get in those first lonely, disruptive and frightening weeks and months when they are released from prison.

Russell G. Oswald, commissioner of correctional services in New York state, wrote recently on correctional administration but he could have been speaking to all of us when he said:

> Correctional administrators have an awesome responsibility . . .
>
> The disruptive prisoners are in the minority but get excessive publicity. Most of the others are literally crying out for our help so they can climb that steep grade back to decency and constructive community living. We cannot permit ourselves to be diverted from our commitment to meaningful change by those who would try to confuse and frustrate us by their illogical violent behaviour.

Mr. Speaker, it is through the medium of a properly and humanely administered parole system, one which would operate more effectively than the present parole system, that the majority of inmates will be able to climb that steep grade back to decency and constructive community living.

Mr. Wally Firth (Northwest Territories): Mr. Speaker, I should like to make a few brief remarks on Bill C-191, although I do not think there is very much I can add to what has been said within the last hour or so by other hon. members. I was however, happy to hear the favourable remarks concerning this bill, and in particular the amendment put forward by the hon. member for Skeena (Mr. Howard) that two of the ad hoc members of the board should be persons of native origin. I think it is time we had something like this on the statute books to accommodate the native population of the country.

I was also very happy to hear some of the remarks of the hon. member for Crowfoot (Mr. Horner). I was rather surprised by some remarks made by the hon. member for Témiscamingue (Mr. Caouette). He being a member of one of the minority groups of this country, I would have hoped to hear from him some favourable remarks concerning the bill and in particular the two amendments.

● (2120)

I wish to direct the attention of the House to some shortcomings in our justice and legal system as a number of people are not fully familiar with the facts. Not many of the native population of this country are judges or magistrates. Not many of the native community are parole officers. Few of our native community are lawyers or justices of the peace. Few of our people are policemen. Very few of the native community are members of the RCMP, the force which polices a large part of our wonderful country.

In the earliest days, the RCMP or the Northwest Mounted Police, whichever one wants to call them, depended to a large extent on the native people of this country. Actually, one of the greatest tragedies in the history of the Northwest Territories occurred not far from my home village of Fort McPherson. It involved the patrol between Fort McPherson and Dawson City in 1910 or 1911. The mounted police patrol was not accompanied by the special constable, the native person who acted as guide. The patrol went ahead without the guide, and perished. The mounted police, even today, take with them special guides in the Northwest Territories who act as interpreters, and so on.

Looking on the brighter side, there are today people of native ancestry who work as court personnel. They explain people's rights to them. This is not enough. Very few of our people serve on juries, including coroners' juries. A large part of our population of native ancestry is serving time in correctional institutions. This is deplorable. That is why I was happy to see this amendment brought forward by the hon. member for Skeena and to hear the remarks of certain hon. members.

To sum up, I feel that the hon. member's proposed amendment will bring improvements. May I point out something else which may be of interest. In early days when the Indian people governed this entire land, this country's policies were slightly different from those of today. Our immigration policy in particular was pretty good. The result now is that we are outnumbered in this country by immigrants. In the matter of jails, we are the prisoners of our guests.

Our justice was also of good quality. Under our policy, lawbreakers of the land were dealt with more humanely.

[Miss MacDonald (Kingston and the Islands).]

Under our system they were rehabilitated without being locked up behind bars. We did not do what is done today. After lawbreakers had gone through our system, they had paid for their wrongdoing and became useful citizens of our country. We should bear that in mind when voting on the hon. member's amendment. Those are the only remarks I wish to make at this time, Mr. Speaker.

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, the bill before the House tonight has already received favourable comment from most hon. members who have participated in the debate. I have been checking the debate on second reading and note that there was general support for the motion that the Parole Board should be reinforced with additional new members.

The bill has been brought back for further consideration. It was almost inevitable that amendments would be moved during committee stage for consideration in the House. When hon. members considered the matter, they soon realized that Bill C-191 does not constitute a really comprehensive approach to the problem of parole services. Rather, it was felt that it is an emergency response to the difficulties which have been hitting the headlines of Canadian newspapers for the past few months. The bill suggests that the parole service has suffered from a breakdown in administrative efficiency and that this requires some immediate response from the government.

When the minister introduced the bill, he pointed out that its subject matter deals only with one small aspect of the problems confronting the Canadian parole service at present. We have the excellent report of Judge Huguessen before us. The legislation put forward by the government hardly considers any of the recommendations of that excellent report. The report of the Standing Committee on Justice and Legal Affairs still has to be brought down. Those of us in the House who have been following the deliberations of that important committee realize that we will have to go much further if we are to bring Canadian parole services into line with the needs of the Canadian penal system.

The hon. member for Skeena (Mr. Howard) has brought in an amendment which points out one of the weaknesses and deficiencies in our parole service. It highlights the special problems of the native population of Canada. During the period of rapid change and transition in lifestyle, mostly brought on by the fact that our native peoples are migrating in increasing numbers from the rural environment, or the environment of the wilderness, to urban centres, our native people have been finding it extremely difficult to make the necessary adjustments. Inevitably, many of them have run afoul of the law.

Those of us who come from western Canada and have had occasion to visit penal institutions both at the provincial and federal level have been increasingly disturbed by the fact that a large percentage of the population of our penal institutions is made up of native peoples. In most cases it is younger native people who have found it impossible to make the adjustment to living in our complex, urban environment.

I want to speak briefly tonight on penal reform because I have followed the problems of penal reform most of my adult life. Actually, my first employment, at the end of the

"dirty thirties," was as a police court and prison worker with the Salvation Army, one of the institutions which early concerned itself about penal reform and rehabilitation services for Canadian people who run afoul of the law. I remember back in the city of Toronto that one of the workers in this field was Mr. Alex Edmison, who at that time was working for the John Howard Society. He was one of the pioneers in penal reform. He has since become an outstanding authority on penal reform in Canada. Indeed, he was on the National Parole Board himself at one stage, and is now lecturing in penalogy at the University of Ottawa.

As I look back over the 30 or 40 years which have passed, I am encouraged to note that we have made some progress toward a more humane approach in dealing with people who find themselves in the toils of the law. It was with considerable disappointment, because of the glaring headlines over the past year or two arising from the breakdown in the administration of the parole system, that we found it necessary to try to plug the holes in this ad hoc, half-hearted way. I had hoped the government would have waited until such time as it had thoroughly reviewed the Huguessen report and received the report of the Standing Committee on Justice and Legal Affairs after its long deliberation on the matter, so that adequate amendments might have been brought in to the Parole Act. That will still have to wait further action on the part of this parliament, or more likely, in light of the present trend in this parliament, for another parliament to be elected by the people of Canada.

● (2130)

I suggest that in addition to the amendment brought forward by the hon. member for Skeena, we should emphasize in our parole system not only the matter of selecting candidates for parole whether it be long-term, permanent parole or short-term day parole but more adequate supervisory personnel and facilities to assist in the rehabilitation process. The essential purpose of parole is to make it possible for the offender to return to society and become re-established and rehabilitated in society at an early date outside the confines of the penal institutions. To be successful in the rehabilitation process, the first responsibility of the Parole Board is to make an accurate assessment of the rehabilitation potential of the individual concerned.

The emphasis should be on young people who are first offenders, people who are not yet in the category of recidivists that we find all too frequently, particularly in our federal institutions. In many cases these recidivists or repeaters move into the area where they are psychopaths. Regardless of the rehabilitation facilities that might be made available, it would be impossible for them to benefit from the rehabilitation system under the parole program.

With regard to our young offenders, I think it would be almost essential in the kind of society which we are operating today to have halfway houses or youth hostels such as the House of Concord in the city of Toronto. That institution is operated by the Salvation Army and deals almost exclusively with the rehabilitation of youthful offenders. All of these halfway houses or rehabilitation hostels for youthful offenders are operated by voluntary groups. When the government finally comes around to comprehensive amendments to the National Parole Act, I hope it will take into consideration the fact that this service is absolutely essential to the successful rehabilitation of youthful offenders.

There is one other suggestion I wish to make. There needs to be greater co-ordination and co-operation between the provincial and federal services. As far as I can see at the present time, the provincial parole service and the federal parole service operate in splendid isolation. If we are going to deal with the problem of particular needs in regional or provincial areas of Canada, this can only be accomplished by closer co-ordination between the services of these two levels of government.

The problem the amendment is trying to come to grips with, that of providing specialized services for the growing penal population of our native citizens, must take into consideration not only the special needs of natives but other ethnic groups where they predominate in certain areas, particularly in western Canada. However, this is for the future. All we have to deal with at the present time, is a bill that is responding on an emergency basis to problems that have become widespread in our parole administration over the past several months.

I am not going to refer to some of the scandalous situations that have emerged. They have been discussed many times by earlier speakers during this debate. However, I wish to emphasize that when we get this bill through and when we have the ten additional members on the Parole Board, the minister responsible for the administration of the act should try to plug some of the areas of deficiency that were mentioned during the course of the debate and make the best possible use of the additional manpower.

I refer to only two areas, the need for closer supervision and the need to deal with special regional and ethnic requirements of various areas of the country. We must always keep in mind that this bill deals only with the shadow of the substance. We will not have the kind of parole service required to meet the problems of Canada's penal institutions, as they operate in the complex society of today, until we have an act containing very substantial amendments based on the two reports, one of which is before the government and one which we hope will be in the hands of the government at an early date.

Mr. Trevor Morgan (St. Catharines): Mr. Speaker, at the opening of the debate today I was amazed to hear the hon. member for Skeena (Mr. Howard) make some remarks about a former minister of citizenship and immigration, the Hon. Ellen Fairclough. I would say to him that there is none so blind as he who will not see. With that I will make no further comment.

I was surprised when this bill was brought back to this House. It came in, like so many other government bills, with the Solicitor General (Mr. Allmand) so proud of what he was doing. He reminds me of the man who thought he was an atheist until he realized he was God. This bill falls far short of where it should be going. We are a saving nation, both in dollars and in human lives. We put the dollars in the bank, and we put the men in jail and let them stay there. We hope they do not earn interest in our society. We do not do a thing, substantially, to rehabilitate them. This is our failure in the parole system.

I admire what George Street is trying to do in our society to help our parole system. He fights against innumerable odds. He does the best he can as one individual, but he receives little or no help from the government. This is why we have trouble with recidivists and all the problems we have with our inmates today. Where does the problem lie? We spend thousands and thousands of dollars keeping men in our institutions who need help on the inside for the outside.

I can tell of a situation where a young man of another race was assigned to a penal institution in this country. He was sent there at age 17 and remained until age 33. No one looked after him. He just sat there. No one taught him how to read and write. He was not given any education. He was taught to upholster chairs and chesterfields. A judge on a very routine investigation of the institution found him sitting there upholstering. He wondered why he was there. The amazing thing is he was never sent to that institution. Someone said he was a psychotic, and away he went to that institution for about 15 years. No one looked at this man to see the problem. Really, there was no problem. He had a rough beginning in life as many of these boys do. He stayed there for about 15 years. There was no trial, no judge who sentenced him to that institution. He was just put there and forgotten. This is our penal system.

Bring the matter to the courts for redress, and the magistrate says; "Do not look to me for redress; I was not on duty at that time." I think of this young man put in an institution for 15 years, with no kind of help, nothing going for him. So he is black? So what? He is a Canadian citizen—white, black, pink or purple; I don't care. Surely this is a despicable record and we can do better. We certainly need more parole officers. Why does the government not go the whole way? Of course we need more board members, but we also need more parole officers, people who would go into these institutions, talk with the prisoners and decide whether they are eligible to go back into society.

The hon. member for Skeena (Mr. Howard) says there should be natives, or ex-convicts or ex-parolees sitting on this ad hoc group. I do not see any objection to that. I would like to see one representative of the native population on this group, and if I could believe the minister when he says he would arrange for such an appointment, I would be content. Unfortunately, with all due respect, we cannot always believe what spokesmen for the government say. The Minister of Energy, Mines and Resources (Mr. Macdonald) has given so many different sets of conflicting facts and figures that his credibility leaves a lot to be desired. I am reminded of the small boy who was having difficulty with his arithmetic. His teacher asked him, "Suppose I were to lay two eggs here and three eggs over there; how many would I have laid?" The small boy looked at him and replied, "Well, teacher, I really don't think you could do it."

I feel the same way about this government. I do not think they can or will do what they promise. I should like to leave the legislation as it is, leave it up to good brains and good intentions to decide who shall form this committee. Basically, I do not like the amendment, but I am ambivalent in this respect because the government so often says one thing and does another. However, as I say, if the Minister of National Health and Welfare (Mr. Lalonde) will do what he said he would do this afternoon, I shall be content, if I can believe what they say.

Mr. Horner (Crowfoot): Can you?

Mr. Morgan: Yes, that is the question. And I am not sure of the answer. So maybe I should be inclined to go along with the hon. member for Kingston and the Islands (Miss MacDonald) and opt for one member from the native population. I say this because I think we have a sad story in what the people across the way have done to the Indian people. They have not done it to themselves; we must blame ourselves for the situation. They are victims of their environment and we must take full responsibility.

I look to where the Minister of Indian Affairs and Northern Development (Mr. Chrétien) sits across the way, and I say to him, "It has been a lousy job." It is time we made use of the abilities and skills of our native people, yet where do they end up? The government has the power to assist the Indian people, but so far it has obviously not done so. The attitude is: let them stay in jail, let them rot. That is what is happening.

Mr. Horner (Crowfoot): Twenty-five per cent.

Mr. Morgan: The hon. member for Skeena proposed that somebody on parole should be a member of the ad hoc group. I do not think it should be somebody on parole. I think it should be somebody free of parole, not subject to the sanction and the unction of penal authority. He should be free in what he says and thinks.

I was talking the other day to a young man who was on day parole. He had been found guilty of a drug offence, possession, and had been sentenced to some months in jail. The judge recommended him for day parole immediately, but day parole took about two months to arrange. That is bureaucracy, I guess. He has now become very interested in the John Howard Society and is working to help people who are in trouble as he was. He is a university graduate, a very intelligent young man. It is true he got himself into difficulty, but he is not the first to do so nor will he be the last. It is people like this who should be given an opportunity to help people through one institution or another. He knows the problems. He has been, I suppose you would say, associated with the wrong elements, though I do not much like making comparisons.

My hon. friend from Yukon (Mr. Nielsen) said we do not need expertise. Perhaps he is right; perhaps some people do lack direct experience. But I do not have the gut feeling, if I may use that term, that experts are always wrong. If there is a happy admixture of the two qualities, we shall have reached the position we are seeking. Again I say to the Solicitor General that the bill should surely have been more comprehensive, that he ought not to walk into the House waving a piece of paper as a "be all and end all" when there is so much more to be done. Let us get something done.

● (2150)

We have been here ten months, yet this is the best legislation we can produce to deal with all the problems in penal institutions throughout this country. We have ten

additional members. Big deal! If I were on the government side, I would be ashamed of this legislation. It does not begin to comprehend the problems that beset the penal colony in this country—and it is a colony.

We must accept the fact that there are good criminals and bad criminals. So let us have people in these institutions who can separate the good from the bad. I have often gone into a judge's chambers with the Crown attorney while the jury is out to discuss sentence. The judge will say, "All right, boys; if it is guilty, what do you think?" and we discuss the kid in question. Surely we can ask the Parole Board to do the same with the judges. The judge knows how defence counsel and the Crown attorney feel, so for goodness sake let us do something with the Parole Act and consult the judges who are intimate with these boys. They can look up their notes, review the evidence and make a solid evaluation whether there should be parole. They could act in an advisory capacity.

What are our judges for? They are not "dum-dums", sitting up there on the bench doing nothing. They have intelligence just as much as people on the Parole Board. They assess these boys. They have seen the pre-sentence report and heard the evidence, whereas the Parole Board has not. A parole officer does not have time to look over the evidence in a given case to see what were the motivations and what were not the motivations. Is not this what judges are for? They are there to sentence people, to say whether someone is guilty or not guilty if there is no jury. If the answer is guilty, then give the judges a chance to have a say in the parole action. I suggest that only makes good common sense.

What does the government do with the sex criminal? They treat them as if they are armed robbers. Most of these people need psychiatric help, there is no question of that. What facilities do we have in our penal institutions to administer proper psychiatric care, or what knowledge has a parole officer in that field? Before they make an assessment, do they consult the psychiatrist? Are they institutionalized? In Toronto there are doctors like Dr. McKnight who make assessments and say what should be done in such cases.

Even with all these facilities available to us, I suggest the Parole Act is so deficient and the government so derelict in taking action that they have reached a point where they throw up their hands, say they do not know what to do and run away from the problem. I suggest that no problem has ever been solved by running away from it. They typical reaction of the government is to band-aid this and band-aid that. As some wag said to me the other day, with this government it is like "hockery night in Canada", and how true that is. But this reflects on me too, because I am proud to be a member of this chamber. But people say all we do is to take stopgap measures, that there are no long-term programs to rehabilitate those who need our help, because the government lets the situation go on day after day, doing a little bit here and a little bit there.

I wonder why government members sit in their chairs yakking and laughing but doing nothing. The noise across the aisle, Mr. Speaker, tells me what interest they have in what other people think or say or do. I do not say that I am an Einstein or a brilliant criminologist, but at least I give some thought to what I try to do and I pay attention to the problems besetting this country. When someone else is speaking, I do not yak away and pay no attention. Mind you, Mr. Speaker, as a result of some of the words I hear from across the aisle I do not learn very much, but at least I have the decency to listen because maybe, just maybe, I will pick up an idea, though there is not much hope of that.

An hon. Member: Not from over there you won't.

Mr. Morgan: "Hope springs eternal in the human breast: Man never is, but always to be, blest."

If the National Parole Board has far too much to do, we must realize this. That is number one. Number two: I think the provincial governments must take responsibility for their own prisoners. It is about time the National Parole Board, through this government, said to the provinces that they should set up their own parole system. We have our problems, they have theirs, and we cannot accept responsibility for doing more than we are at the moment. I see no reason why the National Parole Board should, I was going to say "fry the fish" but I do not like that expression. I see no reason why they should settle the problems of the provinces, which should have their own parole system. They only come back to us, and nothing is accomplished because the workload of the Parole Board is too heavy.

Let me say in summary that I do not approve of the two amendments. I would feel much better about saying that if I could believe the Solicitor General when he says a native person will be appointed. Assuming he will, let me go on to say that the answer is (a) let the provinces go to the judges in the matter of parole, and (b) go to the provinces and tell them to set up their own parole system. If such a provision were written into the act, I think we would have something worth while, not the wishy-washy, ad hockery that we have at the moment.

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

Mr. Horner (Crowfoot): Ten o'clock.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

EXTERNAL AFFAIRS—GARRISON DAM DIVERSION, NORTH DAKOTA—FURTHER ACTION BY CANADIAN GOVERNMENT—CONSIDERATION BY INTERNATIONAL JOINT COMMISSION

Mr. Bill Knight (Assiniboia): Mr. Speaker, this is the first evening in many a long while that I have had more than one fan on the "late show." I rise to discuss a matter which poses an alarming and insidious environmental danger to Canada, to inquire about what steps the govern-

ment is taking to avert this threat and to ensure that in the future this situation will not recur. I am referring to the vast public works project in the United States which, if completed, will pollute the waters of two important river systems that flow into Canada.

This American undertaking, known as the Garrison diversion unit, is located in the state of North Dakota. Construction is already well advanced. This project is designed to divert large quantities of water from the headwaters of the Missouri River and, through a vast network of dams, dikes and canals, irrigate about 250,000 acres of American range and farmland. The run-off waters would then be diverted into the Souris and Red Rivers which flow into Canada in the province of Manitoba. It is these run-off waters which pose the threat of water pollution. By flowing over and through the arid North Dakota soil, the run-off water would acquire a heavy load of dissolved salts and other matters, with the result that the level of salinity in the Red and Souris Rivers would be raised to harmful concentrations.

The consequences of this made-in-U.S. pollution in Canada would be numerous and potentially devastating. The water supplies of the cities of Souris and Portage la Prairie, and many smaller communities as well, would be rendered undrinkable. Economic and social development would be stunted as the river waters would be not only unpalatable but also useless for certain industrial processes. The use of the water for irrigation in Canada would be cut off, even though such use would not itself be polluting. The natural ecology of the river systems would be disrupted, thus posing a wide-ranging danger to fish, animal and plant life.

● (2200)

Such water pollution would clearly stand in violation of the 1909 Boundary Waters Treaty between Canada and the United States which states in article 4 that "waters flowing across the boundary shall not be polluted on either side to the injury of health or property on the other." It would further violate principles endorsed by both the Canada and United States governments in the Declaration on the Human Environment at the 1972 Stockholm conference.

The Garrison diversion unit was first conceived in 1965, and since then some $60 million has been expanded in construction of diversion facilities. I have learned that Canada did not become interested until 1967, and only in 1971 did serious consultation begin either at the diplomatic level or between Canadian and American technical experts concerning the hazards we are facing. Last week we learned that the matter of transboundary pollution in the Souris and Red Rivers will be referred to the Canadian-American International Joint Commission for study. Canadians, of course, must applaud this move, but it is astonishing and of grave concern that not until this project has been under way for eight years and large sums of money have been invested has our government been able to persuade the United States to take notice of our very genuine complaints and to take action on them.

We may expect, in light of our experience, that the IJC study will be thorough and fair, but its report will not come soon. Will the minister inform the House whether or not, pending completion of the IJC study, the American government has agreed to place a moratorium on all further construction on the Garrison diversion unit so that the Canadian people will not be faced with a *fait accompli*?

[Mr. Knight.]

It is widely recognized that the key issue in making public policies for the control of pollution is good planning—it is the difference between taking preventive measures and trying to clean up the mess afterwards. In future instances Canada must be assured that the Liberal government gets in on the ground floor in defending our environment if it is threatened by the projects of other nations.

Accordingly, I ask the minister: Does the government intend to propose to the U.S. that the 1909 Boundary Waters Treaty be supplemented by further standards laying out explicit standards for the water quality of transboundary lakes and rivers? Furthermore, so that formal Canada-United States consultation and study on water pollution matters can be rescued from its current ad hoc level, will the minister recommend that the International Joint Commission be given the power to review and to report on all relevant issues without the need for a prior formal reference from either country or, in fact, as at the present time, from both countries?

[*Translation*]

Mr. Pierre De Bané (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, we have been aware for some years now of the American proposals for diverting waters from the Missouri basin to supply the Souris river basin for irrigation purposes.

This diversion has been and still is a source of concern for the Canadian government and that of Manitoba because of the possible serious deterioration of the water in that part of the river which flows in Manitoba.

We have repeatedly expressed our concern to the American government, both officially and informally. Our most recent notes to the American Department of State were dated January 25, 1973 and October 23, 1973; in addition, there have been several written and oral exchanges between our embassy in Washington and the Department of State since 1969.

[*English*]

As envisaged at present, almost all thee water used for this U.S. irrigation project would, following use, be returned to waters entering Canada. Without going into all the details of the proposal, the effects we are interested in are the following. First, the tremendous increase of total dissolved solids which would seriously impair the water quality of the Souris and Red Rivers in Manitoba to the extent that the water would not be usable for either human consumption or irrigation in the state in which it enters Canada. Second, very hard, unsoftened water may also affect certain industrial activity, such as laundering and food processing. Water at this level of hardness may also be marginal for irrigation purposes. Further, the increase in nutrient loading may be critical in southern Lake Winnipeg which is presently close to a state of advanced eutrophication. Third, moreover it is apparent that the project as presently envisaged is likely to result in other serious problems of water quality which have not

been adequately dealt with, such as increased water turbidity and temperatures. All of these facts are clearly outlined in our diplomatic note No. 432 which the minister tabled in the House some days ago.

We appreciate the concern expressed by a number of honorable members with regard to this situation. Honorable members will note that we have drawn to the attention of the U.S. authorities the implications which this project could have for the intent of the Stockholm declaration and the obligations assumed by Canada and the United States under the Boundary Waters Treaty. The problems posed by the Garrison diversion project do not automatically involve the International Joint Commission under the provisions of the Boundary Waters Treaty. Because this is so, we are continuing at present to deal with the matter at an intergovernmental level.

Until we receive a reply to our October 23 note, it is not clear whether a role by the International Joint Commission would become necessary with respect to this problem. We are confident that we shall have the opportunity to meet with U.S. officials in the coming weeks to seek a solution to this problem, and of course we hope that the United States will respond positively to the request for a moratorium contained in our note of October 23 last. I can assure the House that any solution, as we have repeated in the past, shall ensure that Canadian rights and interests have been fully protected.

PUBLIC SERVICE—AMOUNT OF INCREASES OFFERED BY GOVERNMENT TO THOSE AT LOWER LEVELS

Mr. Don Blenkarn (Peel South): Mr. Speaker, on October 25, 1973, I asked a question of the Minister of Finance (Mr. Turner) as recorded on page 7212 of *Hansard*. At that time it became apparent that the government was likely to take the advice of big business—the advice it usually takes—and increase the pay scale to senior members of the public service to some $60,000 per annum, an increase of approximately 20 per cent in pay levels. At the same time, the government was making an offer to junior persons in the public service of approximately 7 per cent over a three-year period.

We understand that the senior people in the service are not unionized, and that this was a preliminary offer. But I address the House tonight on the principles of that offer and on the principles of this government. And while my friends to the left are here, let me say that these are the principles they support when they support this government. There has been in this country, over the past few years and months of inept administration, an inflation rate of 8.7 per cent. A person earning $100 a year ago now has the purchasing power of someone earning $91.30. So they have had a cut of 8.7 per cent in their real purchasing power. This government has the audacity to suggest, as a matter of bargaining, that 7 per cent over three years is all they are entitled to. It may be that the civil service of this country is not too efficient. Many of us in this House have seen the waste of this government. But that waste must be attributed to the management of the government. It must be attributed to the very people who are to be offered the 20 per cent increase. There is no indication that the government will increase its efficiency, its use of people, its organization of the affairs of Canada, by increasing the pay scale offered to those at the higher level. So in order to save dough, it suggests that those at the lower end of the scale must receive less.

● (2210)

A moment ago I spoke of 8.7 per cent inflation. Analyse that important statistic produced by Statistics Canada, and what do you find? You find that it includes a whole range of things like housing. It includes the fact that a great many people in this country own their own homes, and the debt associated with those homes five or ten years ago at rates of 5 per cent, 6 per cent, 7 per cent and 8 per cent. But the young couple coming to the housing market today, some of them working for the government in junior positions, are not faced with that kind of inflation in housing but with a rate of inflation that in my riding alone drove up the price of houses nearly 20 per cent this year.

While the inflation rate may average 8.7 per cent, we must ask ourselves, what does the average mean? It reflects the advantages for those with some capital in their pockets. It reflects the fact that some families do not have growing kids at home who need more and more food. It does not reflect the fact that some families have had to buy more groceries this year than last year, and that the cost of groceries is up 16 per cent to 18 per cent.

That 8.7 per cent is an across the board figure and when applied to growing families is not realistic. What does the government offer to the junior people on its staff? It offers 7 per cent over three years. I say that that offer is inexcusable. Speaking at this time of year, I say it is the kind of offer that only Scrooge could suggest. There is no justification for an offer to anyone working for the public service of this country that does not reflect the cost of living. We must remember that the bulk of the rise in the cost of living is the result of inept government, a government that prints money to pay its bills, a government that refuses to invoke an incomes policy to control the avarice of big labour and big business.

We have a government that takes advice from big business and big labour, big labour to my left and big business opposite me. This is a government that does not really care about the ordinary people of Canada. This is a government that says it is O.K. if only 20 per cent of the people in the country are able to stay even with inflation, and the rest of us get further and further behind with our grocery bills, mortgage payments and finance expenses. This government cannot be excused for making the kinds of offers it has made to the public service of the nation.

Mr. Herb Breau (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Mr. Speaker, most salaries in the public service are established through collective bargaining in accordance with the provisions of the Public Service Staff Relations Act. When the parties are unable to reach agreement, the act provides for other methods of dispute settlement such as, in the case of nurses, binding arbitration, or in other cases, conciliation and possible strike action. In the case of arbitration, the arbitration tribunal has full authority to consider all factors including representations from the employer and the bargaining agent. The decisions of the arbitration tribunal

is binding on both the employer and the bargaining agent. In such a situation, comparability with the private sector and increases in the consumer price index may be considered by the arbitration tribunal.

In the case of higher levels, particularly deputy ministers and senior executive officers in the public service, the government appointed and has received advice from the advisory group on executive compensation in the public service. The advisory group has now made three reports, the latest of which was released on October 5, 1973. In this report, the group noted the need to establish some degree of comparability with the private sector and noted the pressure from below exerted on executive salaries by salary settlements in collective bargaining. We can categorically deny any inference that we are trying to restrain inflation by offering minimal increases to the public service, and at the same time affirm that public service rates are comparable with the private sector.

It is very difficult for me to understand how a Conservative member of this House would say that if his party was in power, it would not try to bring in people from big business or would not try to make sure that civil servants in higher positions would be paid salaries commensurate with those paid in business. They cannot have it both ways, Mr. Speaker. It seems that the Conservatives would settle for people who would be less good than those we have, or would ask people from business to come as missionaries.

Motion agreed to and the House adjourned at 10.20 p.m.

HOUSE OF COMMONS

Tuesday, December 4, 1973

The House met at 2 p.m.

[*English*]

PRIVILEGE

MR. McGRATH—ALLEGED REFUSAL OF CHAIRMAN OF MISCELLANEOUS ESTIMATES COMMITTEE TO HEAR POINT OF ORDER

Mr. James A. McGrath (St. John's East): Mr. Speaker, I rise on a question of privilege on a matter affecting my rights as a member of this House. I shall not go into the question in detail as I have already done so in the notice I have given Your Honour. Briefly, Sir, yesterday at a meeting of the Standing Committee on Miscellaneous Estimates the chairman of the committee, the hon. member for Laurier (Mr. Leblanc), refused to hear me on a point of order when I attempted to obtain agreement to have the committee sit beyond the agreed time of five o'clock as the committee was late in commencing its proceedings.

The committee had before it vote 15a of the supplementary estimates, Canadian Radio-Television Commission, which gave me the only opportunity I will have this session to examine the commission on its failure, in my view, to comply with the recommendations of the Standing Committee on Broadcasting, Films and Assistance to the Arts on children's television advertising, which were concurred in by the House on July 24. Standing Order 65(10) states:

> In a standing or special committee, the Standing Orders of the House shall be observed so far as may be applicable, except the Standing Orders as to the seconding of motions, limiting the number of times of speaking and the length of speeches.

I am not going to go into the matter of the improper use of an illegal timing device. I leave that to Your Honour, although it is worth mentioning because it has to do generally with what I consider to be the unsatisfactory conduct of the chairman of the committee. This timing device was obtained, believe it or not, from a discarded coin operated laundry drying machine. I am not going to go into that, Mr. Speaker, although I cannot resist suggesting that in the case of this committee I believe we have been taken to the cleaners.

Accordingly, Mr. Speaker, I feel that as a result of the conduct of the chairman of the committee my rights were denied me because of his failure to adhere to the provisions of Standing Orders 6(5)(a), 12(1) and 34(1). If Your Honour finds that I have a prima facie case, I am prepared to move that this matter be referred to the Standing Committee on Privileges and Elections.

Mr. Speaker: The hon. member for St. John's East gave notice of his intention to raise this matter by way of a question of privilege and the Chair has given it very serious thought in the meantime. I am ready to make a ruling now but, in accordance with the practice, the hon. member whose conduct is being questioned has the right, if he wishes, to reply. Apparently there is no suggestion that he wishes to do this, so I am prepared at this point to make a ruling.

Mr. Leblanc (Laurier): Mr. Speaker, I am prepared to reply.

Mr. Nielsen: Mr. Speaker, is the Chair going to invite comment from other members of the House who could also file proper notice with Your Honour if that is the way the Chair wishes it to come about?

Mr. Speaker: Order, please. The practice is well established that there should not be a debate when a member raises a matter by way of a question of privilege. This is a long-established practice. If a suggestion is made by an hon. member that he has a question of privilege I am willing to hear that hon. member but I suggest, as I have before, that there should not be debate on the matter unless there is a finding on the part of the Chair that there is a prima facie case of privilege. I would hope that hon. members would recognize the value of this practice and allow the Chair to proceed on that basis.

[*Translation*]

Mr. Fernand-E. Leblanc (Laurier): Mr. Speaker, I believe that the minutes of the proceedings of yesterday's session of the Committee on Miscellaneous Estimates will speak for themselves. As for the incident mentioned by the hon. member, I believe that the facts are somewhat different from what he has said, because we applied the rules as we always do in the committee, that is when the time has expired, the debate is closed, when it was called at the proper time. Obviously, there are many other things which I could say before the Committee on Privileges and Elections; if you wish me to appear before this committee, I shall be happy to do so.

[*English*]

Mr. Speaker: The hon. member for Laurier has replied to the hon. member and has put on the record his comments in regard to the motion proposed by the hon. member for St. John's East. I am prepared to make a ruling on whether there is a prima facie case of privilege, and I suggest to hon. members that the Chair should be allowed to do so at this time.

[*Translation*]

I thank the hon. member for St. John's East (Mr. McGrath) who, in accordance with the Standing Orders, gave notice of his intention to raise this matter by way of a question of privilege. As is usual and traditional in such a case, the Chair gave the hon. member whose conduct is being questioned the opportunity to answer briefly. I am therefore ready to make a ruling. The ruling that the Chair must make is simply to determine whether there is

a prima facie question of privilege requiring a motion which would then be put to the vote. If the motion were agreed to by the House, it would then naturally be referred to the Committee on Privileges and Elections.

In view of the precedents, the Standing Orders of the House and the books pertaining to the proceedings of the House to which I have referred, I doubt whether it would be possible for the Chair to say that there is a prima facie question of privilege.

[*English*]

The hon. member for St. John's East, in the notice he supplied to the Chair and in the explanation he has given, states that the chairman of the committee, the hon. member for Laurier, adjourned the committee sitting at five o'clock yesterday, thus preventing the hon. member for St. John's East from asking on a point of order that the sitting be extended beyond five o'clock. The hon. member further states that as a consequence of that action he was denied an opportunity to oppose an item in the supplementary estimates which concerns the Canadian Radio-Television Commission. The hon. member has taken exception to that proceeding and seeks to move that the conduct of the chairman of the Standing Committee on Miscellaneous Estimates be referred to the Standing Committee on Privileges and Elections.

As hon. members know, this is not the first time that certain aspects of proceedings in committees have been brought to the attention of the House by way of a question of privilege. I refer hon. members, for example, to rulings reported in *Votes and Proceedings* for January 12, 1972, and also in *Hansard* on another occasion, Friday, March 3, 1967, at page 13697. On the basis of the precedents to which I have alluded and on the basis, also, of citations and the Standing Orders, the ruling of the Chair has always been that such matters cannot be resolved in the House under the heading of privilege.

● (1410)

It is well established practice that committee proceedings cannot be brought into consideration or debate in the House except by way of a report from a committee. If a point of order or a question of privilege should arise in a committee, it should be settled there rather than by way of an appeal to the House. Hon. members are also referred to Citation 295(1) of *Beauchesne's* Fourth Edition which reads in part as follows:

> On July 24, 1956, an appeal was taken to the House from the Standing Committee on Banking and Commerce, and the Speaker ruled that the chairman's ruling should be settled in the Committee and not reported to the House.

This ruling led to the enactment of Standing Order 65(11) which, as all hon. members know, reads as follows:

> The chairman of a standing or special committee shall maintain order in the committees; deciding all questions of order subject to an appeal to the committee; but disorder in a committee can only be censured by the House, on receiving a report thereof.

Essentially, the hon. member for St. John's East, by way of question of privilege, would propose that the conduct of another member ought to be the subject of an investigation by the Standing Committee on Privileges and Elections. It is a long established practice, as I have said, that the conduct of another member cannot be subjected to the scrutiny of the House by way of a question of privilege. On this point I refer hon. members to the well known and often quoted ruling of Mr. Speaker Michener reported at page 584 of the *Journals* of June 19, 1959. Also, I have always had serious doubts as to the advisability of having proceedings in a committee investigated by another committee of the House.

For all these reasons the Chair must rule that there is not a prima facie case of privilege, so the motion proposed by the hon. member cannot be submitted to the House at this time.

ROUTINE PROCEEDINGS

[*English*]

EXTERNAL AFFAIRS

AZORES EARTHQUAKE—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Don Blenkarn (Peel South): Mr. Speaker, I rise on a matter of urgent and pressing necessity under Standing Order 43. In view of the disastrous earthquake on the island of Pico in the Azores, where some 1,500 homes were destroyed, I would move, seconded by the hon. member for Peel-Dufferin-Simcoe (Mr. Madill):

> That the Minister of Manpower and Immigration do send a special team to the island to take in and process applications from refugees who wish to immigrate to Canada and that the government do such things as may be appropriate to assist the government of Portugal in alleviating suffering.

Mr. Speaker: The House has heard the motion proposed by the hon. member for Peel South. Under the terms of Standing Order 43 this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent and the motion cannot be put at this time.

ORAL QUESTION PERIOD

[*English*]

ENERGY

DESIGNATION OF EXTERNAL AFFAIRS DEPARTMENT REPRESENTATIVE TO SERVE ON TECHNICAL ADVISORY COMMITTEE ON PETROLEUM SUPPLY AND DEMAND

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, my question is for the Secretary of State for External Affairs. Can the minister tell the House whether, when the technical advisory committee on petroleum supply and demand was established by the government, he designated a specific person to represent his department

on that committee? If this was the case, can he tell the House who that person was?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, this committee reports to the Minister of Energy, Mines and Resources and I think the question ought to be referred to him.

Some hon. Members: Oh, oh!

Mr. Sharp: This was a government decision to establish the committee.

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I will have to apologize to the Leader of the Opposition. I was in conversation and did not hear the full question.

Mr. Stanfield: Mr. Speaker, my question was directed to the Secretary of State for External Affairs. It was a very simple question. I asked whether the Secretary of State for External Affairs, when the technical advisory committee on petroleum supply and demand was established, designated a person to represent his department on that committee. If this was the case, will he tell us the name of that person? I think this is a question that only the Secretary of State for External Affairs can answer.

Mr. Macdonald (Rosedale): Mr. Speaker, my information is there were representatives of a number of departments designated on this committee. Except for Mr. Jack Stabback, a member of the National Energy Board, I am afraid I cannot say who the individuals were at the moment. However, representatives of various departments have been designated.

Mr. Stanfield: Mr. Speaker, I have frequently been critical of the Minister of Energy, Mines and Resources, but I do not think I can properly criticize him in this regard. I am directing the question to the minister in charge of the department concerned and asking him whether he designated a specific person to represent his department on this committee and, if so, will he tell us who this individual is. This is a perfectly simple, straightforward question that the minister can either answer or not answer.

Mr. Sharp: Mr. Speaker, if I may attempt to answer this question, I was not asked by the cabinet to designate an official on the committee. The government established a committee which included a representative of the Department of External Affairs. As the Minister of Energy, Mines and Resources has said, I do not know who it is who has been designated for this purpose.

Some hon. Members: Oh, oh!

Mr. Hees: Nobody knows what is going on.

Some hon. Members: Oh, oh!

Mr. Hees: I know a hell of a lot more than you guys. I know who the fellow is.

Some hon. Members: Hear, hear!

Mr. Stanfield: The Secretary of State for External Affairs has finally said he does not know. I accept that he does not know. However, I wish to ask the minister whether he receives regular written reports from the representative of the Department of External Affairs sitting on this technical advisory committee on the deliberations of the committee. I ask that question of the Secretary of State for External Affairs in view of the obvious importance, or what ought to be the obvious importance, to the minister of the deliberations of this committee with regard to his responsibilities as Secretary of State for External Affairs of this country.

Some hon. Members: Hear, hear!

Mr. Sharp: Mr. Speaker, the Department of External Affairs is represented on many inter-departmental committees and this is one of them.

Some hon. Members: Oh, oh!

Mr. Sharp: In the ordinary course of events, these reports would be made to the head of the department if he himself were not attending. If he felt there was some matter of importance to bring to my attention, he would do so.

● (1420)

Mr. Stanfield: In view of the Minister of Energy, Mines and Resources having stated that the decision he took with regard to seeking mandatory allocation measures was founded upon the advice of the technical advisory committee with regard to supply from abroad from Arab and other sources, I should like to ask the Secretary of State for External Affairs whether he was specifically informed by the representative of his department on this committee that the committee would give the advice that Canada would have to share not only in the direct cut-back of oil to Canada from Arab sources but also share in the general world shortfall from Arab sources? Was the minister given this information, or did he interest himself enough to make inquiries?

Mr. Sharp: Mr. Speaker, perhaps I may answer the question in this way. My colleague, the Minister of Energy, Mines and Resources, has put before the House the worst possible situation that might arise—

Some hon. Members: Oh, oh!

Mr. Sharp: —if we were to be cut off from the supplies of oil we would otherwise have expected. In this respect I think he was very wise as it is most important the public should understand, not a view which might be overtaken by events but the sort of contingency this country might have to face. I believe this was a wise decision on his part and I fully support the way in which he has presented it.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Sharp: The minister has also said that he does not yet have any reason to believe that these circumstances will arise.

Mr. Stanfield: I take it from the answer given by the Secretary of State for External Affairs that he did not make inquiries himself with respect to the advice being given by the technical advisory committee and that he did not feel it necessary to interest himself in the prospect of oil from non-Arabian sources being cut back to the extent of 125,000 barrels a day and the principle upon which this cut-back might be based?

Mr. Sharp: Mr. Speaker, I have the utmost confidence in my colleague—

Some hon. Members: Oh, oh!

Mr. Sharp: I have full confidence in the statements he has made in the House and I repeat what I have said before, that the minister is, it seems to me, acting in a very prudent way which should have the support of all parties in the House.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

PROPOSED ACTION BY ALBERTA TO INCREASE CRUDE OIL PRICE TO ALL CANADIAN CONSUMERS—DISCUSSION WITH AND REACTION OF FEDERAL GOVERNMENT

Mr. David Lewis (York South): Mr. Speaker, may I direct a question to the Minister of Energy, Mines and Resources on a subject of direct concern to all the people of Canada arising out of the announcement by the Conservative premier of Alberta yesterday of certain steps that his government is taking and is intending to take for the purpose of increasing the price of crude oil to all the consumers of Canada. Have the steps proposed by the Conservative government of Alberta been discussed with the federal government, and what is the reaction of the federal government to these steps by Sheik Lougheed of Alberta?

Some hon. Members: Oh, oh!

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, in the course of the discussions in the last several weeks we have received a general description of the legislative framework proposed by the premier of Alberta. We have expressed our concern on two principal points, namely, that the structure of such legislation should not interfere with the general responsibility of the government of Canada for trade and commerce within the country and, second, the possible impact of these proposals from the standpoint of federal taxation and equalization. There are obviously a number of serious and important questions to be discussed in this connection. It is for this reason we have continued discussions and will be expecting to discuss the further implications both this week and next.

Mr. Lewis: Mr. Speaker, since the legislation proposed by the Conservative government of Alberta means a very hefty increase in the price of all oil products to Canadians, may I ask the Minister of Energy, Mines and Resources whether he has agreed to lift the price freeze as of January 31 and has agreed with the government of Alberta on price increases after that date and, if so, at what level?

Mr. Macdonald (Rosedale): Mr. Speaker, there has been an exchange of views on these questions but there has been no agreement as to the position taken on either side.

Mr. Lewis: Since the future of Canada and not merely the game in this House is involved in the question of energy—

Some hon. Members: Oh, oh!

Mr. Woolliams: Who is playing the game?

Mr. Lewis: Obviously all the Conservatives in this House support the Conservative government of Alberta on higher prices.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. May we have order, please. The hon. member for York South has the floor.

Mr. Lewis: In view of the fact, as I have said, that the future of this country is involved in the supply of energy and in the price that is gouged out of the Canadian public by the multinational corporations, with the assistance of the Conservatives in this country—

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. May we have order, please. It seems to me the hon. member should ask a question.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. I believe the hon. member for Athabasca is rising on a point of order.

Mr. Yewchuk: Mr. Speaker, I am sorry to interrupt the hon. member who is supposed to be asking a question, but I think that the leader of a national party should not promote disunity in the country by making childish references to the premier of a province.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. I would hope that we might try to return to the question period. The hon. member might ask his question now so that we may make some headway.

Mr. Lewis: I am sorry, Mr. Speaker, but that last statement on an alleged point of order is not going to go unanswered.

Some hon. Members: Question!

Mr. Lewis: Mr. Speaker, on a point of order—

Mr. Speaker: Order, please. The hon. member is rising on a point of order and will be recognized.

• (1430)

Mr. Lewis: The fact is, Mr. Speaker—

Mr. Fairweather: That you wanted an excuse.

Mr. Lewis: —that on two or three occasions in the last couple of weeks the Leader of the Official Opposition has raised peripheral issues in order to cover up.

Some hon. Members: Oh, oh!

An hon. Member: And you're the latest gas well in this country.

Mr. Lewis: As far as I am concerned, the only people who bring disunity to this country are those who want to gouge the rest of Canada.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. The Chair has procedural doubts about the validity of both points of order. This is obviously debate. I would hope that all hon. members would try to restrict themselves in asking questions and making replies to straight inquiries and straight answers, without argument.

Some hon. Members: Hear, hear!

Mr. Lewis: May I then ask the Minister of Energy, Mines and Resources to inform the House whether he has indicated to the government of Alberta the intention of the federal government to eliminate the price freeze on January 31, and has the government of Canada agreed with the government of Alberta to permit increases in the price of conventional crude oil in Canada after January 31, whether in one increase or staged increases?

Mr. Macdonald (Rosedale): Mr. Speaker, as I have said, at the moment there has been no agreement between the two levels of government. We have had discussions with regard to both the question of pricing in the Canadian market, whether before or after the date stipulated, and the question of economic rent and appropriate royalty and tax structures for Canada. There have been exchanges in this regard. Our preference obviously would be to arrive at an agreement which would meet the regional ambitions of the government of Alberta and at the same time protecting all Canadians. I must say that at the moment such an agreement has not been reached.

[*Later:*]

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, arising from the questions posed by the hon. member for York South, I should like to ask the Minister of Energy, Mines and Resources whether he will do his best to get an answer to the questions asked by that hon. member before Friday, or not later than Friday, so that the leader of the NDP and those following him will be able to swallow themselves on Monday?

Some hon. Members: Hear, hear!

Mr. Baldwin: If you don't give them some oil, give them some castor oil.

[*Translation*]

IMMIGRATION

SUGGESTION THAT DEPARTMENT ADVISE CHILEAN REFUGEES TO GO TO COUNTRIES WITH SIMILAR IDEOLOGY

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I should like to put a question to the Minister of Manpower and Immigration.

The minister stated yesterday that the Department of Manpower and Immigration would be strict enough with Chilean immigrants who wish to settle in Canada. Is the department considering the advisability of suggesting to Chilean immigrants to go rather to the USSR, Cuba, the People's Republic of China and Algeria where ideologies would be more in keeping with their deep convictions and yearnings?

[*English*]

Hon. Robert K. Andras (Minister of Manpower and Immigration): No, Mr. Speaker.

[*Translation*]

Mr. Caouette (Témiscamingue): Mr. Speaker, I should like to put a supplementary question to the Prime Minister.

He may not have heard the news on Saturday that people like Chartrand, Pépin and Laberge had made a call to arms to liberate the Canadian people. Is the government taking any steps to find out how serious are the comments made by these fellows in Montreal?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, it seems that the question is not put properly. These are not serious but rather weird statements.

[*English*]

Mr. Nielsen: Throw the War Measures Act at them, Pierre.

Some hon. Members: Oh, oh!

* * *

ENERGY

DESIGNATION OF TRANSPORT DEPARTMENT REPRESENTATIVE TO SERVE ON TECHNICAL ADVISORY COMMITTEE ON PETROLEUM SUPPLY AND DEMAND

Mr. Don Mazankowski (Vegreville): Mr. Speaker, my question is directed to the Minister of Transport and it arises from a question posed by the Leader of the Opposition in respect of the technical advisory committee on petroleum supply and demand. Has his department designated a representative to serve on this committee, and can the minister provide the name of that individual or individuals to the House at this time?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, there are meetings held between the departmental officials and officials of the oil companies and the railway companies in order to—

Some hon. Members: Oh, oh!

Mr. Marchand (Langelier): Is that what you are referring to?

An hon. Member: You have the wrong committee.

An hon. Member: And you have the wrong department.

Mr. Hees: Turn on your earpiece.

Mr. Speaker: Order, please. May we have order, please. It seems to me the minister was not given much of a chance to answer the question.

Mr. Mazankowski: Mr. Speaker, I will simply repeat my question. Has his department designated a representative or representatives to serve on the technical advisory committee on petroleum supply and demand and, if so, will he give the House the names?

Mr. Marchand (Langelier): Mr. Speaker, I do not know if there is one person or more than one. Many persons serve on many committees.

Some hon. Members: Oh, oh!

Mr. Marchand (Langelier): You know, it is so long since members opposite have been the government that they do not know how these things work. There are many committees. I will have to inquire as to the name of the member and I will report back to the hon. member.

Mr. Hees: It was never like this in the old days, Jean. We knew where the boys were.

Some hon. Members: Oh, oh!

Mr. Hees: You are saturated with guile.

Mr. Speaker: Order, please. My understanding is that the hon. member for Vegreville has the floor.

Mr. Mazankowski: In view of the minister's answer, Mr. Speaker, and his knowledge of the committee, can he indicate to the House whether his representative or representatives have been attending meetings regularly and, if so, have they been reporting directly to him?

Mr. Marchand (Langelier): I will inquire of the representatives and make a full report.

Some hon. Members: Oh, oh!

DESIGNATION OF REPRESENTATIVE OF DEPARTMENT OF SUPPLY AND SERVICES TO SERVE ON TECHNICAL ADVISORY COMMITTEE ON PETROLEUM SUPPLY AND DEMAND

Mr. Erik Nielsen (Yukon): Mr. Speaker, I have a supplementary question, and perhaps the direction of this question will ensure that we do not strike out completely over there. I direct the question to the Minister of Supply and Services. Does he have a representative of his department who is concerning himself with the problems confronting Canadians in respect of the oil shortage? If so, what is his name, what is his profession, and does he report regularly to the minister?

[Mr. Marchand (Langelier).]

[*Translation*]

Hon. Jean-Pierre Goyer (Minister of Supply and Services): Certainly, Mr. Speaker. Not just one person but a good many of them are at our disposal, depending on the nature of the problems to be discussed.

[*English*]

EFFECT OF POWERS OF ENERGY SUPPLIES ALLOCATION BOARD WITH RESPECT TO POLLUTION CONTROL STANDARDS AND PROVINCIAL PERMITS

Mr. John A. Fraser (Vancouver South): Mr. Speaker, I have a question for the Minister of the Environment. Can he assure the House that the provisions of Clause 24 of Bill C-236, whereby the Energy Supplies Allocation Board is empowered to override environmental laws, will not apply to pollution control standards or to permits issued by provincial governments?

Hon. Jack Davis (Minister of the Environment): No, Mr. Speaker, I cannot assure the hon. member of that. However, we are working very closely with provincial authorities and we have the closest liaison possible with the Department of Energy, Mines and Resources.

Some hon. Members: Oh, oh!

Mr. Fraser: Mr. Speaker, in view of the fact that over some years this government by its own neglect has drifted into this energy crisis—

Some hon. Members: Order!

Mr. Speaker: Order, please. The hon. member should ask his question.

Mr. Fraser: In view of the fact that for a good number of years some hon. members, including members on the government side, have worked very hard to establish good environmental laws, can the minister advise whether Clause 24 will apply? Will he make a statement to make it clear to the House that environmental standards are not going to be sacrificed across this country just because of an energy shortage in some parts, and will he tell the House why the power to regulate relaxation of environmental law is given to five appointed officials without any provision for appeal or public discussion?

● (1440)

Mr. Davis: Mr. Speaker, I think the hon. member is correct in suggesting that that clause can suspend environmental standards. At the same time, I know of no existing federal or provincial legislation which will in fact be overridden.

Mr. Speaker: Order, please. I seek the co-operation of hon. members. We are not moving very quickly this afternoon. The hon. member will be recognized for a supplementary and then I will see the hon. member for Skeena.

Mr. Fraser: In view of this abdication of responsibility, can the minister advise whether as Minister of the Environment he has an arrangement or any provision whatsoever whereby he can veto a decision of this group of five

officials when it comes to abrogating or overriding environmental law in this country?

Mr. Davis: Mr. Speaker, the hon. member knows that when a law is passed by this House no minister has a right of veto, but I can assure him the closest co-operation will exist—

Some hon. Members: Oh, oh!

Mr. Davis: —and that the officers of Environment Canada will be consulted at every step and the provincial officers likewise.

* * *

TRANSPORT

PROVISION OF RAILWAY CARS TO SHIP BRITISH COLUMBIA LUMBER—PRIME MINISTER'S RESPONSE TO TELEGRAM FROM PREMIER BARRETT

Mr. Frank Howard (Skeena): Mr. Speaker, I should like to direct a question to the Prime Minister. At the end of last week did he receive a telegram from Premier Barrett of British Columbia to the effect that the railway transportation situation in British Columbia is critical, that there is an inability to obtain sufficient railway cars from either the CNR or the CPR and that there are approximately 6,000 cars of lumber standing on sidings and at sawmills that the industry is unable to move that lumber because of the shortage of boxcars? Can the Prime Minister say what his response was to the telegram and what action the government is taking in respect of this continuing request?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the telegram was acknowledged and I have referred the matter to the Minister of Transport for discussion with him. He also had received a copy of the telegram. We are trying to get an answer for Premier Barrett as soon as possible.

Mr. Howard: Mr. Speaker, I have a supplementary question for the Minister of Transport. Inasmuch as he made a commitment in the latter part of October, more than a month ago, to Mr. Nunweiler, MLA for Fort George and to this House that he would take under advisement the possibility of appointing a transport or boxcar co-ordinator to ensure availability of boxcars, and inasmuch as he has not given any response to anybody yet about this matter, can we expect a reply about what he is doing other than simply examining the situation?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, we have been doing more than examining the situation. We have asked the railway companies to try to find ways and means so that more boxcars may be made available to the lumber companies there. We are advised that the CPR and CNR are in exactly the same position as the British Columbia Railway headed by Mr. Barrett, which cannot supply more boxcars than the CNR or the CPR.

Mr. Speaker: Order, please. The hon. member for Trinity.

Mr. Hellyer: Mr. Speaker, I have a question for the Minister—

Mr. Speaker: Order, please. I apologize to the hon. member. I have to interrupt him. The hon. member for Skeena rises on a question of privilege.

Mr. Howard: Mr. Speaker, the question of privilege is that the minister has done this on two other occasions. He attempts to duck his responsibility as Minister of Transport for national transportation in this nation by making reference to a provincial government-owned railway. I would like to point out that this province is currently using every means it can to acquire boxcars, while the CNR and the minister—

Mr. Speaker: Order, please. I have to interrupt the hon. member. It seems to me this is debate and not privilege.

* * *

ENERGY

NAME OF REPRESENTATIVE OF DEPARTMENT OF INDUSTRY, TRADE AND COMMERCE ON TECHNICAL ADVISORY COMMITTEE ON PETROLEUM SUPPLY AND DEMAND

Hon. Paul Hellyer (Trinity): Mr. Speaker, my question is directed to the Minister of Industry, Trade and Commerce. Can the minister give the name of the representative of his department on the technical advisory committee on petroleum supply and demand and indicate whether or not the representative has attended all meetings?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, following well established precedent, I do not think it would be appropriate for me to divulge his name. But I should like to tell the hon. member who asked the question that I have satisfied myself that we have a leading, able and very effective official on that committee.

Some hon. Members: Who?

Mr. Speaker: Order, please. We have to try to make as much headway as we can in the last few minutes of the question period. The hon. member for Trinity will be recognized, followed by the hon. member for Champlain.

Mr. Hellyer: Mr. Speaker, my supplementary is to the minister. Will he indicate how fully he has been informed and, if not more fully than indicated by his previous answer, how he manages to keep abreast in monitoring the possible impact of the oil shortage on the manufacturing industries of this country?

Mr. Gillespie: I am very well served by my officials, Mr. Speaker.

Mr. Hellyer: A final supplementary—

Mr. Speaker: Order, please. The hon. member has asked a supplementary and I recognized him for that purpose. For the moment the Chair will recognize the hon. member for Champlain.

[*Translation*]

AGREEMENT WITH QUEBEC ON FINANCING OF CONSTRUCTION OF NUCLEAR PLANT AT GENTILLY

Mr. René Matte (Champlain): Mr. Speaker, I would like to ask a question of the Minister of Energy.

Can he tell us whether there has been an agreement between the federal government and the province of Quebec regarding the construction of an atomic plant in Gentilly, and how much money the federal government is contributing to this project?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, an agreement to that effect was concluded with Quebec a few months ago. Generally speaking, the federal input in such a project amounts to 50 per cent of capital costs. An atomic plant is already being built in Gentilly.

SUGGESTED SUBSIDY TO QUEBEC AND ATLANTIC PROVINCES TO PERMIT THEM TO REDUCE TAXES ON GASOLINE AND HEATING OIL

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, I wish to direct a question to the leader of the government.

Has the federal government the intention to grant subsidies of a sort to Quebec or other eastern provinces in order that they can reduce their taxes on gasoline and heating oil and thus dampen the impact of price increases on consumers?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, assistance to those who cannot support themselves in these circumstances because of higher prices for heating oil is a very important matter. The Department of National Health and Welfare has already been in contact with the provinces to determine means that could be taken to help consumers. As to the suggestion that provinces should not change their own tax structure, especially in this period of increased prices when consumers must pay more, I find interesting that the provinces cannot act on their own to alleviate the burden of their own taxpayers without grants from the federal big brother.

[*English*]

EXISTENCE OF NATIONAL EMERGENCY

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I have a question for the Prime Minister. Can the Prime Minister indicate whether there is now a national emergency in Canada as established by clause 11 of the new allocation of supplies act and, if so, when did that national emergency occur?

An hon. Member: Where were you?

● (1450)

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, if the hon. member is referring to a bill which is before the House, I think the simple answer is that it will be brought on tomorrow for debate. At that time we will have occasion to indicate our position on it, and we hope the opposition will be forthcoming with its own position.

[Mr. Speaker.]

Mr. Baldwin: As a supplementary—

Mr. Speaker: Order, please. A number of hon. members are seeking to ask supplementaries on this question. The Chair will recognize the hon. member for Peace River, but I bring to the attention of hon. members that there are just three or four minutes left before the end of the question period.

Mr. Baldwin: If the right hon. gentleman finds it difficult to answer that question I will now ask him this supplementary. In light of the fact that any shortages or disturbances in the market exist, according to the Minister of Energy, Mines and Resources, because of dislocation of supplies outside Canada, can the Prime Minister indicate why the government did not take advantage of the existing import-export law which is now in place and covers petroleum products? Was it because of a feud between the Minister of Industry, Trade and Commerce and the Minister of Energy, Mines and Resources?

Mr. Speaker: Order. I am sure the hon. member will appreciate that a question in those terms is not in order.

JUSTIFICATION FOR GASOLINE PRICE INCREASE— REQUEST FOR WORKING PAPERS COMPILED BY DEPARTMENTAL OFFICIALS

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, I wish to direct a question to the Minister of Energy, Mines and Resources with reference to the justification for the price increases in eastern Canada, with Saturday's increase now amounting to a total of 7 cents per gallon. In the committee on Thursday night I asked the minister if he would table the working papers justifying such an increase and he said he would not because they included confidential information supplied by the oil companies. Is he now prepared to table the working papers compiled independently by members of his staff?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I indicated to the hon. gentleman that traditionally information of this kind supplied by competing firms has not been made public, and since the documents prepared by the government officials would be founded on the same information it seems to me the same principle should apply.

Mr. Symes: Mr. Speaker, it seems strange to me that there is no independent study made by the department. In light of sources of information I have which say that increased costs only justify an increase of 4½ cents per gallon, with the remainder representing a rip-off of the Canadian consumer totalling $400,000 a day, is the minister prepared to dispute this claim with relevant data from the studies available to him?

Mr. Macdonald (Rosedale): Mr. Speaker, I am content to dispute it by saying I have relied on the best judgment of my advisers, and I think it is sound judgment.

ACCEPTANCE BY MINISTER OF ADVICE BY TECHNICAL ADVISORY COMMITTEE ON PETROLEUM SUPPLY AND DEMAND

Hon. Paul Hellyer (Trinity): Mr. Speaker, my final supplementary is directed to the Minister of Energy, Mines and Resources and is based on his earlier answer this afternoon. May I ask him why he would accept the advice of the technical advisory committee on petroleum supply and demand when the membership of the committee and the qualifications of the members are unknown to him?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, the hon. gentleman has had some experience as a Privy Councillor and knows that within departments, under existing departmental structures, the best men would be selected for the job.

Some hon. Members: Who?

Mr. Macdonald (Rosedale): I would contest directly the hon. gentleman's implication that the officials representing the various departments are anything less than competent.

GASOLINE AND HEATING OIL—SUGGESTION THAT PROVINCES REDUCE TAXES

Mr. Robert C. Coates (Cumberland-Colchester North): Mr. Speaker, I have a question for the Prime Minister with regard to the question previously asked by the hon. member for Saint-Hyacinthe. In view of the fact the Prime Minister has talked about a just society, and in view of the fact he established a special Department of Regional Economic Expansion because of the regional economic disparity that exists in the Atlantic Provinces, how can he now suggest to the House that the provincial governments in those regionally depressed areas of Canada should reduce their taxes in order to—

Mr. Speaker: Order, please. That is clearly argument. The hon. member for Lotbinière.

Mr. Coates: Mr. Speaker, on a question of privilege—

Mr. Speaker: Order, please. The hon. member rises on a question of privilege, and also the hon. member for Lotbinière. I will hear the hon. member for Cumberland-Colchester North first.

Mr. Coates: Mr. Speaker, this question is vital. If I do not get an answer, there is no reason for my being here. This government has stated it has taken special action to try to eliminate regional economic disparities in our area. At the same time the Prime Minister stands up and suggests that the provincial governments cut their taxes even though the taxes are not sufficient in themselves to look after the people in that region. I am asking the federal government what it is going to do to reduce taxes—

Mr. Speaker: Order, please. I have indicated that a question asked in those terms is not in order. The hon. member rises on a question of privilege. The right hon. Prime Minister wants to rise on the same question of privilege. I will recognize him and then the hon. member for Lotbinière on a question of privilege, after which we will go to the order of the House which we have for consideration at this time.

Mr. Trudeau: Thank you, Mr. Speaker. I will not get into debate on the question of regional economic expansion because I think the record of the government stands for itself.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Trudeau: But, Mr. Speaker, with respect to the hon. member, I must recall the facts to him. Last September 4, because of federal government action, we were able to assure that there would be a price freeze in these eastern provinces, a freeze at the then existing level in spite of the fact that prices of international oil were going up considerably. After a long period of time during which those provincial governments have had very high taxes on petroleum products in their provinces and when the people of Ontario and the people of the west were paying high prices for petroleum from Alberta, I think it is pushing it a bit far and it is a little bit much that now those provincial governments expect the federal taxpayers to bail them out when the sheikhs of Araby have increased their prices.

Some hon. Members: Hear, hear!

* * *

[*Translation*]

REGIONAL ECONOMIC EXPANSION

POSSIBILITY OF LEGISLATION BEFORE CHRISTMAS ON PROVISION OF CAPITAL IN SLOW GROWTH REGIONS

Mr. André Fortin (Lotbinière): Mr. Speaker, I should like to put a question to the Minister of Regional Economic Expansion.

Is it true that before Christmas the federal government plans to introduce in the House an important fundamental bill to establish a policy on the regionalization of capital, and if so, when will it be announced?

Mr. Speaker: I thought the hon. member was rising on a question of privilege. He has put his question; the minister may reply to it, after which I shall call orders of the day.

[*English*]

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Mr. Speaker, I do not anticipate bringing in legislation in precisely the form the hon. member has referred to, at least as I understood him amidst the din. On the other hand, there will be announcements made—some have already been made—with a view to assuring that there is in fact additional capital in the slower growth regions of the provinces. If there is anything more specific I will be glad to discuss it with the hon. member.

[*Translation*]

Mr. Speaker: Order. The hon. member on a question of privilege.

Mr. Fortin: Mr. Speaker, I rise on a question of privilege. Over the weekend, at a meeting held in Drummondville, the parliamentary secretary to the minister announced to the population that such an act would be introduced in the House before Christmas and that important statements would be made in this connection. I want to protest against the practice of making unfounded statements elsewhere; I also object to that same policy being pursued in this House merely to serve the interests of that "politicking" parliamentary secretary.

[*English*]

Mr. Bell: On a point of order—

Mr. Prud'homme: On a question of privilege—

Mr. Speaker: Order. We are going to establish a record for questions of privilege today. I will hear the hon. member on his question of privilege.

[*Translation*]

Mr. Prud'homme: Mr. Speaker, you will admit with me that this is surely a prima facie question of privilege. The hon. member, as he usually does, has wrongly reported to the House my comments which appear in the newspaper before him, *La Tribune*. It is true that I spoke to several hundred Liberal supporters in Drummondville Sunday night. I would therefore urge the hon. member, if he wishes to deal with the question of privilege in the House, to quote exactly what has been reported by the newspaper. I merely said that before Christmas we would be signing agreements with some provinces, including Quebec naturally. Now, I say that the hon. member is interpreting what he read in *La Tribune* and I maintain that it is not quite fair for this House of Commons—

• (1500)

Mr. Speaker: Order. Would the hon. member for Lotbinière be kind enough to resume his seat? He raised the question of privilege. The member concerned answered. It seems to me that the interpretation of a report in one way or another gives rise to a debate between both members. I must rule that there is no question of privilege.

Mr. Fortin: Mr. Speaker, I rise on another question of privilege.

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

[*English*]

I will then recognize the hon. member for Saint John-Lancaster and the hon. member for Central Nova on points of order. We will hear all these points of order and questions of privilege in order, one by one.

[*Translation*]

Mr. Fortin: Mr. Speaker, I think I should reply to the hon. member because he said—

Mr. Speaker: Order. If the hon. member wishes to reply to the parliamentary secretary, I must tell him that I have already ruled that this is not a question of privilege. The parliamentary secretary pointed out to the hon. member that he was misunderstanding a newspaper report. The hon. member now wants to rise to give his own explanation. Perhaps another hon. member will seek to challenge the interpretation of the hon. member for Lotbinière. This is not a question of privilege. I do not think it is in the interest of the hon. members to pursue this dispute.

* * *

[*English*]

BUSINESS OF THE HOUSE

Mr. Bell: Mr. Speaker, may I, although a day early, ask the government House leader to keep this exciting mood going and to clear the decks for action. Can the government House leader tell us that Monday will in fact be an official allotted day for a vote of non-confidence?

Mr. MacEachen: Mr. Speaker, I would designate the day; if the hon. member wants to designate non-confidence, that is his opportunity.

Mr. Bell: Assuming that it will be Monday, will the House leader take the opportunity to clear away measures such as the family allowance bill this week, which we will pass very quickly without debate, so that members will be able to vote on Monday without any excuses or inhibitions?

Some hon. Members: Hear, hear!

Mr. MacEachen: Mr. Speaker, I did not realize that my hon. friend was approaching Monday with such timidity.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, may I say a brief word on the same point of order. The other day when I asked the government House leader if he would call these two items for third reading, the Canada Pension Plan No. 2 and the family allowances bill, to which we would agree without debate, he said he was interested in some *quid pro quo*. May I offer on behalf of our party also to give him, without any further debate, the second reading of Bill S-4. These three things could be done in a minute and a half.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Fortin: Mr. Speaker, I wish to rise again on a question of privilege.

I asked the hon. minister, at the end of the question period, whether he intended to submit a legislation. As you clearly heard he categorically replied no. The hon. member suggested that I did not repeat his words exactly. Mr. Speaker, I will be very brief. I want it to be understood that I have repeated only facts and that I said nothing—

Mr. Speaker: Order. The hon. member is again raising a question of privilege. I think this is the same question that was raised previously. I do not want to be unfair to the hon. member but I fail to see how we should proceed further about this matter of interpretation of a press report between the hon. member and the parliamentary secretary. The hon. member knows that under a House order we should proceed with votes on Bill C-176 and I

trust I may rely on the co-operation of all hon. members so that we can proceed with the House order.

[*English*]

Mr. MacKay: Mr. Speaker, I rise on a point of order and I will ask you to bear with me for a moment as I do not do this very often. I am quite disturbed at the action taken by the Minister of Transport (Mr. Marchand) in relation to the widely publicized head tax for travellers and the proposed charges under the Aeronautics Act. The minister was in the House yesterday, then he went out and made this announcement. He should have made a statment on this important matter because it involves taxation which, after all, is one of the fundamental reasons for parliament's existence.

I do not intend to go on at any length but I should like to say, through you, that I would respectfully request you to suggest to the minister that he follow what I believe to be the better practice, one which has been followed by custom in this House of Commons, that is, to make announcements of this nature in the House of Commons or at least have the courtesy to do so in committee, instead of leaving the House to make an announcement of such fundamental importance to the newspapers.

[*Translation*]

Mr. Marchand (Langelier): Mr. Speaker, a bill has been passed by the House three years ago under which the government could levy an airport tax. The only amendment brought in by the Progressive Conservative Party at that moment dealt with levying a fixed rate tax, and that amendment had been brought in by the hon. member for Edmonton West. That bill was passed by the House, and its coming into force has not been proclaimed by the government. The House was then fully aware of that situation, as evidenced, Mr. Speaker, by the fact that the opposition did not even ask me one question about the tax that has been levied.

GOVERNMENT ORDERS

[*English*]

PROTECTION OF PRIVACY BILL

CREATION OF OFFENCES RELATED TO INTERCEPTION OF PRIVATE COMMUNICATIONS BY CERTAIN DEVICES

The House resumed, from Friday, November 30, consideration of Bill C-176, to amend the Criminal Code, the Crown Liability Act and the Official Secrets Act, as reported (with amendments) from the Standing Committee on Justice and Legal Affairs.

Mr. Speaker: Pursuant to an order made November 29, 1973, the House will now proceed to take the deferred divisions in relation to Bill C-176, to amend the Criminal Code, the Crown Liability Act and the Official Secrets Act. Call in the members.

● (1520)

And the members having been called in.

Protection of Privacy

Mr. Speaker: Order, please. With the agreement of the House, the divisions will be called in the order in which they are listed on pages 5 to 8 of this day's order paper. The question is on motion No. 8 standing in the name of the hon. member for New Westminster (Mr. Leggatt).

The House divided on Motion No. 8 (Mr. Leggatt) which was negatived on the following division:

(*Division No. 52*)

YEAS

Messrs.

Barnett	Howard	Nelson
Benjamin	Knight	Nesdoly
Blackburn	Knowles (Winnipeg North Centre)	Nystrom
Brewin	Leggatt	Olaussen
De Bané	MacInnis (Mrs.) (Vancouver Kingsway)	Orlikow
Firth	Neale (Vancouver East)	Peters
Gilbert		Rowland
Gleave		Rose
Grier		Symes—26.
Harding		
Harney		

NAYS

Messrs.

Alexander	Clarke (Vancouver Quadra)	Gendron
Alkenbrack	Clermont	Gillespie
Allard	Coates	Gillies
Allmand	Comtois	Godin
Andras	Corbin	Goyer
Andre	Corriveau	Guay (St. Boniface)
Arrol	Côté	Guay (Lévis)
Atkey	Crouse	Guilbault
Baker	Cullen	Haidasz
Baldwin	Cyr	Hales
Basford	Danforth	Haliburton
Bawden	Danson	Hamilton (Swift Current-Maple Creek)
Beattie (Hamilton Mountain)	Darling	Hargrave
Beatty (Wellington-Grey-Dufferin-Waterloo)	Davis	Hees
Beaudoin	Demers	Hellyer
Béchard	Dick	Herbert
Bell	Diefenbaker	Higson
Blais	Dinsdale	Hollands
Blenkarn	Dionne	Holmes
Blouin	Drury	Hopkins
Boisvert	Dubé	Horner (Crowfoot)
Boulanger	Dupont	Howie
Breau	Duquet	Hueglin
Buchanan	Ellis	Hurlburt
Caccia	Epp	Isabelle
Cafik	Ethier	Jamieson
Campbell	Fairweather	Jarvis
Caouette (Charlevoix)	Faulkner	Jerome
Caouette (Témiscamingue)	Fleming	Kempling
Caron	Forrestall	Knowles (Norfolk-Haldimand)
Carter	Fortin	Korchinski
Chrétien	Foster	Lachance
Clark (Rocky Mountain)	Fox	Laflamme
	Frank	Lajoie
	Fraser	Lalonde
	Gauthier (Roberval)	
	Gauthier (Ottawa East)	

Messrs.

Lambert (Bellechasse)
Lambert (Edmonton West)
Lang
Langlois
Laniel
La Salle
Lawrence
Leblanc (Laurier)
Leblanc (Westmorland-Kent
Lefebvre
Lessard
L'Heureux
Loiselle
Lundrigan
MacDonald (Cardigan)
MacDonald (Egmont)
Macdonald (Rosedale)
MacDonald (Miss) (Kingston and the Islands)
MacEachen
MacGuigan
Mackasey
MacKay
MacLean
Macquarrie
Madill
Marceau
Marchand (Langelier)
Marchand (Kamloops-Cariboo)
Marshall
Masniuk
Matte
Mazankowski
McCain
McCleave
McGrath
McKenzie
McKinley
McKinnon
McRae
Mitges
Morgan
Morin (Mrs.)
Muir
Munro (Esquimalt-Saanich)
Munro (Hamilton East)
Murta
Neil (Moose Jaw)
Nielsen
Nowlan
Oberle
O'Connor
Olivier
Ouellet
Paproski
Patterson
Pelletier (Hochelaga)
Pelletier (Sherbrooke)
Portelance
Poulin
Prud'homme
Railton
Reid
Reilly
Reynolds
Richardson
Ritchie
Rompkey
Rondeau
Roy (Timmins)
Roy (Laval)
Rynard
Saltsman
Sauvé (Mrs.)
Schellenberger
Schumacher
Scott
Sharp
Skoreyko
Smith (Northumberland-Miramichi)
Smith (Saint-Jean)
Stackhouse
Stanbury
Stanfield
Stevens
Stewart (Marquette)
Stewart (Okanagan-Kootenay)
Stewart (Cochrane)
Stollery
Taylor
Thomas (Maisonneuve-Rosemont)
Trudeau
Trudel
Turner (London East)
Turner (Ottawa-Carleton)
Wagner
Walker
Watson
Whelan
Whicher
Whittaker
Wise
Woolliams
Yanakis
Yewchuk—209.

● (1530)

Mr. Speaker: I declare the motion lost.

The House divided on Motion No. 17 (Mr. Leggatt) which was negatived on the following division:

(*Division No. 53*)

YEAS

Messrs.

Barnett
Benjamin
Blackburn
Brewin
De Bané
Firth
Gilbert
Gleave
Grier
Harding
Harney
Howard
Knight
Knowles (Winnipeg North Centre)
Leggatt
MacInnis (Mrs.) (Vancouver Kingsway)
Neale (Vancouver East)
Nelson
Nesdoly
Nystrom
Olaussen
Orlikow
Peters
Rose
Rowland
Symes—26.

NAYS

Messrs.

Alexander
Alkenbrack
Allard
Allmand
Andras
Andre
Arrol
Atkey
Baker
Baldwin
Basford
Bawden
Beattie (Hamilton Mountain)
Beatty (Wellington-Grey-Dufferin-Waterloo)
Beaudoin
Béchard
Bell
Blais
Blenkarn
Blouin
Boisvert
Boulanger
Breau
Buchanan
Caccia
Cafik
Campbell
Caouette (Charlevoix)
Caouette (Témiscamingue)
Caron
Carter
Chrétien
Clark (Rocky Mountain)
Clarke (Vancouver Quadra)
Clermont
Coates
Comtois
Corbin
Corriveau
Côté
Crouse
Cullen
Cyr
Danforth
Danson
Darling
Davis
Demers
Dick
Diefenbaker
Dinsdale
Dionne
Drury
Dubé
Dupont
Duquet
Ellis
Epp
Ethier
Fairweather
Faulkner
Fleming
Forrestall
Fortin
Foster
Fox
Frank
Fraser
Gauthier (Roberval)
Gauthier (Ottawa East)
Gendron
Gillespie
Gillies
Godin
Goyer
Guay (St. Boniface)
Guay (Lévis)
Guilbault
Haidasz
Hales
Haliburton
Hamilton (Swift Current-Maple Creek)
Hargrave
Hees
Hellyer
Herbert
Higson
Hollands
Holmes
Hopkins
Horner (Crowfoot)
Howie
Hueglin
Hurlburt
Isabelle
Jamieson
Jarvis
Jerome
Kempling
Knowles (Norfolk-Haldimand)
Korchinski
Lachance
Laflamme
Lajoie
Lalonde
Lambert (Bellechasse)
Lambert (Edmonton West)
Lang
Langlois
Laniel
La Salle
Lawrence
Leblanc (Laurier)
LeBlanc (Westmorland-Kent)
Lefebvre
Lessard
L'Heureux
Loiselle
Lundrigan
MacDonald (Cardigan)
MacDonald (Egmont)
Macdonald (Rosedale)
MacDonald (Miss) (Kingston and the Islands)
MacEachen
MacGuigan
Mackasey
MacKay
MacLean
Macquarrie
Madill
Marceau
Marchand (Langelier)
Marchand (Kamloops-Cariboo)
Marshall
Masniuk
Matte
Mazankowski
McCain
McCleave
McGrath
McKenzie
McKinley
McKinnon
McRae
Mitges
Morgan
Morin (Mrs.)
Muir
Munro (Esquimalt-Saanich)
Munro (Hamilton East)
Murta
Neil (Moose Jaw)
Nielsen
Nowlan
Oberle
O'Connor
Olivier
Ouellet
Paproski
Patterson
Pelletier (Hochelaga)
Pelletier (Sherbrooke)
Portelance
Poulin
Prud'homme
Railton
Reid
Reilly
Reynolds
Richardson
Ritchie
Rompkey
Rondeau
Roy (Timmins)
Roy (Laval)
Rynard
Saltsman
Sauvé (Mrs.)
Schellenberger
Schumacher
Scott
Sharp
Skoreyko

Messrs.

Smith (Northumberland-Miramichi)
Smith (Saint-Jean)
Stackhouse
Stanbury
Stanfield
Stevens
Stewart (Marquette)
Stewart (Okanagan-Kootenay)
Stewart (Cochrane)
Stollery
Taylor
Thomas (Maisonneuve-Rosemont)
Trudeau
Trudel
Turner (London East)
Turner (Ottawa-Carleton)
Wagner
Walker
Watson
Whelan
Whicher
Whittaker
Wise
Woolliams
Yanakis
Yewchuk—209.

● (1540)

Mr. Speaker: I declare the motion lost.

The House will now proceed to the vote on motion No. 18.

The House divided on motion No. 18 (Mr. Leggatt) which was negatived on the following division:

(*Division No. 54*)

YEAS

Messrs.

Barnett
Benjamin
Blackburn
Brewin
De Bané
Firth
Gilbert
Gleave
Grier
Harding
Harney
Howard
Knight
Knowles (Winnipeg North Centre)
Leggatt
Lewis
MacInnis (Mrs.) (Vancouver Kingsway)
Neale (Vancouver East)
Nelson
Nesdoly
Nystrom
Olaussen
Orlikow
Peters
Rose
Rowland
Symes—27

NAYS

Messrs.

Alexander
Alkenbrack
Allard
Allmand
Andras
Andre
Arrol
Atkey
Baker
Baldwin
Basford
Bawden
Beattie (Hamilton Mountain)
Beatty (Wellington-Grey-Dufferin-Waterloo)
Beaudoin
Béchard
Bell
Blais
Blenkarn
Blouin
Boisvert
Boulanger
Breau
Buchanan
Caccia
Cafik
Campbell
Caouette (Charlevoix)
Caouette (Témiscamingue)
Caron
Carter
Chrétien
Clark (Rocky Mountain)
Clarke (Vancouver Quadra)
Clermont
Coates
Comtois
Corbin
Corriveau
Côté
Crouse
Cullen
Cyr
Danforth
Danson
Darling
Davis
Demers
Dick
Diefenbaker
Dinsdale
Dionne
Drury
Dubé
Dupont
Duquet
Ellis
Epp
Ethier
Fairweather
Faulkner
Fleming
Forrestall
Fortin
Foster
Fox
Frank
Fraser
Gauthier (Roberval)
Gauthier (Ottawa East)
Gendron
Gillespie
Gillies
Godin
Goyer
Guay (St. Boniface)
Guay (Lévis)
Guilbault
Haidasz
Hales
Haliburton
Hamilton (Swift Current-Maple Creek)
Hargrave
Hees
Hellyer
Herbert
Higson
Hollands
Holmes
Hopkins
Horner (Crowfoot)
Howie
Hueglin
Hurlburt
Isabelle
Jamieson
Jarvis
Jerome
Kempling
Knowles (Norfolk-Haldimand)
Korchinski
Lachance
Laflamme
Lajoie
Lalonde
Lambert (Bellechasse)
Lambert (Edmonton West)
Lang
Langlois
Laniel
La Salle
Lawrence
Leblanc (Laurier)
Leblanc (Westmorland-Kent)
Lefebvre
Lessard
L'Heureux
Loiselle
Lundrigan
MacDonald (Cardigan)
MacDonald (Egmont)
Macdonald (Rosedale)
MacDonald (Miss) (Kingston and the Islands)
MacEachen
MacGuigan
Mackasey
MacKay
MacLean
Macquarrie
Madill
Marceau
Marchand (Langelier)
Marchand (Kamloops-Cariboo)
Marshall
Masniuk
Matte
Mazankowski
McCain
McCleave
McGrath
McKenzie
McKinley
McKinnon
McRae
Mitges
Morgan
Morin (Mrs.)
Muir
Munro (Esquimalt-Saanich)
Munro (Hamilton East)
Murta
Neil (Moose Jaw)
Nielsen
Nowlan
Oberle
O'Connor
Olivier
Ouellet
Paproski
Patterson
Pelletier (Hochelaga)
Pelletier (Sherbrooke)
Portelance
Poulin
Prud'homme
Railton
Reid
Reilly
Reynolds
Richardson
Ritchie
Rompkey
Rondeau
Roy (Timmins)
Roy (Laval)
Rynard
Sauvé (Mrs.)
Schellenberger
Schumacher
Scott
Sharp
Skoreyko
Smith (Northumberland-Miramichi)
Smith (Saint-Jean)
Stackhouse
Stanbury
Stanfield
Stevens
Stewart (Marquette)
Stewart (Okanagan-Kootenay)
Stewart (Cochrane)
Stollery
Taylor
Thomas (Maisonneuve-Rosemont)
Trudeau
Trudel
Turner (London East)
Turner (Ottawa-Carleton)
Wagner
Walker
Watson
Whelan
Whicher
Whittaker
Wise
Woolliams
Yanakis
Yewchuk—208.

● (1550)

Mr. Speaker: The House will now proceed to the consideration of Motion No. 13. Before putting the question on that motion we must consider the amendment thereto and the amendment to the amendment. Therefore, the question is on the amendment to the amendment to Motion No. 13.

Protection of Privacy

The House divided on the sub-amendment (Mr. Lalonde) to the amendment to Motion No. 13, which was agreed to on the following division.

(*Division No. 55*)

YEAS

Messrs.

Allard
Allmand
Andras
Basford
Beaudoin
Béchard
Blais
Blouin
Boisvert
Boulanger
Breau
Buchanan
Caccia
Cafik
Campbell
Caouette (Charlevoix)
Caouette (Témiscamingue)
Caron
Chrétien
Clermont
Comtois
Corbin
Corriveau
Côté
Cullen
Cyr
Danson
Davis
De Bané
Demers
Dionne
Drury
Dubé
Dupont
Duquet
Ethier
Faulkner
Fleming
Fortin
Foster
Fox
Gauthier (Roberval)
Gauthier (Ottawa East)
Gendron
Gillespie
Godin
Goyer
Guay
Guay (St. Boniface)
Guay (Lévis)
Guilbault
Haidasz
Herbert
Hopkins
Isabelle
Jamieson
Jerome
Lachance
Laflamme
Lajoie
Lalonde
Lambert (Bellechasse)
Lang
Langlois
Laniel
La Salle
Leblanc (Laurier)
LeBlanc (Westmorland-Kent)
Lefebvre
Lessard
L'Heureux
Loiselle
MacDonald (Cardigan)
Macdonald (Rosedale)
MacEachen
MacGuigan
Mackasey
MacKay
MacLean
Macquarrie
Madill
Marceau
Marchand (Langelier)
Marchand (Kamloops-Cariboo)
McRae
Morin (Mrs.)
Munro (Hamilton East)
Olivier
Ouellet
Pelletier (Hochelaga)
Pelletier (Sherbrooke)
Portelance
Poulin
Prud'homme
Railton
Reid
Reynolds
Richardson
Rompkey
Roy (Timmins)
Roy (Laval)
Saltsman
Sauvé (Mrs.)
Sharp
Smith (Northumberland-Miramichi)
Smith (Saint-Jean)
Stanbury
Stewart (Okanagan-Kootenay)
Stewart (Cochrane)
Stollery
Thomas (Maisonneuve-Rosemont)
Trudeau
Trudel
Turner (London East)
Turner (Ottawa-Carleton)
Walker
Watson
Whelan
Whicher
Yanakis—115.

NAYS

Messrs.

Alexander
Alkenbrack
Andre
Arrol
Atkey
Baker
Baldwin
Barnett
Bawden
Beattie (Hamilton Mountain)
Beatty (Wellington-Grey-Dufferin-Waterloo)
Bell
Benjamin
Blackburn
Blenkarn
Brewin
Carter
Clark (Rocky Mountain)
Clarke (Vancouver Quadra)
Coates
Crouse
Danforth
Darling
Diefenbaker
Dinsdale
Ellis
Epp
Fairweather
Firth
Forrestall
Frank
Fraser
Gilbert
Gillies
Gleave
Grier
Hales
Haliburton
Hamilton (Swift Current-Maple Creek)
Harding
Hargrave
Harney
Hees
Hellyer
Higson
Holmes
Howard
Howie
Hueglin
Hurlburt
Jarvis
Kempling
Knight
Knowles (Winnipeg North Centre)
Knowles (Norfolk-Haldimand)
Korchinski
Lambert (Edmonton West)
Lawrence
Leggatt
Lewis
Lundrigan
MacDonald (Egmont)
MacDonald (Miss) (Kingston and the Islands)
MacInnis (Mrs.) (Vancouver Kingsway)
MacKay
MacLean
Macquarrie
Madill
Marshall
Masniuk
Matte
Mazankowski
McCain
McCleave
McGrath
McKenzie
McKinley
McKinnon
Morgan
Muir
Munro (Esquimalt-Saanich)
Murta
Neale (Vancouver East)
Neil (Moose Jaw)
Nelson
Nesdoly
Nielsen
Nowlan
Nystrom
O'Connor
Olaussen
Orlikow
Paproski
Patterson
Peters
Reilly
Ritchie
Rondeau
Rose
Rowland
Rynard
Schellenberger
Scott
Stackhouse
Stanfield
Stevens
Stewart (Marquette)
Symes
Taylor
Wagner
Whittaker
Wise
Woolliams
Yewchuk—114.

● (1600)

Mr. Speaker: Order, please. The House will now proceed to the question on the amendment (as amended) to motion No. 13. Is it the wish of the House that we proceed immediately without calling in the members?

Some hon. Members: Agreed.

Mr. Speaker: The question is the following:

That motion numbered 13 be amended by deleting therefrom the words "is relevant and that to exclude it as evidence may result in justice not being done in the matter to which the proceedings relate," and substituting therefor the following:

"(a) is relevant,

(b) is inadmissible by reason only of a defect of form or an irregularity in procedure, not being a substantive defect or irregularity, in the application for or the giving of the authorization under which such private communication was intercepted or by means of which such evidence was obtained, and

(c) that to exclude it as evidence may result in justice not being done,"

Mr. MacEachen: Mr. Speaker, on a point of order, I am not certain that the amendment as amended has been put.

Mr. Speaker: My understanding is that we are now putting to the House the amendment to the motion as amended.

Mr. MacEachen: That is my understanding, but in the reading I did not catch the words that had been adopted by the House.

Mr. Speaker: I think it is clear to all hon. members that what we are putting to the House is the amendment moved in the name of the hon. member for St. Paul's (Mr. Atkey) as amended by the vote of the House a moment ago. I appreciate that perhaps I did not read it correctly but followed the words before me at that time.

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

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: All those opposed will please say yea.

Some hon. Members: Yea.

Some hon. Members: Nay.

Mr. Speaker: In my opinion the yeas have it. Should we proceed with the division without the ringing of the bells?

Some hon. Members: Agreed.

The House divided on the amendment (Mr. Atkey) to motion No. 13 which was agreed to on the following division:

(*Division No. 56*)

YEAS

Messrs.

Alexander
Alkenbrack
Allard
Allmand
Andras
Andre
Arrol
Atkey
Baker
Baldwin
Basford
Bawden
Beattie
(Hamilton Mountain)
Beatty
(Wellington-Grey-Dufferin-Waterloo)
Beaudoin
Béchard
Bell
Blais
Blenkarn
Blouin
Boisvert
Boulanger
Breau
Buchanan
Caccia
Cafik
Campbell
Caouette
(Charlevoix)
Caouette
(Témiscamingue)
Caron
Carter
Chrétien
Clark
(Rocky Mountain)
Clarke
(Vancouver Quadra)
Clermont
Coates
Comtois
Corbin
Corriveau
Côté
Crouse
Cullen
Cyr
Danforth
Danson
Darling
Davis
Demers
Diefenbaker
Dinsdale
Dionne
Drury
Dubé
Dupont
Duquet
Ellis
Epp
Ethier
Fairweather
Faulkner
Fleming
Forrestall
Fortin
Foster
Fox
Frank
Fraser
Gauthier
(Roberval)
Gauthier
(Ottawa East)
Gendron
Gillespie
Gillies
Godin
Goyer
Guay
(St. Boniface)
Guay (Lévis)
Guilbault
Haidasz
Hales
Haliburton
Hamilton
(Swift Current-Maple Creek)
Hargrave
Hees
Hellyer
Herbert
Higson
Holmes
Hopkins
Howie
Hueglin
Hurlburt
Isabelle
Jamieson
Jarvis
Jerome
Kempling
Knowles
(Norfolk-Haldimand)
Korchinski
Lachance
Laflamme
Lajoie
Lalonde
Lambert
(Bellechasse)
Lambert
(Edmonton West)
Lang
Langlois
Laniel
La Salle
Lawrence
Leblanc
(Laurier)
LeBlanc
(Westmorland-Kent)
Lefebvre
Lessard
L'Heureux
Loiselle
Lundrigan
MacDonald
(Cardigan)
MacDonald
(Egmont)
Macdonald
(Rosedale)
MacDonald (Miss)
(Kingston and the Islands)
MacEachen
MacGuigan
Mackasey
MacKay
MacLean
Macquarrie
Madill
Marceau
Marchand
(Langelier)
Marchand
(Kamloops-Cariboo)
Marshall
Masniuk
Mazankowski
McCain
McCleave
McGrath
McKenzie
McKinley
McKinnon
McRae
Morgan
Morin (Mrs.)
Muir
Munro
(Esquimalt-Saanich)
Munro
(Hamilton East)
Murta
Neil
(Moose Jaw)
Nielsen
Nowlan
Oberle
O'Connor
Olivier
Ouellet
Paproski
Patterson
Pelletier
(Hochelaga)
Pelletier
(Sherbrooke)
Portelance
Poulin
Prud'homme
Railton
Reid
Reilly
Reynolds
Richardson
Ritchie
Rompkey
Roy
(Timmins)
Roy
(Laval)
Rynard
Sauvé (Mrs.)
Schellenberger
Scott
Sharp
Smith
(Northumberland-Miramichi)
Smith
(Saint-Jean)
Stackhouse
Stanbury
Stanfield
Stevens
Stewart
(Marquette)
Stewart
(Okanagan-Kootenay)
Stewart
(Cochrane)
Stollery
Taylor
Thomas
(Maisonneuve-Rosemont)
Trudeau
Trudel
Turner
(London East)
Turner
(Ottawa-Carleton)
Wagner
Walker
Watson
Whelan
Whicher
Whittaker
Wise
Woolliams
Yanakis
Yewchuk—200.

NAYS

Messrs.

Barnett
Benjamin
Blackburn
Brewin
Gilbert
Gleave
Grier
Harding
Harney
Howard
Knight
Knowles
(Winnipeg North Centre)
Leggatt
Lewis
MacInnis (Mrs.)
(Vancouver Kingsway)
Neale
(Vancouver East)
Nelson
Nesdoly
Nystrom
Olaussen
Orlikow
Peters
Rose
Rowland
Saltsman
Symes—26.

● (1610)

Mr. Speaker: I declare the amendment carried. The House will now proceed to the consideration of the motion standing in the name of the Minister of Justice (Mr. Lang).

Protection of Privacy

The question is on motion No. 13, as amended. Is it the pleasure of the House to adopt the said motion, as amended? All those in favour will please say yea.

Some hon. Members: Yea.

Mr. Speaker: All those opposed will please say nay?

Some hon. Members: Nay.

Mr. Speaker: In my opinion the nays have it. Is it again the wish of hon. members that we proceed without ringing the bells?

Some hon. Members: Agreed.

The House divided on motion No. 13 (Mr. Lang), as amended, which was agreed to on the following division:

(*Division No. 57*)

YEAS

Messrs.

Allard
Allmand
Andras
Basford
Beaudoin
Béchard
Blais
Blouin
Boisvert
Boulanger
Breau
Buchanan
Caccia
Cafik
Campbell
Caouette (Charlevoix)
Caouette (Témiscamingue)
Caron
Chrétien
Clermont
Comtois
Corbin
Corriveau
Côté
Cullen
Cyr
Danson
Davis
Demers
Dionne
Drury
Dubé
Dupont
Dupras
Duquet
Ethier
Faulkner
Fleming
Fortin
Foster
Fox
Gauthier (Roberval)
Gauthier (Ottawa East)
Gendron
Gillespie
Godin
Goyer
Guay (St. Boniface)
Guay (Lévis)
Guilbault
Haidasz
Herbert
Hopkins
Isabelle
Jamieson
Jerome
Lachance
Laflamme
Lajoie
Lalonde
Lambert (Bellechasse)
Lang
Langlois
Laniel
La Salle
Leblanc (Laurier)
LeBlanc (Westmorland-Kent)
Lefebvre
Lessard
L'Heureux
Loiselle
MacDonald (Cardigan)
Macdonald (Rosedale)
MacEachen
MacGuigan
Mackasey
Marceau
Marchand (Langelier)
Marchand (Kamloops-Cariboo)
McRae
Morin (Mrs.)
Munro (Hamilton East)
Neil (Moose Jaw)
Olivier
Ouellet
Pelletier (Hochelaga)
Pelletier (Sherbrooke)
Portelance
Poulin
Prud'homme
Railton
Reid
Reynolds
Richardson
Rompkey
Roy (Timmins)
Roy (Laval)
Saltsman
Sauvé (Mrs.)
Sharp
Smith (Northumberland-Miramichi)
Smith (Saint-Jean)
Stanbury
Stewart (Okanagan-Kootenay)
Stewart (Cochrane)
Stollery
Thomas (Maisonneuve-Rosemont)
Trudeau
Trudel
Turner (London East)
Turner (Ottawa-Carleton)
Walker
Watson
Whelan
Whicher
Yanakis—116.

[Mr. Speaker.]

NAYS

Messrs.

Alexander
Alkenbrack
Andre
Arrol
Atkey
Baker
Baldwin
Barnett
Bawden
Beattie (Hamilton Mountain)
Beatty (Wellington-Grey-Dufferin-Waterloo)
Bell
Benjamin
Blackburn
Blenkarn
Brewin
Carter
Clark (Rocky Mountain)
Clarke (Vancouver Quadra)
Coates
Crouse
Danforth
Darling
Diefenbaker
Dinsdale
Ellis
Epp
Fairweather
Forrestall
Frank
Fraser
Gilbert
Gillies
Gleave
Grier
Hales
Haliburton
Hamilton (Swift Current-Maple Creek)
Harding
Hargrave
Harney
Hees
Hellyer
Higson
Holmes
Howard
Howie
Hueglin
Hurlburt
Jarvis
Kempling
Knight
Knowles (Winnipeg North Centre)
Knowles (Norfolk-Haldimand)
Korchinski
Lambert (Edmonton West)
Lawrence
Leggatt
Lewis
Lundrigan
MacDonald (Egmont)
MacDonald (Miss) (Kingston and the Islands)
MacInnis (Mrs.) (Vancouver Kingsway)
MacKay
MacLean
Macquarrie
Madill
Marshall
Masniuk
Matte
Mazankowski
McCain
McCleave
McGrath
McKenzie
McKinley
McKinnon
Morgan
Muir
Munro (Esquimalt-Saanich)
Murta
Neale (Vancouver East)
Nelson
Nesdoly
Nielsen
Nowlan
Nystrom
Oberle
O'Connor
Olaussen
Orlikow
Paproski
Patterson
Peters
Reilly
Ritchie
Rondeau
Rose
Rowland
Rynard
Schellenberger
Scott
Stackhouse
Stanfield
Stevens
Stewart (Marquette)
Symes
Taylor
Wagner
Whittaker
Wise
Woolliams
Yewchuk—113.

Mr. Speaker: I declare the motion, as amended, carried. The question is on the amendment (Mr. Cullen) to motion No. 2 (Mr. Atkey).

● (1620)

The House divided on the amendment (Mr. Cullen) to motion No. 2 (Mr. Atkey) which was agreed to on the following division:

(*Division No. 58*)

YEAS

Messrs.

Alexander
Alkenbrack
Allard
Allmand
Andras
Andre
Arrol
Atkey
Baker
Baldwin
Basford
Bawden
Beattie (Hamilton Mountain)
Beatty (Wellington-Grey-Dufferin-Waterloo)
Beaudoin
Béchard
Bell
Blais
Blenkarn
Blouin
Boisvert
Boulanger
Breau
Buchanan
Caccia
Cafik
Campbell
Caouette (Charlevoix)
Caouette (Témiscamingue)
Caron
Carter
Chrétien
Clark (Rocky Mountain)
Clarke (Vancouver Quadra)
Clermont
Coates
Comtois
Corbin
Corriveau
Côté
Crouse
Cullen
Cyr
Danforth
Danson
Darling
Davis
Demers
Diefenbaker
Dinsdale
Dionne
Drury
Dubé
Dupont
Dupras
Duquet
Ellis
Epp
Ethier
Fairweather
Faulkner
Fleming
Forrestall
Fortin
Foster
Fox
Frank
Fraser
Gauthier (Roberval)
Gauthier (Ottawa East)
Gendron
Gillespie
Gillies
Godin
Goyer
Guay (St. Boniface)
Guay (Lévis)
Guilbault
Haidasz
Hales
Haliburton
Hamilton (Swift Current-Maple Creek)
Hargrave
Hees
Hellyer
Herbert
Higson
Holmes
Hopkins
Howie
Hueglin
Hurlburt
Isabelle
Jamieson
Jarvis
Jerome
Kempling
Knowles (Norfolk-Haldimand)
Korchinski
Lachance
Laflamme
Lajoie
Lalonde
Lambert (Bellechasse)
Lambert (Edmonton West)
Lang
Langlois
Laniel
La Salle
Lawrence
Leblanc (Laurier)
LeBlanc (Westmorland-Kent)
Lefebvre
Lessard
L'Heureux
Loiselle
Lundrigan
MacDonald (Cardigan)
MacDonald (Egmont)
Macdonald (Rosedale)
MacDonald (Miss) (Kingston and the Islands)
MacEachen
MacGuigan
Mackasey
MacKay
MacLean
Macquarrie
Madill
Marceau
Marchand (Langelier)
Marchand (Kamloops-Cariboo)
Marshall
Masniuk
Matte
Mazankowski
McCain
McCleave
McGrath
McKenzie
McKinley
McKinnon
McRae
Mitges
Morgan
Morin (Mrs.)
Muir
Munro (Esquimalt-Saanich)
Munro (Hamilton East)
Murta
Neil (Moose Jaw)
Nielsen
Nowlan
Oberle
O'Connor
Olivier
Ouellet
Paproski
Patterson
Pelletier (Hochelaga)
Pelletier (Sherbrooke)
Portelance
Poulin
Prud'homme
Railton
Reid
Reilly
Reynolds
Richardson
Ritchie
Rompkey
Rondeau
Roy (Timmins)
Roy (Laval)
Rynard
Saltsman
Sauvé (Mrs.)
Schellenberger
Schumacher
Scott
Sharp
Skoreyko
Smith (Northumberland-Miramichi)
Smith (Saint-Jean)
Stackhouse
Stanbury
Stanfield
Stevens
Stewart (Marquette)
Stewart (Okanagan-Kootenay)
Stewart (Cochrane)
Stollery
Taylor
Thomas (Maisonneuve-Rosemont)
Trudeau
Trudel
Turner (London East)
Turner (Ottawa-Carleton)
Wagner
Walker
Watson
Whelan
Whicher
Whittaker
Wise
Yanakis
Yewchuk—206.

NAYS

Messrs.

Barnett
Benjamin
Blackburn
Brewin
De Bané
Gilbert
Gleave
Grier
Harding
Harney
Howard
Knight
Knowles (Winnipeg North Centre)
Leggatt
Lewis
MacInnis (Mrs.) (Vancouver Kingsway)
Neale (Vancouver East)
Nelson
Nesdoly
Nystrom
Olaussen
Orlikow
Peters
Rose
Rowland
Symes—26.

Mr. Speaker: I declare the motion carried.

My understanding is that the adoption of the amendment to the motion substantially supersedes the motion itself, so that there would be nothing to put before the House. I think hon. members would agree that it would be useless to put the motion. Is it agreed?

Some hon. Members: Agreed.

Mr. Speaker: The House will therefore proceed to motion No. 20 (Mr. Lang).

The House divided on motion No. 20, which was negatived on the following division:

(*Division No. 59*)

YEAS

Messrs.

Allard
Allmand
Andras
Basford
Beaudoin
Béchard
Blais
Blouin
Boisvert
Boulanger
Breau
Buchanan
Caccia
Cafik
Campbell
Caouette (Charlevoix)
Caouette (Témiscamingue)
Caron
Chrétien
Clermont
Comtois
Corbin
Corriveau
Côté
Cullen
Cyr
Danson
Davis
Demers
Dionne
Drury
Dubé
Dupont
Dupras
Duquet
Ethier
Faulkner
Fleming
Fortin
Foster
Fox
Gauthier (Roberval)
Gauthier (Ottawa East)
Gendron
Gillespie
Godin
Goyer

Messrs.

Guay (St. Boniface)
Guay (Lévis)
Guilbault
Haidasz
Herbert
Hopkins
Isabelle
Jamieson
Jerome
Lachance
Laflamme
Lajoie
Lalonde
Lambert (Bellechasse)
Lang
Langlois
Laniel
La Salle
Leblanc (Laurier)
LeBlanc (Westmorland-Kent)
Lefebvre
Lessard
L'Heureux
Loiselle
MacDonald (Cardigan)
Macdonald (Rosedale)
MacEachen
MacGuigan
Mackasey
Marceau
Marchand (Langelier)
Marchand (Kamloops-Cariboo)
McRae
Morin (Mrs.)
Munro (Hamilton East)
Olivier
Ouellet
Pelletier (Hochelaga)
Pelletier (Sherbrooke)
Portelance
Poulin
Prud'homme
Railton
Reid
Richardson
Rompkey
Roy (Timmins)
Roy (Laval)
Sauvé (Mrs.)
Sharp
Smith (Northumberland-Miramichi)
Smith (Saint-Jean)
Stanbury
Stewart (Okanagan-Kootenay)
Stewart (Cochrane)
Stollery
Thomas (Maisonneuve-Rosemont)
Trudeau
Trudel
Turner (London East)
Turner (Ottawa-Carleton)
Walker
Watson
Whelan
Whicher
Yanakis—113.

NAYS

Messrs.

Alexander
Alkenbrack
Andre
Arrol
Atkey
Baker
Baldwin
Barnett
Bawden
Beattie (Hamilton Mountain)
Beatty (Wellington-Grey-Dufferin-Waterloo)
Bell
Benjamin
Blackburn
Blenkarn
Brewin
Broadbent
Carter
Clark (Rocky Mountain)
Clarke (Vancouver Quadra)
Coates
Crouse
Danforth
Darling
De Bané
Diefenbaker
Dinsdale
Ellis
Epp
Fairweather
Forrestall
Frank
Fraser
Gilbert
Gillies
Gleave
Grier
Hales
Haliburton
Hamilton (Swift Current-Maple Creek)
Harding
Hargrave
Harney
Hees
Hellyer
Higson
Holmes
Howard
Howie
Hueglin
Hurlburt
Jarvis
Kempling
Knight
Knowles (Winnipeg North Centre)
Knowles (Norfolk-Haldimand)
Korchinski
Lambert (Edmonton West)
Lawrence
Leggatt
Lewis
Lundrigan
MacDonald (Egmont)
MacDonald (Miss) (Kingston and the Islands)
MacInnis (Mrs.) (Vancouver Kingsway)
MacKay
MacLean
Macquarrie
Madill
Marshall
Masniuk
Mazankowski
McCain
McCleave
McGrath
McKenzie
McKinley
McKinnon
Mitges
Morgan
Muir
Munro (Esquimalt-Saanich)
Murta
Neale (Vancouver East)
Neil (Moose Jaw)
Nelson
Nesdoly
Nielsen
Nowlan
Nystrom
Oberle
O'Connor
Olaussen
Orlikow
Paproski
Patterson
Peters
Reilly
Reynolds
Ritchie
Rose
Rowland
Rynard
Saltsman
Schellenberger
Schumacher
Scott
Skoreyko
Stackhouse
Stanfield
Stevens
Stewart (Marquette)
Symes
Taylor
Wagner
Whittaker
Wise
Yewchuk—118.

[Mr. Speaker.]

● (1630)

Mr. Speaker: I declare the motion lost.

The question now is on Motion No. 22 in the name of the hon. member for New Westminster (Mr. Leggatt).

The House divided on Motion No. 22 (Mr. Leggatt) which was negatived on the following division.

(*Division No. 60*)

YEAS

Messrs.

Barnett
Benjamin
Blackburn
Brewin
Broadbent
Gilbert
Gleave
Grier
Harding
Harney
Howard
Knight
Knowles (Winnipeg North Centre)
Leggatt
Lewis
MacInnis (Mrs.) (Vancouver Kingsway)
Neale (Vancouver East)
Nelson
Nesdoly
Nystrom
Olaussen
Orlikow
Peters
Reilly
Rose
Rowland
Symes—27.

NAYS

Messrs.

Alexander
Alkenbrack
Allard
Allmand
Andras
Andre
Arrol
Atkey
Baker
Baldwin
Basford
Bawden
Beattie (Hamilton Mountain)
Beatty (Wellington-Grey-Dufferin-Waterloo)
Beaudoin
Béchard
Bell
Blais
Blenkarn
Blouin
Boisvert
Boulanger
Breau
Buchanan
Caccia
Cafik
Campbell
Caouette (Charlevoix)
Caouette (Témiscamingue)
Caron
Carter
Chrétien
Clark (Rocky Mountain)
Clarke (Vancouver Quadra)
Clermont
Coates
Comtois
Corbin
Corriveau
Côté
Crouse
Cullen
Cyr
Danforth
Danson
Darling
Davis
Demers
Diefenbaker
Dinsdale
Drury
Dubé
Dupont
Dupras
Duquet
Ellis
Epp
Ethier
Fairweather
Faulkner
Fleming
Forrestall
Fortin
Foster
Fox
Frank
Fraser
Gauthier (Roberval)
Gauthier (Ottawa East)
Gendron
Gillespie
Gillies
Goyer
Guay (St. Boniface)

Messrs.

Guay (Lévis)	MacDonald (Miss) (Kingston and the Islands)	Reid
Guilbault	MacEachen	Reynolds
Haidasz	MacGuigan	Richardson
Hales	Mackasey	Ritchie
Haliburton	MacKay	Rompkey
Hamilton (Swift Current-Maple Creek)	MacLean	Roy (Timmins)
Hargrave	Macquarrie	Roy (Laval)
Hees	Madill	Rynard
Hellyer	Marceau	Saltsman
Herbert	Marchand (Langelier)	Sauvé (Mrs.)
Higson	Marchand (Kamloops-Cariboo)	Schellenberger
Holmes	Marshall	Schumacher
Hopkins	Masniuk	Scott
Howie	Mazankowski	Sharp
Hueglin	McCain	Skoreyko
Hurlburt	McCleave	Smith (Northumberland-Miramichi)
Isabelle	McGrath	Smith (Saint-Jean)
Jamieson	McKenzie	Stackhouse
Jarvis	McKinley	Stanbury
Jerome	McKinnon	Stanfield
Kempling	McRae	Stevens
Knowles (Norfolk-Haldimand)	Mitges	Stewart (Marquette)
Korchinski	Morgan	Stewart (Okanagan-Kootenay)
Lachance	Morin (Mrs.)	Stewart (Cochrane)
Laflamme	Muir	Stollery
Lajoie	Munro (Esquimalt-Saanich)	Taylor
Lalonde	Munro (Hamilton East)	Thomas (Maisonneuve-Rosemont)
Lambert (Edmonton West)	Murta	Trudeau
Lang	Neil (Moose Jaw)	Trudel
Langlois	Nielsen	Turner (London East)
Laniel	Nowlan	Turner (Ottawa-Carleton)
La Salle	Oberle	Wagner
Lawrence	O'Connor	Walker
Leblanc (Laurier)	Olivier	Watson
LeBlanc (Westmorland-Kent)	Ouellet	Whelan
Lefebvre	Paproski	Whicher
Lessard	Patterson	Whittaker
L'Heureux	Pelletier (Hochelaga)	Wise
Loiselle	Pelletier (Sherbrooke)	Yanakis
Lundrigan	Portelance	Yewchuk—200.
MacDonald (Cardigan)	Poulin	
MacDonald (Egmont)	Prud'homme	
Macdonald (Rosedale)	Railton	

● (1640)

Mr. Speaker: I declare the motion lost.

Hon. Otto E. Lang (Minister of Justice) moved that Bill C-176, to amend the Criminal Code, the Crown Liability Act and the Official Secrets Act, as reported (with amendments) from the Standing Committee on Justice and Legal Affairs, be concurred in.

Motion agreed to.

Mr. Lang moved that the bill be read the third time and do pass.

And the Clerk having announced third reading of the bill.

Protection of Privacy

Mr. Atkey: Mr. Speaker, I rise on a point of order. Prior to the announcement by the Clerk, I had risen to speak on third reading of this bill.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. I am sure hon. members will want to be fair to all hon. members. Certainly, as far as I am concerned, I did not see the hon. member rise. I would not want him to be deprived of his right to take part in a debate. If the hon. member was on his feet, I should have seen him and the motion for third reading was improperly put to the House. The hon. member for St. Paul's ought to have a chance to speak on third reading.

Some hon. Members: Hear, hear!

Mr. Atkey: Pursuant to the same point of order, it is my understanding there is an agreement between House leaders that there will be speeches on third reading. I am not the only member who has indicated a desire to speak. Perhaps the House leaders might confirm whether an agreement has been made.

Mr. Lang: Mr. Speaker, I am perfectly agreeable to the suggestion that there be a few additional comments. I might say I was watching to see if members wanted to rise.

Some hon. Members: Oh, oh!

Mr. Lang: I was prepared to say a few words myself.

Mr. Speaker: In the ruling which the Chair made, I indicated there can be a full fledged debate on third reading. I did not only recognize the hon. member for St. Paul's (Mr. Atkey). If hon. members wish to have a debate, of course, there is no hesitation in any way in complying with their wish.

Mr. Ron Atkey (St. Paul's): Mr. Speaker, I want to express satisfaction at this point because within a short time we will have prohibitions against electronic eavesdropping. All members realize that until this bill is enacted, there is no law to prohibit wiretapping. There is no law to prevent the purchase, sale or possession of electronic devices with which to engage in electronic eavesdropping. Until this bill is passed, there is no law to prevent the disclosure of information obtained from unlawful electronic eavesdropping.

After all is said and done, in considering today's amendments and other amendments agreed to prior to today, we have seen an example of parliament working. In at least one instance today, we have seen parliament uphold the non-partisan work of the Standing Committee on Justice and Legal Affairs. In another case parliament, by a slim margin, over-ruled the work of the standing committee. All members are aware there have been negotiated compromises, if I can use that term. The government accepted the principle that the term "offence" must be more specifically and narrowly defined. Another compromise which the government accepted was the principle that emergency interceptions must always be subject to judicial approval.

I am proud to have been the author of one of the amendments in committee which the House today saw fit to uphold in the face of the reactionary and illogical attack by the Minister of Justice (Mr. Lang)

Some hon. Members: Hear, hear!

Mr. Atkey: I am rather proud also to have been the one to put forward in committee the proposal to limit the range of offences for which legal authorization to intercept could be obtained, a proposal which was eventually accepted by the government in the amendment which was adopted in the House today.

I am, of course, most proud to have been associated with the right hon. member for Prince Albert (Mr. Diefenbaker) who, drawing upon his great wisdom and experience, on May 8 first alerted Canadians to the dangers of the unsupervised 36 hour emergency permits. It was the right hon. gentleman who eventually brought the Minister of Justice to his knees with an amendment requiring judicial approval in all cases, an amendment which was little short of complete capitulation to the time honoured rights and freedoms of the individual. We in this House and, indeed, in this country, are most fortunate to have a person like the right hon. member for Prince Albert whose contribution to the advancement of fundamental rights and freedoms in Canada is unequalled. Canadians will always be in his debt for his contribution to this debate.

I should like also to acknowledge the contributions and improvements made to this bill by the hon. member for Fundy-Royal (Mr. Fairweather), the hon. member for Halton (Mr. O'Connor), the hon. member for Broadview (Mr. Gilbert) and the hon. member for Windsor-Walkerville (Mr. MacGuigan). The last named person operated under some difficulty because of the albatross of the Liberal party and the reactionary Minister of Justice, around his neck.

Some hon. Members: Hear, hear!

Mr. Atkey: He was one of the few government members who, at least at the committee stage, attempted to put aside party considerations and come to grips with the substantive issue of protection of privacy. In particular, I want to pay tribute to the hon. member for New Westminster (Mr. Leggatt) who made perhaps the greatest single contribution to the work of the committee and the House on this bill.

Some hon. Members: Hear, hear!

Mr. Atkey: While some of us did not agree with all his arguments, we were convinced he understood the goal of protecting privacy perhaps better than anyone. His arguments were always put forward clearly, honestly and without partisanship. I can say sincerely that it was an honour for me to have been associated with him in this matter.

● (1650)

With the bill before us about to become law, many Canadians may well ask: will my privacy now be protected? The answer to this question reveals the great fallacy underlying commonly-held assumptions about the bill.

[Mr. Atkey.]

The real answer to that question is: only to a small degree. This measure really covers only the tip of the iceberg. Granted, it is designed to prevent unauthorized electronic surveillance; sale, purchase or possession of devices used in electronic surveillance; and the disclosure of information obtained from unlawful surveillance. But that is all. There is no protection offered against visual invasion of privacy, such as the taking of unauthorized photographs of individuals alone or together with other persons on private property or in public places. There is no protection against the unauthorized taping of conversations where one of the parties agrees to the taping unbeknowns to the other party. There may be no protection against certain new devices produced by modern technology such as, for example, a laser beam which can pick up a conversation within a room by turning a window at which the beam is aimed into an acoustical membrane capable of transmitting every word spoken in that room. It remains to be seen whether such devices come within the definition of "electromagnetic, acoustical, mechanical or other devices" embodied in the act.

Even more important is the question of computers and privacy. This field is one which is relatively new. I have already given the government full marks for having the wisdom and the foresight to commission a task force in April of 1971, composed of some very able people, to examine this area. The task force came up with an excellent report in December, 1972 and I would commend this report to all Canadians. They should read it because it may alert them to some of the dangers which threaten their fundamental freedoms and liberties.

The report identified the issues on two levels. The first related to accuracy of information, the right of access to files, the control of dissemination, security standards and similar matters. The task force reported that no fundamental conceptual analysis was required in this area but, rather, a careful assessment of the precise extent and nature of the problems, and possible solutions.

The task force then went on to delineate a second level of issues, less tangible, and came up with the following questions:

> What is the relationship between information, privacy and political power? Will current and projected uses of the computer lead to loss of individuality or enforced conformity? Is the desire for informational privacy fundamentally social or antisocial? How can a balance be achieved between claims to personal privacy and claims, as legitimate but sometimes conflicting, for unimpeded access to information?

These are issues to which the government of Canada and the governments of the provinces should address themselves. The computer, as developed by modern technology in this country, in the country to the south and in some countries in Europe, poses a frightening prospect. We see in this country the growth of social science and market research firms. We note the huge growth of credit granters and investigators and their use of the computer. We know that our own Income Tax Department, the Department of National Revenue, uses the computer and has compiled a great deal of data about millions of Canadians. We know, also, that universities and post-secondary educational institutions use computers to store confidential data about Canadians.

We are aware, too, that the new central police computer called the Canadian Police Information Centre is now on line, keeping files on millions of Canadians, files which may be available to every police officer, every police station in the country. We recognize that this computer system may not only contain information about offences which have been committed, but also about offences which may be alleged or suspected or about investigations which have taken place and which have not led to a conviction. I suggest there are many potential dangers to fundamental liberties emanating from this particular operation.

I might also mention the existence of medical data banks. In my own province of Ontario, and also in the State of Michigan, there are medical data banks in hospital complexes to which doctors and health centres have access. This system, too, poses great danger to individuals because it is capable of revealing highly personal and confidential information to anyone who can gain access to it. I would suggest also that the government consider the use of data banks by bankers. Most of the major branches of the chartered banks in Canada, at least in the urban centres, are linked to a computer system. It is possible, I am told, to steal large sumes of money merely by gaining access to the data stored by these computers used by the chartered banks in Canada.

Most Canadians are now familiar with various credit card systems exemplified by the Chargex card and Master Charge card all of which depend on the computer for storing of information and processing of accounts. One wonders to what extent there is security of access to this system. Finally, I raise the spectre of information kept in computers by employers. One of the largest employers of people in the country, the Government of Canada, uses computers and certainly has a great deal of data in its possession.

There is no single prescription applicable to all these systems, but there are certain problems areas which can be dealt with by means of legislation. I do not suggest that all the legislation should be at the federal level. Indeed, the provincial level might be the appropriate jurisdiction in some cases. The government of Ontario has enacted a bill called the Consumer Reporting Act, which is an act to control the storage and supply of personal information for rating purposes. The bill requires consumer reporting agencies and investigators to be registered. Persons ordering consumer reports are required to notify the consumer, and if the credit information results in adverse action the firm refusing credit is required to notify the consumer accordingly.

The bill also provides that the consumer may inspect all the information about him in the files of any consumer reporting agency, and the consumer may secure the correction of information about him which is on file. This can be done through the authority of a tribunal if necessary. Finally, the bill provides that information included in a consumer report is restricted; a standard of accuracy and decency must be maintained, and information must be corroborated. This bill goes at least part way in protecting the privacy of individuals in the province of Ontario as far as this aspect of the matter is concerned. I hope other provinces will use it as a model in their attempts to regulate consumer credit recording in a sensible and humane way.

● (1700)

May I refer again to the Privacy and Computers Report and to some of the recommendations that were made at the conclusion of the report. I suggest that the government of Canada should give very close consideration to the adoption of these recommendations. The task force appointed by the government concluded:

> The principal areas of specific concern about privacy and related values which may be affected in stores of personal information reside in the accuracy or otherwise of the data, in the extent to which the individual concerned has been informed that the information has been gathered and of the uses to which it may be put, in the nature of the controls over the dissemination of data to third parties, in the quality of security techniques, and in the extent to which individuals have a right to inspect and to verify the accuracy of their own files.

In all the areas I have mentioned, for all the computer uses under both public control and private control, these are important considerations. There is much to be done by the government of Canada. It was out of concern that the government not lose sight of the need for legislative action in all these areas that I sought in committee to change the name of the bill before the House today. I thought, and I still think, that it was presumptuous of the federal government to call this bill, which deals only with electronic surveillance, the "Protection of Privacy Act". As I have said, the bill covers only the tip of the iceberg; there is so much yet to be done.

Let me, as one member of this House, warn this government, or indeed any federal government, that I will not sit idly by and allow the government of Canada to rest on its oars with the passage of this bill. I hope this is only the beginning, and that the government will forge full steam ahead to try to protect the privacy of Canadians in all the areas I have mentioned.

There are, of course, many ways of doing this, and one is to bring forth legislation immediately. Alternatively, I suggest the government might reasonably call on one of its more skilled agencies to conduct the sort of studies and to suggest the sort of implementation that would be in the interests of all Canadians. I refer specifically to the Law Reform Commission of Canada which is a body that has established itself and has attained a great deal of credibility among the people of Canada. It is a body that I think, with competent personnel, could carry out the sort of work that is needed for the government to proceed in a fairly expeditious manner..

Now, let me change direction for a moment and comment on one provision contained in the present bill which I think is capable of providing the government of Canada, and specifically the Solicitor General (Mr. Allmand), with certain dangerous powers. This provision should be closely scrutinized by the people of Canada and certainly by every hon. member of this House. I refer to the amendments to the Official Secrets Act which today received certain approval by virtue of the defeat of an amendment moved in the name of the hon. member for New Westminster (Mr. Leggatt).

I do commend the Minister of Justice (Mr. Lang) for coming at least part way to clean up the amendments to

the Official Secrets Act contained in the bill before us. Hon. members will recall that on second reading attention was drawn to a real problem with respect to this provision in the bill. The term "subversive activity" was not defined, and a number of hon. members pointed this out to the Minister of Justice. The provision was there merely to be defined by the Solicitor General and the RCMP acting in concert.

Another problem was also pointed out. While the Solicitor General was authorized to grant unilaterally power to the RCMP to engage in certain types of interception, to engage in certain activities of electronic surveillance pursuant to alleged or suspected espionage, sabotage or subversive activity, there was no political accountability on the part of the Solicitor General as to the number of times that this sort of device could be used, or as to the length of time for which warrants were to be in force, or as to a description of the methods of interception or seizure which were used, or in regard to any assessment of this particular type of emergency device.

To his credit, the minister brought in an amendment in committee which, for the first time in our history I think, provided a definition of subversive activity. This is good. I can also say that after considerable pressure from both opposition parties he required the Solicitor General to provide as soon as possible at the end of each year a report indicating the number of warrants issued under the section, the length of time that the warrants were in force, a description of the methods of interception, and a general assessment of the importance of warrants of this sort. The Solicitor General will now be required to lay that type of report before parliament forthwith upon completion thereof, or if parliament is not sitting, on any of the first 15 days next thereafter that parliament is sitting.

I think this an important protection. But let me warn the Minister of Justice and the Solicitor General, whom I am glad to see in the House today, that there is one dangerous section in the definition of subversive activity of which all Canadians should be aware. I refer to subsection (3)(c) which is the section that contains part of the definition of subversive activity and allows the Solicitor General to grant a secret warrant pursuant to activities directed toward accomplishing governmental change within Canada or elsewhere by force or violence or any criminal means.

The main purport of the section of the Official Secrets Act is to deal with threats to Canada from outside. In other words, it is meant to deal with external threats to Canada and to Canadians. Subsection 3(c) is part of the definition of subversive activity related to internal threats to the government of Canada. I am particularly concerned that these secret warrants could be used by the Solicitor General unilaterally to grant authority to the RCMP to engage in legalized wiretapping or eavesdropping where there was a suspected attempt to achieve governmental change by criminal means. Indeed, if there were any suggestion of a bribe being offered to a politician in the course of an election campaign—election campaigns, many people would argue, are intended to achieve governmental change—then surely that particular allegation of a bribe could be made the subject of a secret warrant issued by the Solicitor General.

[Mr. Atkey.]

I am concerned about that, Mr. Speaker, because subsection (c) uses the words that are to be found in the very carefully defined term "sedition" which is an offence under the Criminal Code. I would have thought it would be better for the Minister of Justice to have excluded subsection (c), since this is dealt with as a criminal offence under the code and could be subject of a normal judicial authorization under section 178.13. At this point, I merely throw out the warning that there are dangers to the civil liberties of Canadians if this particular section is ever misused.

To a certain extent the House of Commons, by approving the section as it now stands, is putting a great deal of faith in the honesty and integrity of the Solicitor General. I certainly hope there will always be a vigilant opposition which will peruse the annual report of the Solicitor General when it is tabled in the House, and will closely examine the Solicitor General in committee and during the question period, about the sort of information that he will require by law to provide to all hon. members and to the Canadian public generally.

Let me conclude my remarks by saying that we need this bill. There have been victories and there have been some defeats on both sides, but I think in large measure this has been a non-partisan debate. It has been a healthy debate. I think all hon. members, and indeed all Canadians, are much more aware of what the substantive right of privacy means for them and what it means for their fundamental freedoms.

• (1710)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: Before recognizing the Minister of Justice (Mr. Lang), it is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Winnipeg North Centre (Mr. Knowles)—Veterans Affairs—Land Act regulations respecting acquisition of small holdings; the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall)—Veterans Affairs—request that deadline for applications under Land Act be extended; the hon. member for Winnipeg South Centre (Mr. McKenzie)—health—possible toxicity of blood imported from United States.

GOVERNMENT ORDERS

[*English*]

PROTECTION OF PRIVACY BILL

CREATION OF OFFENCES RELATED TO INTERCEPTION OF PRIVATE COMMUNICATIONS BY CERTAIN DEVICES

The House resumed consideration of the motion of Mr. Lang that Bill C-176, to amend the Criminal Code, the Crown Liability Act and the Official Secrets Act, be read the third time and do pass.

Mr. Deputy Speaker: Perhaps before I recognize the hon. Minister of Justice (Mr. Lang) who, having moved the motion in respect of this bill, may be closing the debate and depriving other hon. members of the opportunity to speak on third reading, I could have some comment from hon. members on this point.

Mr. Lambert (Edmonton West): He does not close the debate.

Mr. Deputy Speaker: Perhaps I could ask for the unanimous consent of the House in order that the minister might be permitted to speak.

Mr. Lambert (Edmonton West): Why should the House have to give unanimous consent?

Mr. Deputy Speaker: If there is not unanimous consent, I will not recognize the minister.

Mr. Howard: Mr. Speaker, I am not rising to deny unanimous consent, but I should like to point out that other hon. members of the House should be allowed to speak following the remarks of the Minister of Justice.

An hon. Member: The minister cannot close the debate on third reading.

Mr. Deputy Speaker: If there is any objection, I should like to hear hon. members on the point of order. For the moment, I am asking hon. members whether there is unanimous consent to the minister speaking.

Mr. Bell: Mr. Speaker, we certainly will give unanimous consent to allow the minister to speak, but we want to clarify our anxiety in respect of the suggestion that if he speaks he will close the debate. We have more speakers on this matter. I can understand why the minister wants to speak, but I do not understand why he did not speak when the motion for third reading was made. That would have been the appropriate time for the minister to make his remarks.

Mr. Lambert (Edmonton West): Mr. Speaker, I rise on the same point of order. But I do not do so to deny consent to the minister making his remarks. I rise as a result of the suggestion that if the minister speaks at this time on third reading he would close the debate. In all my experience I have never heard of this proposition, or a similar request for consent for the minister to speak on his own bill on third reading.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I hesitate to disagree with my friend, the hon. member for Edmonton West (Mr. Lambert), but there is a rule that states a member cannot speak twice.

Mr. Lambert (Edmonton West): Surely, that is not applicable here.

Mr. Knowles (Winnipeg North Centre): Just a moment now. My hon. friend is not Mr. Speaker any longer. There is another rule which says that when an hon. member moves a bill even without speaking, or even if he only tips his hat, he is regarded as having spoken; that is his last chance. What we are being asked to do now is give the Minister of Justice the floor a second time. Speaking for members of my party, we give that consent.

Mr. Deputy Speaker: That is the position the Chair adopted in this instance, and that is why I asked whether the House gave its unanimous consent. When the minister moved the motion for third reading he had his opportunity to speak. However, I gather there is unanimous consent, and that it is understood others will have an opportunity to speak on third reading.

Some hon. Members: Agreed.

Hon. Otto E. Lang (Minister of Justice): Thank you very much, Mr. Speaker. I appreciate the consent of hon. members and it may be understood by hon. members that at the point when it seemed a vote on third reading was imminent I rose to indicate to the House that I did not want to interrupt or prevent the passage of the bill, but I was watching if other hon. members were rising to speak on the bill. It was at that time that I deferred my remarks when the Chair recognized the hon. member for St. Paul's (Mr. Atkey). I recognize the privilege I have been given by hon. members of the House in allowing me to speak at this time. I hope this bill does receive third reading very shortly.

I noticed the remarks of a number of hon. members today and on previous occasions, that this debate has proven that parliament works. I would have to say as well, because of the time spent debating this bill, that it proves that parliament works exceedingly slowly. This subject matter has been before this House of Commons for approximately four years.

Mr. Fairweather: And some of it has been pretty abortive.

Mr. Lang: Under those circumstances, it does seem to me that it takes a great deal of time to arrive at the position where we are enacting into law something a lot of members want to see in the law. I am referring to all the provisions of this bill, but particularly to the important provisions which provide an offence for the first time in the criminal law in respect of the general intrusion into the privacy of other persons, and specifically the intrusion by electronic devices.

The other important provision in this bill, and perhaps it is the more important provision, is the provision making it an offence to possess or to sell devices intended for the intrusion into the privacy of individual citizens. I suggest that with the adoption of this provision we will provide a diminution in the number of these devices for sale on the market. If we do not provide this penalty for this offence

under the law we would not have confidence in the privacy extended generally to citizens by the other provisions.

There is also a change which is important and somewhat novel in the provision of damages of up to $5,000.00 against the user of unlawful wiretapping in favour of the person whose privacy has been invaded. I am delighted that we seem to be in agreement in respect of most of these provisions. I agree with the remarks to the effect that this House and the committee have worked very hard and very thoroughly to sort out the details of this bill. This work has taken place over the course of four years, and I am sure this work has resulted in important improvements in the provisions of this bill.

I am also delighted that members of parliament who have worked in this way today agreed to a rule which will be much more satisfactory to the 10 provincial attorneys general in this country. They are the people who are politically responsible for the administration of the bulk of our criminal law, and I am sure they will be delighted that we have come to this conclusion. I am sure they will be delighted that we have adopted the amendment to allow indirect evidence being accepted. I continue to have some reservations about the practicality and workability of some clauses, but I do not attach as much importance to those provisions as to the two I referred to earlier. I look forward to having conversations with Attorneys General in the near future in respect of some of these problems. I expect they will outline the difficulties they see in terms of their practicality and of the difficulty they create in the investigative process.

An hon. Member: I am sure there will be many.

Mr. Lang: I do not accept the suggestion of the hon. member across the way. It is our intention that we should arrive at some reasonable balance in respect of the acceptability of direct and indirect evidence, and we think we have arrived at such a balance in this bill.

The basic principle that a judge should be involved in the process of granting permission to use electronic devices was something I grew more and more convinced about as the debate proceeded. This was something about which there was a great deal of discussion among Canadians who have outstanding understanding and experience in the law and jurisprudence in Canada. They felt it would be better to give this power to the politically responsible officers; namely, the Attorneys General. I think the experience of other countries has sharpened our understanding of the dangers and the advantages of involving a judge in this process. As hon. members know, we wanted to allow exceptions to this general rule under circumstances of emergency in order that law enforcement officers could move quickly, particularly when a judge might not be available.

I am delighted that in the process of considering this whole matter, we were able to extend the principle, to which I am becoming more and more attached, of involving the judge in this process even in emergencies. I give great credit in this respect to my colleague, but much more to that distinguished fellow from Saskatchewan, the right hon. member for Prince Albert who did a great deal toward the advancement of this bill when he eloquently expressed his views to the House. If he sometimes went a little further than I thought right, I recognized the political talent he has so often shown during the time he has spent in this House and the experience gained during the many years he has been here.

• (1720)

In the course of the committee debate, and again here, the hon. member for St. Paul's (Mr. Atkey) raised the question of privacy beyond the ambit of this bill. I assured hon. members in the committee, and I am glad to say again, that I consider this merely part of the over-all fabric of protection for privacy in this country which we must erect quickly. I do not particularly follow, or think in terms of following, the suggestion that the matter be referred to the Law Reform Commission, partly because of the other extremely important work that body has before it which must be disposed of before any new work is taken on. But I do anticipate us coming forward with additional measures, both in relation to computers and in other ways, to further protect individual privacy in this country. Privacy after all is a matter which perhaps was so much easier to protect in respect of individual rights before the days of the many mechanical devices, transportation and communication techniques which so easily invade the privacy of and interfere with individual citizens. In those days the law did not create a fabric of protection for privacy, partly because privacy was rather more easily taken for granted than it is today.

We must move to meet these advances and techniques in our time. We are doing so at this particular time in respect of the devices for intrusion related to the conversations of individuals. We will do so step by step and without delay with regard to other areas. It was for this reason that we commissioned the study on privacy and computers, and followed it up with action inside the government to determine how we could most effectively carry out the recommendations or suggestions which are implicit in the work which went on in producing that report. The House will before long see the fruits of some of that labour, and with that we will continue to do what we are doing in respect of this bill in protection of privacy.

With those few words, I commend to hon. members the third reading of this bill so that it may, in this particular session after these four years of hard work, become an important part of the law of the land.

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, it is with a great sense of reluctance I stand up to say I will support this bill on third reading. This is not because of the result of the votes today or the amendments made with regard to the section dealing with the use by police of wiretapping. It is only because the necessary protection of privacy from private interception is still included in this bill, and I consider this a significant and important step in the direction of the protection of privacy. I think in terms of the kind of industrial espionage which goes on across this country and is carried on, for instance, by companies against unions and by unions against companies. These are significant areas. But I am reluctant because I think we have done very little in terms of limiting the kind of governmental intrusion on privacy about which one reads so much.

Let me give some examples. We read recently about the abuse of privacy through interception, and I wonder whether this bill would have afforded any protection in those cases. Let us look at what the Montreal *Gazette* has to say about the wiretapping situation in respect of the lawyer's offices in Montreal. I shall read into the record part of the report:

Electronic bugs found in the offices of two Montreal lawyers last week were planted there by police officers, Justice Minister Jerome Choquette admitted yesterday.

Choquette told the National Assembly that members of Quebec's special organized crime squad had spied on the lawyers offices for more than two weeks last February.

The minister admitted there was a possible violation of professional secrecy but pleaded he hadn't been informed of the operation until much later.

'I can't control all these systems, I can't control every police investigation in Quebec. That would be impossible,' . . .

Under the aegis of the legislation this House is about to pass, we still could not control what occurred in Quebec. Therefore, in terms of the usefulness of the bill in restricting governmental invasion of privacy, it is very clear to me the bill has not gone nearly far enough. One might think again in terms of the kind of surveillance that has occurred. One example was the electronic interception in respect of the St. Jean Baptiste Society in Quebec. There is not provision in this bill that would prevent such activities. All that would be required would be for the police to make an allegation of sedition to a judge who could authorize a wiretap and electronic surveillance within the terms of this legislation. I shall support the bill on third reading because of the restriction in respect of private electronic interception, but I am most disappointed about the section which would allow governmental electronic interception.

May I make one last point about the effectiveness of this bill? One will recall the report of the RCMP in which it was shown that 663 wiretaps were used and that convictions were obtained in only 129 of those cases. These figures do not indicate this practice is very effective when one considers the amount of wiretapping that is being done by governmental agencies. As I say, I support the bill because it moves into a private area, but where we are going in the public area I think is well described by Maxwell Cohen, the noted law professor in an article which appeared some months ago in the Monreal *Gazette*. He had this to say:

How shall we view the police, perhaps the most immediate symbol of order, yet, in North America at least, unable to project themselves, very often if at all, as a symbol of justice. Not to recognize that 'the policeman's lot is not a happy one' is to be naive. Equally not to understand how close to the edge of the abuse of power his role places him is to shut eyes to the sense of disquiet shared not only by civil libertarians but often by wise policemen themselves.

The guts, the important and significant thing about this bill is that we must defend the rule of law. This bill has gone too far in the direction of opening the door to unlimited governmental and police wiretapping, because in a sense one cannot fight fire with fire in law enforcement. That is a tremendous error. It is an error every totalitarian state makes to cure its problems by cutting a few corners and getting at people. It does not work. The proposition that this House should have accepted, and I am sorry it did not, is that the rule of law is founded on the proposition that governments can protect their people without acting unfairly and immorally themselves in any respect.

The use of a wiretapping device is immoral. We cannot have lawful society unless people have respect for the law, and respect for those who enforce the law and, most important to this issue, respect for the means by which the law is enforced. That has to be a fundamental proposition of the rule of law and enforcement of the rule of law. To use this dirty method to protect citizens in this country is to erode the rule of law and respect for law and order. However, as I say, I agree with the minister that this is a significant move in the direction of controlling private electronic interception. I can therefore support the bill, but I do not really think the minister should be taking too many bows for his labours when one examines closely the provisions of this legislation.

● (1730)

Mr. Reg Stackhouse (Scarborough East): Mr. Speaker, among the many reactions which I find, after attending meetings of the committee concerned with this question and listening to debates in this chamber, is apprehension about what might have happened if the government had a majority in this House. It is very clear that the bill originally introduced by the minister was improved under the pressure of committee study and discussion, a committee study that was given great strength, not only by the quality of the criticism offered by various members, but also by the fact that always there was a majority of members of the other parties on the committee. We see here one of the reasons why we can welcome the fact that over a year ago the government did not gain a majority, because in this instance it brought legislation into the House that needed great improvement under the criticism and study of opposition parties.

There are two points that have been made and that need to be repeated in this debate, even at third reading. One is the need for recognizing the primacy of the judiciary in protecting the rights of people. That is a primacy that was not adequately recognized by the government in the way in which it introduced this legislation and carried much of it forward. For example, we have seen in the government's attitude to capital punishment its willingness to commute sentences passed by the courts, and how it wants to establish itself as a court. We have seen in the attitude of the government to this legislation that the government has not the full confidence in the judiciary that one would expect it to have. We welcome the way in which the minister has accepted a good amendment introduced from this side of the House. We welcome the return to some confidence in the judiciary, a confidence that recognizes that the rights of private citizens must be protected fundamentally by the courts.

I want to give the greatest emphasis in my remarks to the way in which this legislation disappoints so many of us because of its inadequacies. We have to recognize at the outset that privacy is not only a right that most of think we should claim, but it is also a right that we find difficult to define. This legislation really does not add much to the definition of privacy which we can enjoy under the law. For that reason it seems to me that the title of the bill is a shocking exaggeration. This bill really is not protecting privacy. Indeed, in many of its provisions it is providing

for the invasion of privacy by the state, an invasion that under certain circumstances may have to be accepted in order to protect society. None the less, it is scarcely a bill that protects privacy.

We have to be all the more mindful—and I gather from his statement that the minister is mindful of this—of the need to go further than this bill will take us. We have to think of ways in which the individual's right to protection is not adequately safeguarded by this legislation, for example in the use of cameras which have become a major device or instrument used by businesses and other organizations. We have really no provision in this bill to protect the privacy of the individual against the use of computers. Because of these two exceptions we have even more reason to question the validity of the title of the bill. That question should be raised not simply because of the words used but because the bill is making a pretence that it cannot support. The bill is intended to protect the privacy of the individual, but at the same time it leaves that privacy wide open to invasion by the government or by any private organization using the kind of instruments to which I have referred. In passing this bill we are taking one step toward protecting the privacy of the individual, but it is a very short step and we ought to be mindful of the many steps that remain to be taken by government and by parliament.

Finally, Mr. Speaker, under the general heading of the inadequacy of the bill, I would point out that it is still possible under this legislation for anyone to do that for which so many criticized the President of the United States. We were shocked when the President of the United States revealed that he taped conversations of people who visited his office, without telling them even though his motive for so doing was to record for all eternity the important words uttered by visitors and by the President.

Under this legislation, any one of us is legally free to record any conversation that is held in his office, his home or anywhere else provided he consents to the recording of the conversation. Since we were shocked at the blatant disregard of the rights of individuals entering the office of the American President, I think we should become more aware that we are permitting individuals in Canada to do same thing. It is for such reasons that if we give our support to this bill tonight, we give it without enthusiasm. We cannot really feel much enthusiasm for a bill that makes so little progress in an area where one had hoped much progress could have been achieved by now.

The minister has reminded us that this bill has been before parliament previously. We realize that the complexities of the question make it difficult for legislation to cover every possible problem that could arise with respect to privacy. But, surely, after all this time and after all this work, it should have been possible for the government to come forward with a bill that would live up to its name. We have to conclude that this bill is simply making a pretence of protecting the privacy of individuals but that in fact it leaves that privacy wide open to all kinds of invasion.

We will have to return to this task in the future. In the meantime, I commend the minister and the government for the little they have done. But if they were living up to the responsibilities of their mandate, they would surely have gone much further.

[Mr. Stackhouse.]

Mr. John Harney (Scarborough West): Mr. Speaker, it is not every day that I can stand up and exhibit the fact that the borough of Scarborough has solidarity in its representation in this House. I do not always find myself in agreement with the hon. member for Scarborough East (Mr. Stackhouse), but I am considerably in agreement with what he has just said. I think I know what he is driving at. I think I understand the dilemma in which the hon. member for New Westminster (Mr. Leggatt) finds himself; and I must say I am going to do something which is quite unusual for a member of this House, and that is to confess at this stage, right here and now, that I do not know which way I shall vote on third reading of the bill.

Very obviously, like the hon. member for New Westminster, one cannot help but feel that this bill does do something in that it provides sanctions against wiretapping and electronic eavesdropping undertaken by individuals, by private corporations, by private associations, clubs, unions, and so on. Therefore, I have to respect the view of those in this House who say, as enthusiastic as they may be, that they feel they have to vote for this bill because it at least does this much.

● (1740)

I very much share the view of the hon. member for Scarborough East that the title of the bill is a horrible distortion of the English language. I think he knows as well as I do the very famous essay by George Orwell entitled "Politics and the English Language". That is one of the most significant pieces of writing on politics that has occurred in this century. In the essay, Orwell lays the philosophical grounds for the horrifying imagery which he was to lay out for us later in a work that we all know, entitled "1984". In that work, as we know, falsity became truth, and so on.

I think Orwell was absolutely right when he said that one of the first signs of deterioration in the politics of a nation is the degradation of the language it uses to talk about politics. The examples in his essay are manifold. Rather than talk about invasions or war, we talk about "readjustment of borders". Rather than talk about the elimination of people, we talk about "rationalization of topography"—and so on. In this case, rather than talk about a bill which should be entitled "An act relating to unfortunate but necessary intrusions into private life," we call the bill, by an unbelievable pirouette of logic and knowledge, "the protection of privacy act".

There is a point that I raised on second reading of the bill, Mr. Speaker, which has not been answered to my satisfaction. It appears on page 2, section 178.11(2), and refers to subsection (1) which is the subsection providing for supervision of electronic eavesdropping. It provides:

> Subsection (1) does not apply to
>
> (a) a person who has the consent to intercept, express or implied, of the originator of the private communication or of the person intended by the originator thereof to receive it—

Since this subsection (2) is in the bill, it means that in most cases the provisions further along that provide for some protection of privacy, that provide for some limita-

tions of intrusions on the part of the state on the private lives of citizens, need not and cannot apply. Let us try to follow what that subsection implies. It means that any single party to a communication, by giving consent either expressed or implied—and I do not know to this day what "implied" consent is—can have a third party listen in on a conversation originated by the first party or received by the second party.

In other words, I could if I so wished—and I assure you that I do not wish—if I sought to frame the hon. member for Scarborough East, call up a third person and say, "I will call the hon. member for Scarborough East, and you bring along your tape-recorder or just simply listen in." That would be without my notifying the hon. member for Scarborough East. Then his words could be intercepted and recorded, and thereby used against him.

I hope that somebody can stand up at this third reading stage of our procedure to indicate why what I have suggested can be done cannot be done, or indeed will not be done. I know wiser heads around this place have suggested to me outside this chamber, but in the halls of this House, that this kind of thing is done all the time. For example, an employer can rightfully say to a third party, "I shall call my employee," or "I shall be called by my employee, and I want you to listen in." If that can be done in our society, then I say it is wrong and it ought not to be done with impunity.

Surely this bill falters right at the very beginning, and from then on its temper is the same. I suggest to the Minister of Justice (Mr. Lang) that the limitations which he has put in the bill, the limitations which he has acceded to, and the limitations which have been thrust upon him through the procedures in committee and in this House, can be obviated for a good part of the time by the provision of subsection (2) to which I have just referred.

I was referring a short while ago to older and wiser heads around this House. Recently, one of them indicated to me that this is a bill which no self-respecting lawyer would want to be without, or that no lawyer could vote against because the lawyer would see how the bill could help investigative police practices. It just happens, Mr. Speaker, that a very few days ago in the city of Toronto I met a man who had retired after many, many years on the bench. I certainly will not specify who he was, but it was someone whom many of us have learned to respect over the years. He said to me, "Mr. Harney, what kind of madness are we stepping into when we proceed to pass a piece of legislation such as the one you are studying in Ottawa at the moment? What are we doing to ourselves? What is our opinion of ourselves that we must proceed to pass this kind of legislation?"

Of course, my answer to him was, "You know much more about the bench, about jurisprudence, about police activity, about investigation, about crime, the prosecution of crime and conviction than I do. Surely you must feel, as so many in your field have felt, that there is some value in the bill." And he said categorically, "None at all." So there are very wise heads experienced in the law in this country who are opposed to this bill, Mr. Speaker.

Of course, those of us who will oppose the bill on third reading or who will hesitate before we stand up and vote for the bill because it contains some good, or who will simply absent ourselves because we cannot be associated with its passage, will be told that this bill at least prohibits some eavesdropping and that what it provides for the police and the state is necessary, although perhaps objectionable and not particularly nice. Evidence has come out to the effect that wiretapping is not effective. Let me be a "law and order" man for the moment. I think that allowing the police freedom, under limitation, to wiretap will hamper their investigative activities.

Some hon. Members: Hear, hear!

Mr. Harney: Time and time again our police departments in various parts of the country have been completely taken over by a love of gadgetry and machinery. Rather than go out and follow the standard, normal steps of investigation, they have allowed themselves to become bedazzled by machinery, by computers and by electronic gadgetry. I would feel more secure as a citizen of this country, worried about the depredations of organized crime, if I knew the police were not relying upon gadgetry of this kind.

● (1750)

I need not remind hon. members of the House how, and by whom, persons involved in the kidnapping and murder of Mr. Laporte were finally brought to court. I am sure there was wiretapping in that investigation. I certainly know that there were squads upon squads, indeed legions, of police of all kinds around Montreal. As well, the military were evident in huge numbers. The investigation was eventually successful, not because hundreds of people around Montreal were hauled out of their beds in the middle of the night and held for periods of time without charge but because an RCMP officer, literally on his time off, finally realized that standard steps of investigation had not been taken. He checked for himself and turned up the evidence which brought to court those who were eventually charged with the kidnapping and murder of Mr. Laporte. And all the rest had been bedazzled by machinery.

Mrs. Morin: The hon. member knows that is not true.

Mr. Harney: If the hon. member suggests that I know it is not true, let her stand in her place when her turn comes and present evidence to the contrary. Further, if the Minister of Justice knows it is not true, let him back the hon. member for Louis-Hébert (Mrs. Morin).

Mrs. Morin: Why does the hon. member not start proving what he is saying?

Mr. Harney: I have said what I have said. If I may speak again on third reading, or provide information to another hon. member who will speak on third reading, I will establish the truth of what I have said. Perhaps my most serious worry is that this is the first time this parliament has legislated against wiretapping. I know there are provisions in the law allowing the telephone company—the ubiquitous, omniscient telephone company—to watch its wires and the people using them: however, this is the first time that parliament, in full deliberation, has decided to take away by an act of law some of our privacy. I know one can say, "Of course, people have been wiretapped

before." That does not change the position. We here, now, are deliberately, by open choice, limiting our freedoms.

For all these reasons, Mr. Speaker, I have not decided in my mind what to do when the final vote on this bill comes. I hope to sit here and listen to more speeches, listen to the deliberations of my colleagues and then make up my mind. If I absent myself from the House, you can be sure that I will read every word that is said in tomorrow's *Hansard.* I just wanted to stand up because these things matter and so that people in future will know that one member of this House at least had considerable hesitation about this bill.

Mr. Reilly: Mr. Speaker, as it is close to six o'clock, I wonder if I might call it six o'clock.

Mr. Deputy Speaker: Is it agreed that we call it six o'clock?

Some hon. Members: Agreed.

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

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

Mr. Peter Reilly (Ottawa West): Mr. Speaker, I have already spoken in this debate, this is the last time I shall do so. I speak, not so much because my remarks will have any effect on the eventual outcome of this legislation, but to register a tiny squeak of protest from one who three years ago was honoured—and I deem it a distinct honour—to be called by the Prime Minister of this country a weak-kneed, bleeding heart.

Like the hon. member for Scarborough (Mr. Harney), I am not certain I can support this bill. I do not feel all that enthusiastic about the bill, because to my way of thinking it is a bad bill and I see no reason why I should support a bad bill. I think it is a bad bill because it makes legal and gives to the people of Canada the official sanction of the Parliament of Canada for people to do things to others which most Canadians, in my view, find disgusting, demeaning and degrading—and all in the name of law and order.

We have been told mainly two things about this bill by the Minister of Justice (Mr. Lang). First, that it really protects the privacy of people. Indeed, it is named the "protection of privacy act." It is fair to say that it provides stiff penalties for those who snoop and sneak electronically provided they do not have official permission to do it. That is all it does, and nothing more. It no more automatically protects the right to privacy of Canadians than guns automatically protect lives. It can be turned back on us with the utmost ferocity.

The bill says that in defence of morality we must do something that is immoral. It tells us that in defence of the right to our own privacy we must make possible the legalized, supervised and highly-organized intrusion into the privacy of others. Just because there are evil men in our numbers, must we automatically resort to evil in order to apprehend them? Must we submit to being taken yet another step down the road to the day when "1984" could be upon us, when there could be a Big Brother and our needs could be made totally subservient to those of the state? I think that is a lot of bunk.

The minister poured a little snake-oil around here this afternoon, telling the opposition what a fine job they had done, and praising the right hon. member for Prince Albert (Mr. Diefenbaker) because he was happy that he carried the day. But what about his demeanour earlier, before his victory? Let us look at that. After the committee had worked untiringly to produce a report and had submitted that report to this House, the minister began manful efforts to tear out its guts. He was determined to get exactly what he wanted.

It was only after a bitter attack on the bill, led by the right hon. member for Prince Albert, that the government backed down on its proposal for a 36-hour free fire zone during which police and law enforcement agencies—and that takes in an awful lot of people in this country—could electronically eavesdrop on anybody without the need to resort to the judiciary. The minister told us this afternoon that he gradually was becoming fond of the opposition's position. But only a week ago yesterday he was attacking it in the House, ridiculing it—

Mr. Lang: You have it wrong. I am more and more convinced of our position.

Mr. Reilly: No. On the 36-hour zone, the minister said this afternoon—

Mr. Lang: I am more and more convinced of our position.

Mr. Reilly: I see. In any case, he told us he was gradually coming around to this position. But only a week ago he accused the opposition of trying to tie the hands of the police, and he was making fun of the very same proposal which he now espouses. No one on this side of the House wants to tie the hands of the police, we least of all. However, I want some rigid restraints on their power. I have seen far too many cases in which that power has been abused. In any case, police forces are not autonomous groups with lives of their own. They are an extension of our society. They help us. They are paid to do what we tell them. When we authorize them to do something immoral, we are denigrating and demeaning our society.

The minister defended the bill by talking about helping the police. He told us we will be safe because, after all, its administration will be under the Attorneys General. As I said during the report stage of this bill, there is nothing inherently good or trustworthy about Ministers of Justice or Attorneys General. I certainly do not intend to repose my trust in one simply because he is one.

For the second time, I remind the minister and other members of the House that in Ontario just about ten years ago an Attorney General brought before the legislature a bill which, if it had passed, would have allowed the Ontario police commission to imprison people for an indefinite period of time without a hearing, without bail, without a lawyer, without the right to habeas corpus, if

they refused to give evidence before the commission. These people were to have no rights at all. The Attorney General of Ontario was asked during a press conference whether these procedures did not violate due process of law. He replied, quite reasonably, that they did not, because once legislation had been passed they became the due process of law. Hearing this, it was impressed upon me how fragile our civil liberties were and how easily, in the absence of a bill of rights, they could be trampled on.

● (2010)

The position I have just outlined was seriously defended over several days by that man—a man whose job it was to uphold the law and the civil liberties we enjoy in the province of Ontario. Eventually the bill was withdrawn and he resigned his position. But he had put that package together and brought it before the legislature because, he said, he thought it was necessary in order to fight organized crime.

It was an Attorney General of Newfoundland some years ago who pressed for plane loads of Royal Canadian Mounted Police to be flown in to act as strike breakers to fight against men whose only crime was, in their desperation, to try to form their own union. And it was an Attorney General who passed the famous censorship laws in Alberta, and another who brought in the infamous padlock law in Quebec.

Three years ago, a former minister of Justice, now Prime Minister of Canada, told the people that an insurrection was just around the corner and that the power to suspend all civil liberties was needed. People believed him, or at least, some of them did; in fact, most of them did. As it turned out, they were wrong. Time has proved them wrong. But the scars of that period will be a long time going away.

All these were, and are, honourable men. Each of them, doubtless, believed he was doing his job, and any of them would have been horrified by the suggestion that they had anything sinister in mind. But motives are not always important. They were wrong—but they had the power, and they used it, but not to further the well-being of the Canadian people because their well-being was not being menaced. They were simply wrong, but they had the power. Make no mistake, Mr. Speaker, I say through you to the minister that they will be wrong again when this bill is passed into law and evidence is gathered by every conceivable agency of government through means that most of us, I believe, find repugnant. Massive files will be built up on people whose only crime is to be unpopular and, perhaps, different; and when some of this is allowed as evidence in courts, mistakes will be made again.

When the so-called Quebec crisis was upon us, hundreds of innocent people were taken from their beds in the middle of the night and thrown in jail. They had committed no crime except that of being unorthodox. They were imprisoned by the anti-subversive squad of the Montreal police. I say to the minister that if he turns wiretapping equipment and licence to use it over to that gang, there will be dossiers built up on anyone who is not currently in political favour. In the end, as I said last week and as was repeated here this afternoon by the hon. member for Scarborough West, it wasn't electronic gadgetry, or snooping, or the suspension of civil rights of hundreds of people that solved the Cross and Laporte cases; it was simple, good, hard digging by the police.

I will admit that the bill is now better than the one originally proposed by the minister, but that is about all one can say in its favour. In my opinion, the only proper bill to protect the right to privacy of Canadians would be one that outlawed electronic snooping of this kind for any reason, by anyone, and forbad the manufacture, sale, importation and possession of such equipment. I hope the day will come when we have this kind of law in Canada, because if I were the minister I would not want this law to stand as any monument to me.

In conclusion, I want to sum up my main points. This kind of snooping is immoral, degrading, and I do not think we should authorize police forces to conduct it. If we go along this path, it will eventually do society more harm than all the organized crimesters would ever do, because we shall have accepted a pernicious doctrine which has always brought disaster to its practitioners. That doctrine is: the end justifies the means.

● (2020)

[*Translation*]

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I carefully listened to the hon. member for Ottawa West (Mr. Reilly) who said that Bill C-176 was absolutely worthless and tried to relate this bill to the events that took place three years ago in the province of Quebec and everywhere throughout Canada.

Mr. Lambert (Edmonton West): No, not in Canada.

Mr. Caouette (Témiscamingue): Mr. Speaker, the main purpose of Bill C-176 is not to provide for the supervision of the running abouts of the hon. member for Ottawa West or the hon. member for Témiscamingue, but to protect society against organized crime and those who want to resort to violence against subversive elements of our country.

Mr. Speaker, in 1970 violence broke out in the city of Montreal. The hon. member for Ottawa West now tells us that the government was wrong. But at the time the events took place, did the hon. member for Ottawa West know the number, the action and the organization of F.L.Q. members in the province of Quebec?

Mr. Reilly: Not necessarily.

Mr. Caouette (Témiscamingue): He knew nothing at all. Today, he has the nerve to say that this government was wrong. I supported the government when they passed their measures at that time. And if the same thing happened today, I would do exactly the same and assume my responsibilities exactly as I did then.

Mr. Speaker, it was found that there were only a dozen or two real criminals in the organization.

Mr. Lambert (Edmonton West): Only two of them were convicted.

Mr. Caouette (Témiscamingue): The hon. member for Edmonton West says that only two of them were convicted. But he will agree with me that he did not know either if they were 3,000, 5,000, 10,000 or 15,000 in the city of Montreal.

Mr. Lambert (Edmonton West): The government is the one that kept the whole thing secret.

Mr. Caouette (Témiscamingue): The government did not keep it secret, nor did the Progressive Conservative Party, or the Social Credit Party, or even members of the New Democratic Party. We simply did not know. Time and time again, bombs exploded right and left in Montreal. And at a certain time, it ended with the murder of a minister, the seclusion of a reprensentative of the United Kingdom in Canada and threats issued right and left against everybody. The system had to be blown up! Those are the exact words that we hear now being uttered by Michel Chartrand, Louis Laberge, Marcel Pépin, lawyer Robert Lemieux and other individuals of the same stripe, in short, the very scum of Montreal ready to rouse the people.

Mr. Speaker, when a responsible government which is concerned not only in saving itself but in protecting society, takes steps, either wiretaps or other means designed to protect citizens, what can the hon. member for Edmonton West have against that?

Mr. Lambert (Edmonton West): May I put a question to the hon. member?

Mr. Caouette (Témiscamingue): Yes, indeed.

Mr. Lambert (Edmonton West): Was he ever imprisoned by a civil or military police force? I can say that I still recall events that occurred twenty-one or thirty-one years ago when I was taken prisoner of war and the German police, not the Gestapo, but the Germans used the same logic with me.

So, I should like to ask the hon. member if he lived such an experience. He might change his view.

Mr. Caouette (Témiscamingue): Mr. Speaker, for the information of the hon. member for Edmonton West, I shall tell him that I underwent questioning when Camilien Houde was imprisoned by the Canadian government and confined in a concentration camp for five years. The hon. member for Edmonton West did not go there. He was not—

Mr. Lambert (Edmonton West): No, not there.

Mr. Caouette (Témiscamingue): —he was not aware of that. There were Nazis in Germany and there were also some of them in Canada but we were not allowed to express our views.

Mr. Lambert (Edmonton West): They were your Liberal friends!

Mr. Caouette (Témiscamingue): Yes, my Liberal friends supported by the Conservatives of those days.

Mr. Speaker, it does not mean that we should enter houses or intrude in personal or family relationships. Let us take action intended to protect society. I believe that the government is right and if the party of the hon. member were in power, he would not act in a different way from this government if it really tried to protect the individual and Canadian society.

Here is an example. Saturday afternoon—

[*English*]

Mr. Reilly: Would the hon. member permit a question?

Mr. Caouette (Témiscamingue): Yes.

Mr. Reilly: Did he not in this House last week tell hon. members that his own office had been bugged electronically?

Mr. Caouette (Témiscamingue): I said it may have been.

Mr. Reilly: The hon. member said it probably had been, and that he was proud of it.

Mr. Caouette (Témiscamingue): The Bell Telephone Company is probably responsible, I do not know; but I know that my line has been tapped time and time again from this place to Rouyn, my own place. But I did not care about that at all because, for the information of my hon. friend from Ottawa West (Mr. Reilly), I am not afraid of what I have to say and I have nothing to hide.

[*Translation*]

Mr. Speaker, last Saturday, when union leaders Pépin, Laberge, Chartrand and Charbonneau announced that 15,000 people were at the Montreal Forum to welcome during her stay in Montreal Mrs. Allende, widow of the Chilean president who was murdered or who committed suicide, it was stated that there was only one way to liberate the people, that is by force of arms and violent revolution. This is what Michel Chartrand said.

Mr. Speaker, Mrs. Allende said at the Forum that American imperialism is to blame for the events in Chile. Yesterday the same lady was in Vancouver where she suggested that Canadians boycott Chile and refrain from buying Chilean products. How inconsistent can that lady get? On the one hand, because Americans refuse to sell Chileans spare parts to repair their machines, that is bad, that is dangerous American imperialism. But on the other hand she strongly advocates boycotting Chilean products. Communist imperialism is more important to her than American imperialism.

Mr. Speaker, that is why at noon I asked the Minister of Manpower and Immigration (Mr. Andras), instead of accepting Chileans—those who want to flee have reasons to do so—instead of bringing them here to create trouble, as happened in Mexico, to help the USSR, Algeria, Cuba and the People's Republic of China to accept those Chilian refugees not because we do not want them to stay alive but precisely because we want them to feel at home. In a capitalistic regime such as ours, those people would be like fish out of the water. So let us send them to China, the USSR, Cuba, Algeria. There they will feel at home, they will meet ideologies that will match their deepest convictions, their deepest aspirations, and nobody will be able to say that we are against humanity.

Even my friends from the New Democratic Party who want to see all those people here in Canada will have to agree that we want them to go to countries where people think like them, and not impose our customs upon them. We have no need for that. We do not want to exterminate them. There is room for them in the USSR and Cuba. I hear my hon. friend from Toronto something—

Hon. Marcel Lambert (Edmonton West): This is a new name!

An hon. Member: Scarborough West.

Mr. Caouette (Témiscamingue): Scarborough East?

An hon. Member: West.

Mr. Caouette (Témiscamingue): Scarborough West.

Mr. Lambert (Edmonton West): He should come from the East. He is from the East and has a beard!

Mr. Caouette (Témiscamingue): That is right, if he came from the East, it would be fine! It is because he comes from the West that it is not.

Mr. Lambert (Edmonton West): There are some fine people in the West.

Mr. Caouette (Témiscamingue): Mr. Speaker, I am not blaming the hon. member for saying: Let us accept them in the name of humanitarianism. Why not suggest that we help financially, physically, morally and mentally to send them to the USSR, Cuba or China instead of bringing them to Canada? It is strange that this is never mentioned.

Mr. Pelletier (Hochelaga): Nor does anybody say where the Social Crediters should go.

Mr. Caouette (Témiscamingue): No, because they are at home in Canada. Mr. Speaker, it is as simple as that. The Social Crediters sincerely want to develop Canada and not to destroy it. That is so evident that we are a group of 15 here all from the province of Quebec—

Mr. Pelletier (Hochelaga): But only three are here now.

Mr. Caouette (Témiscamingue): —and yet we are trying to help all Canada. I think that all my colleagues will admit that we are making a stand for one Canada and not for 12 or 15. We want to have a genuine Canadian Canada as we say in my own area. Mr. Speaker, even though they are trying to protect Canada, to protect all Canadians, I believe that some people, police officers or others, might misuse the powers provided under Bill C-176, but we will support it not because there have been abuses but in order to protect society against subversion, not to punish someone who does not deserve to be punished but really to protect society.

• (2030)

This morning two police officers and a counsel for the Montreal Urban Community police force were in my office and they told me this: If this bill requires us to advise a criminal that we are going to tap his telephone within 90 hours, it is clear that the man will not go anywhere near his telephone. Therefore if we want to detect criminals, we must allow police to use wiretapping when necessary.

Mr. Speaker, in many areas, we will need the services of those people, for instance as regards those who sow ideas of subversion and violence all day long. As Chartrand said in Montreal last Saturday afternoon: To arms, Canadians! To arms, citizens, in order to recover our freedom!

I would like Chartrand to tell me what freedom they have in Cuba, in Moscow, in Peking or in Algeria. I said it last week, if Chartrand made the same remarks in Cuba, in less than 12 hours he would be facing the firing squad. And what I say is true.

Mr. Pelletier (Hochelaga): In Chile too!

Mr. Caouette (Témiscamingue): In Chile it would be the same thing. The hon. Minister of Communications (Mr. Pelletier) has just said that. I do not know if it is because he was a close friend of Mr. Allende, but in Chile it would be the same thing. But in Chile they call it repression. In other countries they call it revolution. It is exactly the same but the words differ. They talk about a revolution to free the people and they put the yoke around the neck of people like in Czechoslovakia and in all the other socialist countries in the world. When we struggle against that, when we fight to protect our freedoms, they call it repression.

Well, Mr. Speaker, they can call me whatever they like, I want my freedom, I want my Canadian fellow citizens to have their freedom. Let us take the means to protect this freedom against the whole world. It is the reason why Bill C-176, applied in a logical and human way, will protect Canadian society; It will protect us and futur generations because if we deprive them of the freedom of tomorrow, in 15, 20, 25 years we will be blamed for being outcasts and for having forsaken that freedom which perhaps will never be recovered.

So, Mr. Speaker, let us be logical. We have a vast country, one of the most beautiful in the world, it is a country rolling in money and its people are anxious to take part in its development. Mr. Speaker, it is our moral duty to help, protect, safeguard and guide that nation towards undreamt-of progress, towards complete freedom and economic security for each and everyone. Then, nobody will lecture us, but Canadians will be a living example for all the countries of the world showing them that security with freedom is possible because we will have given it to our fellow-citizens.

[*English*]

Some hon. Members: Question.

[*Translation*]

Mr. Lambert (Edmonton West): No, no, Mr. Speaker. I apologize to my colleagues of the House. I was discussing with the Postmaster General (Mr. Ouellet) a very important matter on behalf of all hon. members. This is the first time I have used—

Mr. Knowles (Winnipeg North Centre): Write me a letter.

Protection of Privacy

Mr. Lambert (Edmonton West): Mr. Speaker, the hon. member for Winnipeg North Centre says I should write him a letter. I won't say it would not reach him but, since it concerns the rights and facilities of the hon. member, I believe it would be more important and a personal discussion would be the best way to decide its fate. I therefore hope we can continue the present debate.

I am taking part for the first time in the debate on Bill C-176 and I must say that, naturally, being a professional lawyer, despite the fact that I have not practiced with the public for a long time, I am concerned about the general interests of every citizen and certainly every lawyer.

[*English*]

Mr. Speaker, this bill is entitled "the protection of privacy act". Like my colleague from St. Paul's (Mr. Atkey), I find this an entire misnomer. The bill protects a person only from electronic, acoustical, mechanical or other devices in respect of hearing. I would think that perhaps our colleague from Villeneuve—

Mr. Caouette (Témiscamingue): Témiscamingue.

[*Translation*]

Mr. Lambert (Edmonton West): Témiscamingue. It was the former member for Villeneuve, a much better name.

[*English*]

He would also, as I am sure would all members here, like to see some protection of the person in respect of viewing. How is it that one can, with the types of cameras available today, visually spy upon any individual and the public without consent, and that the individual, minding his own business, seem to be the legitimate prey of any camera-hound who, for whatever interest—pecuniary, prurient, or what have you—may take a photograph and publish it? Frankly, the individual citizen today possesses but a mere residual of rights to his own personality.

● (2040)

This bill attempts to put some order in a certain sector. As my colleague from St. Paul's said, we would like to see far greater protection of the individual from all sorts of invasions of privacy. To me, what difference does it make whether my telephone is bugged, or whether my window, my garden or my automobile as I am travelling along is similarly bugged with a long-distance lens by an individual whose motives may be far different, far less honourable and far less justifiable than the individual who may put a bug or listening device on my telephone, in my house or in my hotel room? They are equally an invasion of the privacy of my person as a citizen. I insist that I, as a citizen, as an individual, still have certain inalienable rights, rights which I may place in jeopardy by wrongful actions against society and to that extent I agree in principle with this bill, but as an innocent, law-abiding citizen, why should I be subjected to this invasion of privacy, acoustically or visually?

In his gloating speech this afternoon the Minister of Justice said it was high time this subject was dealt with because it had been around for four years. Mr. Speaker, the bill that passed report stage this afternoon is certainly not the idea that was broached four years ago, nor is it the same bill. It has gone through a certain fire and a certain modificatiion, and I think it was totally wrong for the hon. gentleman to say it was high time the House accepted the idea, just because it had been around for some time. There are many ideas that have been around for generations and are still rejected and will continue to be rejected for generations because they are not sound. The fact that they have been around for discussion means nothing except that the longer they are around and discussed, the less merit they may have.

The Minister of Justice attended the same law school as I did many years ago. Of course, his attendance came after mine but I am sure he was exposed to the same ideas. I find it rather amusing to see that he absorbed so little of the philosophy of that school with regard to the admissibility of indirect evidence. There is a lot to be said on both sides of that question. I remember arguing with my tutors because basically, I suppose, I am one of those who favour law and good government.

An hon. Member: That is what we have got.

Mr. Lambert (Edmonton West): Perhaps this may be a lesson for the young and honourable member who made that interjection. However, the longer one serves in this House, the more conscious one becomes of how the rights of the individual in today's society get nicked away, which is another way of saying that our essential freedoms are being lost, slice by salami slice. They can be cut very thin, but they are still being cut and restricted.

I say that in this instance there has now been a formalization into law of what you might call a restriction of a fundamental freedom. Of course, my views have changed, Mr. Speaker. There comes a point where the paramount interest of society may have to take precedence over the rights of the individual. I will accept this because I recognize that man is a social animal, that man is interdependent one with another, and that any right that I may have I must exercise in such a way so that I do not injure my fellow man, because if I claim fundamental freedom some people will call it a licence to act as I see fit heedless of the consequences to my fellow man. Then, if I am injured by my neighbour, I have very little cause for complaint because surely my neighbour is my equal.

If by reason of my conduct I use this licence to injure him, he equally has the right by his licence to act to injure me. As I say, we are socially interdependent animals and our relationship must be conducted with concern for others. Therefore, if here there is what we might call a fundamental right to freedom from the invasion of privacy, going one step further there comes a point where the public interest may demand that there be some curtailment of that right. I see the former solicitor general shaking his head. I do not know whether he had the same legal training that I had.

● (2050)

[*Translation*]

After all, he has studied civil law and I studied common law and in different schools to boot; so maybe it is quite another philosophy. But I would like to share the views of the Minister of Supplies and Services (Mr. Goyer), the former Solicitor General on that whole issue, for he

undoubtedly participated with his colleague, the Minister of Justice (Mr. Lang), in determining the philosophy of this bill.

[*English*]

Remember, Mr. Speaker, I am attempting to rationalize the invasion of the freedom of the privacy of my person which is incorporated in this law. This permits an invasion—

Mr. Goyer: No.

Mr. Lambert (Edmonton West): Oh, yes. This permits an invasion of the privacy of my person, under controlled conditions. I will admit that I think in some ways this may prove better, and that is why it would have my support. But there are many details of this bill that I, as a lawyer, consider to be terribly bad law. I have already indicated a terrible lacuna, that there is no privacy of persons from viewing and spying. Only acoustical spying is covered by this bill.

To those who had objections to the bill, and as far as the police are concerned, I would say that it must be remembered that prior to passage of this bill electronic bugging is illegal. Now, under certain controlled conditions, it becomes legal and to that extent there is that much more assistance, I think, to the police forces of the country.

I do not think there is going to be any great difficulty about getting permission from a judge, etc. I do not like the amendment that the Minister of Justice (Mr. Lang) insisted upon, because I think that knocks the props from under the bill. I am glad to see the Minister of Justice back in the House, Mr. Speaker. He will undoubtedly have read the same arguments that I have in many a learned article in legal journals on the philosophy of the admission of indirect evidence following illegal confession, illegal bugging—that in effect it is a matter of judicial revenge upon the accused. He is able to refute the burden of the so-called innocent confession and the confession is thrown out, but in many ways then the law turns around and clobbers him by admitting the very evidence to which he confessed. It almost says, "Yes, you beat us on one thing but we will get you on the other." This in effect is the same thing.

I am sorry to see the amendment of the Minister of Justice. At one time I thought I could support it, but when I look at it in the light of recognition of a wide power of the police forces and security forces to engage in electronic and acoustical bugging, I find it rather strange that the minister would insist that indirect evidence obtained as a result of illegal bugging shall be admissible in a court of law. Why go through the formalities of getting permission to carry out a legal bugging if the indirect evidence or the evidence flowing from the eavesdropping is going to be admissible in any sense? The amendment was illogical nonsense.

Mr. Railton: Question.

Mr. Lambert (Edmonton West): Mr. Speaker, I would suggest to the hon. member, the distinguished member of the medical profession, that on the next occasion there is a medical subject under discussion which he finds of interest, perhaps if I were to call out "nonsense" to him, as he has done now—

An hon. Member: He did not say that.

The Acting Speaker (Mr. Boulanger): Does the hon. member rise on a point of order?

Mr. Railton: Yes, Mr. Speaker. I should like to correct the hon. member. I did not say "nonsense". I was just getting a little weary of the repetition of things and I called out "Question". The other point that I request permission to speak on is this. The hon. member says if he were a member of the medical profession, he would have more right to speak on it. He is not speaking as a lawyer tonight, I hope; he is speaking as a citizen of Canada—and everybody should have an opinion.

I did not intend to speak on this bill because it has taken such a great deal of legal argument, which to this point I think has been very well done. However, from my experience I feel it is about time we stuck to the question and did not get into legal argument. The question is, are we invading privacy? I do not believe we are.

Mr. Lambert (Edmonton West): Mr. Speaker, I apologize to the hon. member. If he did not say "Nonsense" but said "Question," the word "nonsense" was implicit in what he said. I will, hopefully, listen to him when he wants to make a point.

Mr. Railton: It was probably your conscience that was speaking. It must have been nonsense.

Mr. Lambert (Edmonton West): Well, since it is the first time I have spoken on this bill, I thank the hon. member for the extreme narrowness of his closed mind. There is one final point that I should like to make, Mr. Speaker. Yesterday we had considerable discussion about amendments to the Parole Act. We felt there were far too many people in prison. We felt there should be much greater facilities for the Parole Board. At that time I indicated that far too many laws in Canada provided for imprisonment. I would draw to the attention of the Minister of Justice and, if we were here, of the Solicitor General (Mr. Allmand), that this act provides that the improper use of an electronic device for acoustical interception or listening shall be an offence punishable by imprisonment of up to five years. There is no option of a fine under this law. Illegal wiretapping means imprisonment. And illegal wiretapping can be an offence of a very technical nature.

• (2100)

I see the parliamentary secretary nodding his head in affirmation. Does this not follow up my assertion of yesterday, that we in Canada say, "Obey the law or you go to jail?" We love to send people to jail; then we complain about our jail system, our prison system, our system of parole, etc. People complain about far too many people being in jail; of course they do. Yet we have acts like this one which say that jail shall be the only sanction and that there shall not be any fine.

I note that some people are impatient; they think this bill is God-given, that it is their birthright, that there is nothing wrong with it. I hesitate to think that some day

some of those people may have to go to jail for some offence. I hope they will not rue the day when they muttered approval of the fact that this law provides for no alternative penalty to jail. It seems to me that this administration and others who are responsible for the administration of penal justice in this country should have started a long time ago reviewing all our acts to see why we should insist upon jail, why we cannot have a system of probation under laws like this, or fines as an alternative to jail. Too many are sentenced to jail without being given the alternative of paying a fine. Certainly, a sentence of restricted conduct for a lot of offences would be of far greater import than the sentences contemplated under this bill.

Hopefully, there will be an opportunity when I can debate this matter with the Attorney General so that I may get some notion of what is the philosophy of the government with regard to the sanction provision in this legislation. The Minister of Justice is no greater lover of law and order than I am. Certainly, many things that were said in connection with this bill on behalf of so-called civil liberties cannot stand the light of day. On the other hand, although in many ways this bill is full of inherited or imposed defects, I hope they will not prove too difficult in practice. I am a hopeful person. Before long there will be another day, with another administration and another minister of justice, and then the appropriate changes can be made to this act to make it more effective in protecting against the invasion of privacy of the person and to make it less objectionable from a logical point of view.

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I think it is fair, in wrapping up this debate, to say a word or two about some hon. members who have been particularly helpful in improving this bill as it has progressed through the House. The Minister of Justice (Mr. Lang) spoke of its four-year history. The delay in bringing it forward is not the fault of parliament: there have been a few interruptions in that period. I am satisfied that the present bill is substantially better than the one brought forward a couple of years ago, and the one which was debated in May on second reading.

I remember the debate of 1960, I think it was, when the Bill of Rights was before the House. Some sneering references were made, rather unfortunately I think, to the right hon. gentleman from Prince Albert (Mr. Diefenbaker) and the efficacy of the Bill of Rights. At that time I was actively practising law and remember the debate in the Canadian Bar Association about the Bill of Rights. I remember that a very learned dean of law, who is now a member of the minister's law reform commission, said how important it was to have general public understanding of the Bill of Rights; that it was not some arcane little statute which was of interest only to lawyers. I think the right hon. gentleman from Prince Albert on that occasion popularized, if I may use that word, the concept of fundamental rights in our Canadian statute law.

I think what he did was very important. I had hoped that the Supreme Court of Canada, much before the occasion of the Drybones case, could have used the Bill of Rights in order to pass judgment on some statutes of this parliament. Be that as it may, the right hon. gentleman from Prince Albert was able to make a complicated legal situation understandable to the general public. I am referring to the value of the right hon. gentleman's amendment to abolish the 36-hour notice provision. He made a greater impact on the public's mind than did the Minister of Justice. That in itself was an achievement.

I have repeated before now what Dr. Cory of Queen's University has said. I do not know Dr. Cory's politics; I presume he is a supporter of the Liberal government.

An hon. Member: He is from Saskatchewan.

Mr. Fairweather: He is a man of great capacity, as many Saskatchewan people seem to be.

An hon. Member: You are not narrow.

Mr. Fairweather: No, I am not as narrow as the hon. member for Louis-Hébert (Mrs. Morin). Dr. Cory said that he felt more comfortable when he knew that people like the right hon. member for Prince Albert were in parliament. I think that is a great tribute. Some people measure worth in dollars; others by the time spent on a speech. I have never felt that a man's worth is to be measured by the time he takes speaking in this House. I do think, however, that the right hon. gentleman was able to persuade the government to make a fundamental change in this bill. As well, of course, the hon. member for St. Paul's (Mr. Atkey) did a professional job on the bill, which is much better now because of his energetic work. He knew his subject thoroughly and he was able to articulate the issues and persuade many of his colleagues of the correctness of his views.

I should like to pay tribute to the conscience of the Prime Minister (Mr. Trudeau) and of the hon. member for Matane (Mr. De Bané). I like to see him and listen to him. He was the one who persuaded the Standing Committee on Justice and Legal Affairs that it would be valuable and useful to hear one of the greatest attorneys general of this century, Ramsey Clark, who rightly pointed out that during his period of administration he had not used wiretaps. Mr. Clark made a profound impression on the committee. I think we were all enlightened by his evidence. We must also consider our colleague for New Westminster (Mr. Leggatt).

Mr. Knowles (Winnipeg North Centre): Hear, hear!

● (2110)

Mr. Fairweather: If the hon. member for Winnipeg North Centre (Mr. Knowles) is calling "order", I will be glad to hear him on the point of order.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I said "Hear, hear".

Mr. Fairweather: I am just trying to pay a compliment or two. I think the hon. member for New Westminster made a real contribution. The minister said he was worried about the time spent on this bill. I do not share this view. I do not think the time was all that badly spent. Maybe one day we will reach some accommodation about allocation of time. But in a way, in this country it takes a little longer than it does in Britain. There is a national press in order that issues be clearly understood by Canadi-

ans and to obtain some feedback. That is exactly what happened with this bill. It took a while for the Canadian public to get alarmed. They did get alarmed. The government, to its credit, heard about the alarm and made some amendments.

I am particularly glad parliament has decided to reinstate the provision of the committee with regard to notice. I do not think the minister should be worried about this. He could have had his own provision but he did not see fit to do that. I think it will be very salutary that a citizen will have an opportunity to know that if no charges are laid he has in fact been subjected to an intrusion of his privacy. I am sure Attorneys General will be glad to co-operate with the minister in establishing whatever formula he devises so that this notice can be given.

I share the concern of the hon. member for New Westminster and others about the national security issue. I suppose, as others have said, this clause has given all of us concern because of events in the United States. I am going to repeat something that a very wise public servant told me when I had written a little article on the excessive secrecy of government. Usually it is based on national security. He was kind enough to comment on my article. He said it is not the security of the state that governments worry about; it is the security of the government. I hope this government takes a very broad view. Perhaps it should be the other way around, that national security will be very narrowly defined.

I am particularly glad the minister was forthcoming about amendments on the whole matter of sedition, espionage and subversive activity. This is a better bill because the minister heeded the committee's request in this regard. The problem with the President of the United States is that that gentleman mixed up the security of the state with the security of himself and his government. I hope this is a warning and that this government will not try to do the same. If so, I hope there will be ample warnings, reports to parliament, questions, and so on. I will conclude by quoting a very interesting Canadian, Morley Callaghan. He said national security means—

—the protection of someone who has a big job and finds someone else breathing down his neck.

The minister has a big job. The government has a big job. However, I hope that the provisions of national security are so tightly drawn, and the jurisprudence so carefully enunciated by the courts, that this country will not have to go through anything as grubby as we have been witnessing in Washington during the past few months.

Mr. Erik Nielsen (Yukon): Mr. Speaker, I want to say how fearful I am that this legislation is nearing passage. The reason my votes went the way they did today, and the reason I will be supporting the bill on third reading, is that there is far more good in the bill than there is bad. It makes wiretapping a crime. It makes provision for substantial penalties for those who would invade the privacy of others by electronic surveillance devices. That part of the bill is something we cannot do without, regardless of how much the remainder of it is distasteful. That is why it will get my support on third reading.

I want to sound a warning about what could very well happen when this bill becomes law. We know from evidence given in the standing committee that there have been a substantial number of electronic intrusions on the telephones of private citizens in this country, surreptitiously placed there by law enforcement agencies and without the knowledge of the telephone user. I might point out that in this bill we are not confined to the telephone. As I have said before in this debate, electronic intrusion devices today are highly sophisticated. One example I did not cite is the development of a laser device that is capable of being directed against the window or wall of a room and will transmit sounds from within that room to an unscrambler. A conversation is capable of being detected over a distance of several miles. I did cite the example of the instrument being capable of being converted into a listening device with the receiver remaining on the hook.

We heard some very disquieting examples of what could happen. We heard the example of the offices of two barristers in the province of Quebec being bugged at the behest of the police commission there. At the time this arose, I asked the Solicitor General (Mr. Allmand) whether there was any agency in the province of Quebec operating under the provincial government which conducted activities of this kind directed toward national security matters. He was kind enough to assure me in private that there is an organization with a similar name but which has no federal connection.

A year ago last fall there was the example of the affairs of the CNTU in the province of Quebec being made the subject of an army intelligence report. Many members and others think all we are concerned with in the application of this bill in terms of surveillance and electronic intrusion has to do with law enforcement agencies in the country. How wrong they are. The armed forces of this country have a very active and, I must say, having some knowledge of the functioning of this service, very capable security and intelligen-e organization. That organization has every capability of engaging in the kind of surveillance activities that this bill will make law. So when we are speaking of the application of the bill, let us not forget the activities of other agencies in the country.

● (2120)

I want to sound, too, a warning as to certain possibilities. If electronic eavesdropping has been occurring—and it has been occurring, according to the evidence given by the law enforcement agencies before the Standing Committee on Justice and Legal Affairs—this bill is no assurance that it will not continue to occur illegally. From a practical point of view, the main thrust of the bill being directed at the investigatory function rather that the evidentiary function, what the overzealous law enforcer will do is tap anyway or intrude electronically in any event. It can be done without danger of detection for a great length of time. Then, should anything come up in the course of this kind of surveillance, it is a simple matter to obtain an order legalizing the portion of the evidence he wishes to introduce in court.

I was happy about the extent to which we convinced the government that judicial controls should be placed upon the application of this legislation. At least in the case of what I might call ordinary crime in his country it will be obligatory for any person intending to intrude upon the private life of anyone else to go before a judge and satisfy

him with respect to several criteria as set out in the bill. Then there is the distasteful clause which relates to the dispensation of this kind of detailed process when the situation becomes urgent. Thanks to the right hon. member for Prince Albert (Mr. Diefenbaker) we at least have been able to insist upon the applicant obtaining the signature of the judge upon the order.

I would be surprised if the penalties provided in the legislation were ever invoked. They will certainly not be invoked against the law enforcement agencies, whether electronic supervision is legal or illegal, because of the inability to detect these devices except by sheer accident. One of the most frightening aspects of the legislation is the provision which applies to the granting of authority to intrude electronically in cases affecting national security. The government did go part of the way with us when we extracted from it a definition of "subversion." But the phrase "national security" is still wide open.

There are many who believe that the thrust here is toward electronic intrusion in the investigation of cases which affect the national security of our country, from abroad. Nothing could be further from the truth. Quite apart from any knowledge I may have gained in committee, I know that surveillance activities are carried on with respect to so-called subversive groups in this country. An example which comes to mind is the army intelligence report prepared on the operation of the CNTU in Quebec. Some of the things said in that report were pretty far out.

The bill would allow electronic intrusion in respect of any matter which the Solicitor General (Mr. Allmand) might decide was one which could affect national security; for example, the leak of cabinet documents. There is not a single employee of the government whose telephone could not be kept under surveillance under this provision of the bill. The capability of doing precisely that certainly exists in the city of Ottawa. One would almost think that very well-laid plans had been made, in anticipation of the passage of this legislation, by the creation of the police and security planning group in the Department of the Solicitor General. In any event, the capability is there and the likelihood is there.

I do not believe for a moment that the Secretary of State for External Affairs would hesitate to go to the Solicitor General when his telegrams were leaked to the hon. member for Scarborough West, for example, and say, "Look here, Warren; we must put a tap on a few of these employees of mine to find out who is responsible for this leak."

Mr. Allmand: That would be illegal under the bill.

Mr. Nielsen: Not at all. As I read it, and I hope I am wrong, the bill permits the Solicitor General to grant a warrant for electronic intrusion in cases which he figures affect the security of this country. The supposed threat need not be external.

Mr. Allmand: Does the hon. member think the RCMP would agree to that?

Mr. Nielsen: They may not agree. But that is not the point. What is the army doing in the bill? They may not agree, but if the Secretary of State for External Affairs went to the Solicitor General and said, "I need help. We need a tap on a few telephones".

An hon. Member: No.

Mr. Nielsen: That is a serious enough matter. But suppose it were even more serious. I am sure the Solicitor General could be easily convinced that it was in the interest of national security to issue a warrant. That is what I think is wrong about the principle contained in this provision.

Frankly, I do not have a telephone in my apartment in Ottawa. And I am giving serious consideration to getting rid of the one in my office. I tell hon. members here, and anyone who calls me, "If you do not want to read or hear again anything you say on the telephone, don't say it, because that is the situation we are in." The Minister of Justice (Mr. Lang) shakes his head in disbelief.

Mr. Lang: Not in disbelief. At you.

Mr. Nielsen: He says responsibility will fall mainly on the shoulders of provincial Attorneys General. Well, God help us in the Yukon and in the Northwest Territories where the Minister of Justice is our Attorney General. All he has to do is exercise the powers of any provincial Attorney General. He exercises these powers in the north. The minister smiles. What is he going to do? I can tell him in advance. He is going to delegate that power, and he is going to delegate it most likely to the Crown attorney in the Yukon and to the Crown attorney in the Northwest Territories. And while I have great respect for the first appointee in the Yukon as well as for his successor, I certainly do not like the thought that a Crown attorney anywhere can exercise the kind of powers that are granted in this bill.

So I express these fears about the operative clauses of this bill. I cannot bring myself to vote against them, to vote against third reading, because I think wiretapping and electronic intrusion in all its aspects is a despicable level to which to resort in the investigatory process. I do not feel the proper guarantees have yet been written into the bill. But far more important is the fact that the activity is made unlawful even though application of the penalty provisions will be very remote. The very fact that it makes these activities unlawful is a far more important step to be taken.

• (2130)

Since wiretapping and electronic surveillance will be carried on anyway whether the bill is passed or not, the government is merely legalizing it by judicial control of this kind. Giving certain powers to the Solicitor General will not change matters. All it will do is to legalize something that is now illegal in terms of introducing evidence in court. As far as I am concerned, that is another unsavoury part of the bill.

Having said those things, I just want to sound one last warning. I think the provisions of the bill will be abused. I am convinced of that, and I shall sit back and wait and see. I am sure other members will discover that what I am saying now, and the fears that have been expressed by a good many members, will be realized notwithstanding the

fact that the Solicitor General shakes his head in the negative.

The Acting Speaker (Mr. Boulanger): Is the House ready for the question?

Some hon. Members: Question.

The Acting Speaker (Mr. Boulanger): Is it the pleasure of the House to adopt the said motion?

Some hon. Members: On division.

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

* * *

PAROLE ACT

APPOINTMENT OF ADDITIONAL AD HOC MEMBERS TO NATIONAL PAROLE BOARD

The House resumed, from Monday, December 3, consideration of Bill C-191, to amend the Parole Act, as reported (with an amendment) from the Standing Committee on Justice and Legal Affairs; and motions Nos. 1 and 2 (Mr. Howard).

Mr. Reg Stackhouse (Scarborough East): Mr. Speaker, one of the questions that arises from the legislation before us is, will it give us more of the same? When the government came back to the House after the October 30, 1972, election this was a question that many Canadians were asking themselves generally about this government. They hoped that, chastened as it was by the result of the election, we would get something different. But increasingly both public and parliament have come to realize we are getting more of the same. We feel this is true in terms of the Parole Board and of the policies of the Solicitor General (Mr. Allmand). We are getting more of the same.

As we are called upon to approve the appointment of ten ad hoc members to the board, we also wonder whether this will simply mean more of the same kind of parole policy that we have had in the past. Indeed, one might wonder whether the legislation to appoint ten additional members to the Parole Board means more of the same in the sense of appointing more ex-Liberal candidates to government office. Most of all, we are wondering whether the appointment of ten more members to the Parole Board will mean more of the same in terms of providing parole to inmates who should not receive parole.

One of the matters that has brought the parole Board and the system into disrepute in many parts of Canada has been the maladministration of parole by the board. In saying that I do not want any member of the House to think I am calling into question the principle of parole—that is an easy misrepresentation through which the Parole Board itself can be defended when it should not be defended. What I am questioning is not the parole system itself, but the maladministration of that system by the board. In raising this point I think of such example as the notorious case of the Nelles kidnappers. Ralph Cameron and Peter Burns were paroled in July, 1971, after serving 20 months of their ten-year sentence. In November, 1971, John Rogan was paroled after serving 24 months of a

12-year sentence. Michael Whiteside was released after serving 26 months of a 12-year sentence.

A Toronto barrister, Glen How, wrote the chairman of the National Parole Board to protest, he said, against the shortness of the terms that these men were obliged to serve. Referring to their crime, he said that this was a cold-blooded, premeditated act carefully planned by people who knew better. What did the chairman of the National Parole Board say in reply to that letter? In his letter to Glen How he said:

> The board does have power to grant parole ahead of normal eligibility date—which is one-third of their sentence—if there are exceptional circumstances about the case. We are of the opinion that there were such exceptional circumstances in this case, and that it was more of a stupid prank than a real act of kidnapping.

That is the attitude of the man who was then chairman, and still is chairman of the Parole Board. So if we are going to appoint ten more men to the board, we have to ask whether we are going to receive more of the same. Is this the kind of thing we can expect? As Mr. How asked of the chairman of the National Parole Board in his second letter to the chairman:

> To characterize a crime as a "stupid prank" does not change the nature or quality of the act. Was the woman seized and held against her will? Was it intended by the perpetrators? Did they try to get a ransom? Was it carefully and exhaustively planned? Were they teenage children or men of age of responsibility?

So very frequently over the years that kind of maladministration of parole has been the record of this board, for the example I have cited is not an isolated exception. I should like to quote as follows from an editorial that appeared in the Toronto *Globe and Mail* of July 23, 1973:

> There are times nowadays when the proceedings in Canadian criminal courts seem to follow a script written by Groucho Marx.
>
> There was, for example, the trial in Montreal recently of Thomas Oszlansky. Last June, Oszlansky had a slight brush with the law. Armed with a rifle, he held up a delicatessen, herded four employees into a walk-in refrigerator, and shot all four of them dead. He also shot a security guard in the head, but in this instance his aim was less accurate and the victim has recovered.
>
> At the trial, Oszlansky pleaded guilty to non-capital murder and was sentenced to life imprisonment. But the talk at the hearing was less of putting him in jail than of getting him out.
>
> Defence counsel said that application would be made for Oszlansky's earliest possible release. The prosecutor agreed that eventual parole should be considered.

● (2140)

The editorial continues:

> This is strange talk to hear after a massacre such as Oszlansky committed. It is still wierder in view of the psychiatric evidence in the case. The psychiatrists advised that while Oszlansky was not legally insane, he was subject to mental disorders aggravated by drugs; he suffered from hallucinations and was apparently inclined to go berserk when he imagined anyone was laughing at him. The picture suggest a criminal psychopath capable of any extreme of violence and liable to go off the rails again and again.
>
> Against this background, it is hard to understand how even a defence lawyer could speak of early release—and still harder to understand how a responsible prosecutor could give the idea even qualified support. The only sensible way to handle a killer like this is to keep him confined in either a maximum security penitentiary or an equally secure mental institution for the rest of his life—or until highly qualified, cautious and responsible experts are satisfied that he is no longer dangerous. We can only hope—for the safety of everyone—that the National Parole Board will not

allow itself to be pressured into handling the case on any other basis.

That is a hope which many people across this country clutch with some despair because of the record of the Parole Board. I should also like to quote from a collection of case studies by Judge A. L. Bewley of British Columbia. I cite the example of a person granted parole after more than one instance of criminal activity and who committed an offence while on parole:

> This man began his criminal career in Quebec in March, 1960, with the theft of an auto.
>
> Between then and June, 1968, he was convicted of 20 separate criminal offences, including theft, escaping lawful custody—twice—assaulting a guard on escape, possession of stolen goods, possession of an offensive weapon.
>
> On May 5, 1967, at New Westminster, he was sentenced to 12 years for breaking prison by violence and other crimes committed during that escape. He appealed, and the Appeal Court reduced his sentences to seven years on February 28, 1968.
>
> Eleven months after being sentenced thus by the Court of Appeal, he was released on parole—June 18, 1970. His sentences were due to expire in 1976.
>
> Less than one month after being released on parole—on July 6 and 16, 1970—he committed three robberies. He was convicted of these and sentenced on August 24, 1970, and November 26, 1970, to 15 years on each charge.

This kind of thing has been so widespread in the record of the National Parole Board that according to one survey conducted during the administration of the former solicitor general, 40 per cent of those who were released on parole broke that parole by crime or some other violation. So we must ask, when we are requested to appoint ten more members to the Parole Board, whether it is just to have more of the same, or can we expect that there will be a more reasonable, common sense and responsible administration of the parole system so that there are not released on the public of this country people who are still a danger to the safety of ordinary citizens.

On the other side of the coin we must ask ourselves whether this will also mean there will be more of the same in the way in which frequently the Parole Board has mismanaged its responsibility by being rigid, and even repressive, in depriving parole to people who could act in the way in which it is intended they should act. A good example of the Parole Board applying the last letter of the law rigidly and repressively is the case of Rhonda Murray, the 17-year old girl who was convicted of an offence in New Brunswick, sent to prison, paroled and then came to Toronto in contravention of her parole. There she was arrested and placed in the Don jail. She was held there, according to the letter of the law, for violating the letter of the law. She was penalized by being kept in that institution. What a danger she was! Certainly we must wonder at the thinking of a Parole Board which will release on parole men who have committed serious and dangerous acts of violence, not once but twice or three times or more and have been given parole, and who treat this girl as if she were public enemy number one. This is not an exceptional case. Would that it were!

In this debate we have heard about the situation in some of our institutions, particularly by Saskatchewan penitentiary and the Drumheller institution, both of which I have visited. An inordinate number of native people are confined in these institutions. In the Drumheller institution

[Mr. Stackhouse.]

perhaps 25 per cent of the inmates are Indian people. I would hazard a guess that the percentage in the Saskatchewan penitentiary is comparable. These people, as an ethnic group within Canada, represent a very small percentage of our people but an extraordinarily large proportion of the penitentiary population.

This must raise a question in our minds concerning the way in which the Parole Board is being administered. We must wonder, are all the Indians so dangerous that so few of them can be released on parole? Are they such a threat to public safety that we must have so many of them confined behind bars? Do we really take seriously the implication that the rest of the country produces people who can be released onto the streets after committing an offence, but not the native people?

It is for such obvious reasons we must ask, are we to have more of the same, more of the maladministration of the parole system? The minister may, defensively, point out how many successes the board has achieved. I would hope, on the contrary, that he would take seriously this kind of criticism which is directed, not against him personally or against his record as a minister so much as against the way in which over the years the board has administered or misadministered its mandate, and that he would direct his attention more to making those reforms which will make this board a responsible institution, because certainly its opportunity is great.

The people of this country want parole to be managed and distributed in such a way that those who are not a danger to citizens will have an opportunity to be released from the penitentiary in order to gain experience in preparation for full freedom. Most people believe in the principle of parole. What disheartens me is not that parole is being granted, but that it is being misused in the way it has been, in a Canadian sense. We would therefore hope that the minister would begin to enunciate in this House some reform policies more than the meagre promise that is contained in this bill. He has suggested to us he intends to appoint this kind of person and that kind of person who will greatly improve the quality of the Parole Board. We hope he is right. But really the kind of bill to which he has committed himself is far below the need of the parole system in the country as a whole.

● (2150)

I can, therefore, have a great measure of sympathy with the amendments that have been suggested because their motivation is to recognize that Parole Board reform, in the limited way that the bill calls for, is not enough and that we must have much more extensive and profound reform of the board and of the parole system. However, like other hon. members I would question the validity of the particular amendments that have been put before us. There are obvious weaknesses in them, suggesting that there ought to be two members from one group and two members from another group. If one were to continue this logically, one would have to bring in representatives from various groups in the populace. But notwithstanding that weakness, I certainly share with the hon. member for Skeena (Mr. Howard) and others the concern that there be adequate reform of the Parole Board and of the parole system so that we will not simply have more of the same, which is the great fear that many people have across this country.

For one thing, Mr. Speaker, we will have to look for a much greater attempt at decentralization than seems to be the intention of the minister. We have been told that the members of the Parole Board will be distributed across the country instead of being confined to the national capital. But we have to wonder if this decentralization will be as thorough-going a reorganization of the board as we might have hoped. And we have to wonder whether the decentralization of the board, distributing its members to various regional centres, will be a thorough-going decentralization by which each regional centre will have sufficient autonomy to do its work properly.

One of the things that has impressed me on visiting penitentiaries throughout the country and discussing the situation with staff members as well as inmates has been the feeling of alienation that can be found on the part of officers and guards and other staff members in our institutions, a feeling of alienation which I dare say afflicts the parole system as well, a feeling of alienation that I think can only be treated properly when we begin thoroughly to decentralize our system and give each of the regional centres adequate authority to function more or less on its own.

At the present time, the authority is almost entirely restricted to Ottawa, and there is great difficulty in transmitting the edicts and policy decisions of top officials to those who have to carry them out in the local institutions. It is for that reason that we need decentralization. I am really at a loss to know whether the intention of the minister, in calling for the appointment of these ten ad hoc members, is to have that kind of thorough-going decentralization or not.

One can suspect that while board members will be put here and there, the reins will still be so tightly held within Ottawa's hands that there will not be very much change involved. So once again we come back to this fundamental question: are we just going to have more of the same, or are we going to have something sufficiently different that we can look forward to a parole system that will be a credit to this country, that will express the humanitarian ideals of its people, administered in such a way that there is a realistic appraisal of danger and violence, and that there is a proper balance of rehabilitation with restraint?

Mr. Deputy Speaker: Order, please. I regret interrupting the hon. member, but the time allotted to him has expired. However, he may continue if there is unanimous consent. Is this agreed?

Some hon. Members: Agreed.

Mr. Stackhouse: Mr. Speaker, I think that the bill before us, discussed and studied as it has been by many concerned members in the House and in the committee, has indicated the sense of responsibility which we have as representatives of people from various parts of the country. Because of the maladministration of the parole system in recent years, a cloud has developed over parole and there has been great concern that there be adequate reform of the administration of parole in Canada, a concern that I do not think has been properly provided for in this legislation. Certainly we on this side of the House are prepared to support the bill, but we would like to have some straight and constructive answers from the minister to the serious questions which we have put to him, answers which we have not yet received.

Mr. Speaker, may I call it ten o'clock?

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

VETERANS AFFAIRS—LAND ACT REGULATIONS RESPECTING ACQUISITION OF SMALL HOLDINGS

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, it is not an accident, it is not a coincidence, that the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall) and I both have questions for this "late show" period tonight with respect to the Veterans Land Act. It is quite deliberate on our part, for we both feel very strongly about the issue and we hope that by giving the Minister of Veterans Affairs (Mr. MacDonald) two chances to answer our questions we will get the right answers.

Perhaps I might say that it is not without significance that in these 20 minutes the three of us who have the floor are a Progressive Conservative—and in the case of the hon. member for Humber-St. George's-St. Barbe I emphasize the "progressive"—the Minister of Veterans Affairs, who I hope is a liberal Liberal and in my case a New Democrat, with emphasis on the "new". Together we demonstrate the concern of all hon. members for the welfare of our veterans.

On Friday, November 9, as recorded in *Hansard* at page 7693, this House unanimously passed a motion which I had the privilege of moving, seconded by the hon. member for Humber-St. George's-St. Barbe. That motion read as follows:

> That this House requests that the Minister of Veterans Affairs give urgent consideration to the amending of the Veterans Land Act regulations to permit veterans to acquire small holdings, even if the main purpose of most of the older veterans now applying for loans under the Veterans Land Act is to meet their housing requirements, it being the view of this House that entitlement to a piece of this land ought to be the right of any veteran.

Some days later, on Wesdnesday, November 21, I put a question to the Minister of Veterans Affairs in which I referred to the motion which had been passed on November 9 and asked whether he was yet in a position to report to the House on the request made in that motion. The hon. member for Humber-St. George's-St. Barbe had a supplementary question on that occasion, and so here we are tonight, the three of us. My friend and I have divided the field a bit. I wish to concentrate on the position that has been taken quite often by the minister, to the effect that VLA is not for housing. He spelled this out quite fully on November 6 when he was responding to another question of my friend from Newfoundland. I will quote in particular a paragraph on page 7605 of *Hansard* where the minister said:

● (2200)

As indicated, in previous statements which I have made both in the House and to the Standing Committee on Veterans Affairs, VLA was not designed as a program of urban housing nor as part of a retirement program for persons reaching the end of their productive careers. Its basic purpose was to provide loans for the purchase of agricultural land to be used on a full or part time farming basis by veterans who were interested in this form of rehabilitation program on their return to civilian life following wartime active force service.

The point that my friend and I sought to make in the motion that this House passed, on November 9 is that the minister should meet head-on the contention that veterans are now making, since these veterans are older men, that even though they are not now at an age that they can go into farming, even though all they want a smallholding for is a place to have a home and to retire, that that request should be met. A good deal has been said about the number of veterans—whether it is 125,000 or 140,000—who have certificates that would qualify them for a loan under the Veterans Land Act because they got the certificate before October 3, 1968. It is often said about them that they got those qualification certificates just in case they might want to use them, but now that there is a deadline of March 31, 1974, unless they get a loan before then, they are out. Some of these veterans, admittedly, are not wanting to go into small farming but they have other comrades who got assistance for a smallholding which includes a home and a house that they are living in, and in which they are able to retire, and they feel they should have that right as well.

As I say, the hon. member for Humber-St. George's-St. Barbe will develop other aspects of the matter, but the point I should like to impress upon the minister is that it does not satisfy us for him continually to tell us that the act was set up simply for farming purposes. We think that the desire to have a small piece of property on which to retire, the desire to have a piece of this land for which our veterans fought, and the wish to have a home is a legitimate one. We think that the minister should consider seriously what this House unanimously passed on November 9, namely, that thought be given to changing the regulations so that veterans can get loans under the Veterans Land Act even if all they want is enough money for enough land on which to build a place where they can live and enjoy their home and their period of retirement.

As I say, there are various angles in this issue but it seems to me that the time has come for the minister to deal directly with this request: that the Veterans Land Act, or at least its regulations, be transformed to meet the needs of over 100,000 veterans who have certificates, who admittedly want mainly a chance to build a home in which they can retire. I simply say, why not? For my part, and I know I speak for my friend from Newfoundland and I think probably the minister agrees with both of us, this desire ought to be met and I hope that tonight, either in his answer to me or in his answer to the hon. member for Humber-St. George's-St. Barbe, the minister will give us the answer that I believe, he really wants to give us.

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Mr. Speaker, the motion moved by the hon. member for Winnipeg North Centre (Mr. Knowles) on November 9 last requested that I give urgent consideration

[Mr. Knowles (Winnipeg North Centre).]

to the amendment of the Veterans Land Act regulations to permit veterans to acquire smallholdings, even if the main purpose of the older veterans now applying for VLA loans is to meet their housing requirements. I believe the nature of the amendment contemplated would be cancellation of section 24 of the Veterans Land Act which prescribes that the minimum size of property for VLA smallholding purposes shall be one half acre or, at the discretion of the director, not less than 17,424 square feet. This is not, of course, a new proposal. Although I have not completed the consideration which the House requested I give to the matter, I must say that I am impressed with the substance of the numerous factors which on previous occasions led to the conclusion that a change such as I believe is contemplated by this motion should not be made.

In looking at this matter in the perspective of the purpose of the Veterans Land Act, it must be remembered that it was one of three alternative rehabilitation measures enacted to assist veterans following discharge from wartime active service, and was designed for those interested in settling on the land as full-time farmers or in utilizing agricultural land in conjunction with off-farm employment.

I believe it is evident that the smallholding or part-time farming provisions of the Veterans Land Act were never intended to represent a measure to assist veterans in the acquisition of urban housing. To have done so would have served to duplicate the provisions of the National Housing Act and the various arrangements made under that act in the post-war years to make housing accommodation available to veterans. It was, in fact, to avoid any such duplication and to adhere to the intent and purpose of the Veterans Land Act that minimum acreage requirements for smallholdings were prescribed by regulation in 1946.

Further evidence to this effect is furnished by the approval given by parliament in 1954 to the introduction of part II of the Veterans Land Act—as recommended by the government by the Royal Canadian Legion—under which financial and other assistance was made available to veterans interested in building homes on city-size lots and who were approved for loans under the National Housing Act.

More than 4,500 veterans built their own homes under the provisions of part II. I think it must be acknowledged that these veterans at least would consider complete elimination of a minimum acreage requirement to be a breach of faith. I believe it must also be realized, however, that a substantial number of veterans who used benefits alternative to those of the Veterans Land Act did so because VLA smallholding loans were not available for the purchase of city-size lots in urban areas and particularly those who did not obtain a VLA certificate of qualification for that reason by the deadline of October 31, 1968, would take a similar view if action were to be taken now to eliminate the minimum land requirement.

In considering this matter, I must also keep in mind that section 24 of the Act already provides that the minimum land requirement does not apply to veterans in receipt of a disability pension of 50 per cent or more. As I indicated at the beginning of my remarks, Mr. Speaker, I have not yet completed my consideration of this matter. From my studies to date, however, I would reiterate that I am strongly

impressed by the various factors which have led to the conclusion on previous occasions that a minimum land size requirement should be maintained, and some of which I have reviewed here tonight.

VETERANS AFFAIRS—REQUEST THAT DEADLINE FOR APPLICATIONS UNDER LAND ACT BE EXTENDED

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, what is happening tonight is another attempt on my part and on the part of the hon. member for Winnipeg North Centre (Mr. Knowles) to get some straight answers from the minister—perhaps I should not say that—but to get consideration for the fact that because of changing conditions veterans find it difficult to meet their needs under the Veterans Land Act. Apparently the first attempt has been in vain. Whether my own few words will be effective, I do not know.

The minister indicated that in 1954, in order to meet changing conditions, the department made provision for building lots primarily to be used for the building of homes. That is where the problem lies today, Mr. Speaker. A vast number of veterans are being stultified by restrictions. The minister indicated that many of the 140,000 applicants applied "just in case"; they certified themselves after October 31, 1968, just in case they wanted to build a home later on. According to reports of the department, only 5 per cent of those 140,000 applicants will take up their right to build. Even so, those people are being stultified by restrictions imposed with regard to the size of the lot, to which the minister referred, by mortgage loans being only as high as $18,000 and by the down payment requirement of $2,600. The minister ought to know, and if he does not he can find out by asking the Minister of State for Urban Affairs (Mr. Basford), that it is impossible to build a house on a lot of one half acre or less for $18,000.

● (2210)

I am sure the minister is getting as much mail as we are to rebut his remarks that there are not many now applying. He must be receiving mail from those who indicate they did not know about the October 31, 1968, deadline. I was on an open-line show in Kingston the other day. I received two or three calls from World War II veterans who did not know about the deadline.

Apart from the facts I have mentioned, there is no justification for phasing out the act if there is even one veteran in this country who is denied the opportunities provided under the act. A pledge was made in 1917, and again in 1944 by the then prime minister who stated emphatically, and I am not trying to be dramatic or emotional, that no veteran would ever have to say that Canada did not repay the obligation owed to all veterans who served.

Without going into further debate, there is a very simple solution to the problem that the minister could propose to his conscientious-objector cabinet. I suggest the minister suspend phasing out the act for a period of three years. I suggest he amend the act to raise the maximum loan to $30,000, reduce the lot requirements to a normal-size building lot and provide the same method of 95 per cent loans under the National Housing Act.

The minister should write a letter to every veteran who is certified, asking whether they are now ready to build under the new conditions. He should write to every veteran of World War II and Korea offering the same terms and asking their intentions on retirement. With the co-operation of the national veterans organizations, every last veteran should be allowed to be certified within that period.

It would also be a shame to phase out the veterans land administration which is set up with top expertise. It has the organizational ability to serve a large segment of our population in the desperate housing situation that exists today. All the minister will be doing is throwing thousands of citizens into the jungle where many hundreds of thousands are having a difficult time finding housing today, something which this government is finding difficult to resolve.

I hope the minister will not quote more meaningless figures and leave the matter hanging in the air. We only have four more months. I ask the minister to ensure that all of us will not be sorry for the impending action this government intends to take.

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Mr. Speaker, the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall) has suggested that the deadline of March 31, 1974, as specified in the Veterans Land Act pursuant to an amendment made to that act some eight years ago, will be detrimental to some 125,000 veterans who are qualified to apply for VLA loans because the time remaining is so short as to preclude them from locating suitable properties and submitting loan applications. It seems to me that the essence of his representations was expressed in his remarks in the House on November 6 last. My response at that time is recorded at page 7605 of *Hansard* and I believe there is little more that I need say tonight.

I think I should repeat, however, that I am satisfied the vast majority of those veterans who obtained VLA qualification certificates by the deadline of October 31, 1968, did so on a purely precautionary basis in case their personal circumstances or plans should alter before the March, 1974 deadline. My view in this respect is supported by the fact they have already had some 28 years to settle under the provisions of the act if they were interested in doing so; and that apart from the increase which I think was to be expected in this final year, there was relatively no change in the number who applied for establishment in each of the three previous fiscal years.

Having regard for the lending deadlines specified in the act as approved by parliament in 1965, the veterans land administration has been taking advantage, wherever practical, of normal staff attrition so that there will be no undue number of surplus personnel after new settlement comes to an end. Notwithstanding the lesser number of staff now on strength compared to last year and the year before, almost without exception loan applications are being handled in an effective manner. I am confident the VLA staff will continue to do so between now and next March even if some further acceleration should occur in the rate of applications.

Adjournment Debate

HEALTH—POSSIBLE TOXICITY OF BLOOD IMPORTED FROM UNITED STATES

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, I rise tonight to speak on a matter of the utmost urgency and importance. I refer to the use in Canadian laboratories of contaminated blood samples imported from the United States. Radio CJOB in Winnipeg brought this situation to light recently. These blood samples are used for testing the delicate equipment employed when exact tests are carried out on blood samples from Canadian patients.

At the University of Saskatchewan Hospital in Saskatoon, two laboratory technicians have died within the past year. Both deaths have been traced to infectious hepatitis. In both instances it is believed the disease was attributable to the presence of Australia antigen in imported commercial blood products. During the past year, five other technicians at the laboratory also contracted the disease. Fortunately, their symptoms were not fatal.

I have raised this serious matter in the House on several occasions. However, all my efforts to alert the minister appear to have been in vain. To date I have received no concrete assurances that anything at all has been done. On November 6 I asked the minister whether he was aware of the situation. He assured me that his department was aware of it and added that an investigation was under way. On November 22 the minister informed me in a letter that an investigation had been carried out, and said:

> Certain blood fractions used for experimental or diagnostic purposes have on occasion been contaminated with hepatitis viruses. There is at present no foolproof way to test such products to ensure they are free from hepatitis viruses.

I was surprised when I read those words. The minister does not appear to be familiar with the modern tests for detecting hepatitis. I shall elaborate in a minute. On November 29 I asked the minister whether he intended to conduct an inquiry into the deaths, as requested by the University of Saskatchewan laboratory technicians. I was informed that the matter "now falls under the purview of the Saskatchewan government and there is no need for a special inquiry." These statements are difficult to understand, considering the fact that three weeks earlier the minister had assured me the federal Department of Health was investigating the matter.

The danger that blood products can be contaminated with Australia antigen has been known for some time. It is therefore surprising that there should be no federal legislation to deal with the hazard. The minister acknowledges the danger but appears unwilling to do anything about it. An article which appeared in the May 5, 1973, edition of the *Lancet*, a leading British medical journal, clearly spells out just how serious the situation has become. The article states that special tests of commercial blood products distributed by eight United States companies and one European company showed that 72 per cent were contaminated with the heptatitis B antigen. The article goes on to say, however:

> Routine detection of the hepatitis B antigen has become possible, significantly assisting the clinical diagnosis.

However, in his letter of November 22 the minister stated, as I have mentioned,, that there is no foolproof way to test blood products for hepatitis. It seems the minister may have been mistaken. According to the *Lancet*, techniques such as immune radiometry are currently being used with much effectiveness in detecting infectious hepatitis. It seems to me that if these techniques are available, the health department should perhaps familiarize itself with them. Although extremely tragic, the events at the University of Saskatchewan hospital should not be surprising, especially in view of the British findings. The situation is undoubtedly the same across the rest of Canada.

[Mr. MacDonald (Cardigan).]

● (2220)

As I mentioned earlier, practically none of these laboratory samples is manufactured in Canada. Instead, we are mainly dependent upon American sources of supply. Americans, like Canadians, are reluctant to sell their blood, even for a good price. The result is that the pool of professional blood donors includes a large number of drug addicts, the majority of whom probably carry infectious hepatitis.

If the Canadian government enacted federal legislation requiring that all laboratory blood products imported into Canada be tested and guaranteed free from hepatitis, problems would arise for the commercial manufacturers. If the drug addicts and others who carry infectious hepatitis had to be dropped from the pool of professional donors, then the price which would have to be paid to attract a sufficient number of donors would have to be increased very considerably. Since we are dealing with a multimillion dollar industry, you can expect some pretty powerful opposition if you attempt to get any Canadian federal legislation passed to deal with this matter.

The risk which lab workers face of contracting infectious hepatitis from blood specimens which they handle from patients would, of course, remain. But the over-all risk could be very substantially diminished if it could be guaranteed that the laboratory products which they have to use every day are free from infection. This can only be done through legislation similar to that recently passed in the United States. The law there now requires such testing and screening. It is also very important that a wholesale inventory is taken of existing supplies, should legislation be enacted. Existing stock in hospital and other laboratories should be tested or destroyed immediately. The minister must act to correct this serious situation.

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, it is with pleasure that I answer the hon. member concerning the important and serious problem he has raised.

I will mention first that the tragic deaths that occurred in Saskatchewan are events regretted by all authorities concerned. As I have already said to the hon. member, an investigation has been undertaken by the Saskatchewan government which has jurisdiction over the hospital and laboratories involved. There is nothing extraordinary nor unusual in this, for such investigations are regularly conducted by provincial governments, and it is appropriate to proceed in this manner.

[*English*]

As far as my departmental responsibility is concerned, my department does not have the responsibility of carrying the investigation itself but of looking at the safety of particular serums being used and the safety of the procedures regarding importation and distribution of serums. I must point out that up to now there is no conclusive evidence linking the two tragic deaths with any particular serum. However, as I have told the hon. member in a previous letter, officers of my department have investigated this matter and have concluded that certain blood fractions used for experimental or diagnostic purposes have on occasion been contaminated with hepatitis viruses. I also stated that there is no foolproof way to test such products to ensure that they are free from hepatitis viruses.

My department is aware of the particular article referred to by the hon. member in the *Lancet* and of the particular immune radiometry experience. My department is looking into this particular testing at the present time and trying to assess how foolproof this particular test would be. At the present time we are not in a position to assure the House that this will be a foolproof test either. In the absence of appropriate tests, laboratory workers who utilize such products must take necessary precautions to ensure that they will not be exposed to undue risk. Research on the development of tests to assess the safety of blood fractions is being conducted at the present time in a number of centres in Canada and elsewhere. Pending its successful completion, persons handling such materials must take appropriate precautions.

Motion agreed to and the House adjourned at 10.29 p.m.

HOUSE OF COMMONS

Wednesday, December 5, 1973

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*Translation*]

MISCELLANEOUS ESTIMATES

Sixth report in both official languages of Standing Committee on Miscellaneous Estimates—Mr. Langlois.

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

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[*English*]

TRANSPORT

PROVISION OF RAILWAY CARS TO SHIP BRITISH COLUMBIA LUMBER—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Frank Howard (Skeena): Mr. Speaker, I rise pursuant to Standing Order 43 to seek permission to move a motion in a case of urgent and pressing necessity, namely, the continuing refusal of the government to take any steps to provide railway cars for lumber and lumber products, although it deems it worth while to ask for legislative authority to act in the area of oil products by authorizing the movement of railway cars, as set out in Clause 25 of Bill C-236. Therefore I should like to move, seconded by the hon. member for Comox-Alberni (Mr. Barnett):

That this House instructs the Minister of Transport forthwith to introduce legislation that will establish an office or official with the authority to order railway cars, motive power or other railway equipment to be allotted, distributed, used or moved as required—

That is an extract from the bill.

—for the purpose of ensuring that lumber and lumber products are able to be transported by rail.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity.

POST OFFICE

QUALITY OF SERVICE—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, I rise under Standing Order 43 on a matter of urgent and pressing necessity. Because of the continuing deterioration in Canada's postal service as evidenced by the great numbers of complaints pouring in from all parts of Canada, the failure of the assured mail delivery service, and the resort to gimmicks such as plastic tie bags rather than fundamental solutions, I move, seconded by the hon. member for Hillsborough (Mr. Macquarrie):

That this House authorize the Standing Committee on Transport and Communications, to inquire into the above-mentioned matters with a view to restoring Canada's postal service to its former high standard of efficiency.

Mr. Speaker: The House has heard the motion which requires unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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

* * *

TRANSPORT

PROVISION OF RAILWAY CARS TO MOVE GRAIN—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Bill Knight (Assiniboia): Mr. Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43. As the government has brought forward legislation to force the railways to allocate cars for the movement of oil, I seek to move the following motion relating to grain, seconded by the hon. member for Saskatoon-Biggar (Mr. Gleave):

That this House instructs the Minister of Transport forthwith to introduce legislation that will establish an office or official with the authority to order railway cars, motive power or other railway equipment to be allotted, distributed, used or moved as required for the purpose of ensuring that sufficient grain is in place to meet our export commitments to our international customers.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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

Shipment of British Columbia Lumber

POST OFFICE

PAYMENTS TO RURAL MAIL CARRIERS AND SUB-POST OFFICE CONTRACTORS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, I rise under the provisions of Standing Order 43. I believe my motion will have the concurrence of the Postmaster General (Mr. Ouellet). I would move, seconded by the hon. member for Kootenay West (Mr. Harding):

That this House urge the Postmaster General to announce immediately his new policy of payments to rural mail carriers and sub-post office contractors.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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

* * *

TRANSPORT

PROVISION OF RAILWAY CARS TO SHIP BRITISH COLUMBIA LUMBER—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Frank Howard (Skeena): Mr. Speaker, I seek authority to move another motion under Standing Order 43 relating to the same subject matter as my first motion, railway cars. I would move, seconded by the hon. member for Timiskaming (Mr. Peters):

That this House condemns the Minister of Transport for his continuing refusal to take steps to provide railway cars for lumber products in British Columbia.

Mr. Speaker: Order, please. The Chair has expressed views from time to time regarding the propriety of a motion such as this. Under the guise of a motion under the terms of Standing Order 43 the hon. member is really proposing what is tantamount to a censure motion or a non-confidence motion. I doubt that the Standing Order ought to be used for this purpose, for the reason that the practice of the House does not make it possible for a minister to reply or for debate to take place. Having cautioned hon. members on this basis, I will inquire whether there is unanimous consent for this motion.

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity.

[Mr. Speaker.]

• (1410)

IDENTIFICATION OF CRIMINALS ACT

PROVISION FOR DESTROYING OF RESULTS OF IDENTIFICATION PROCESS UPON DISCHARGE OR ACQUITTAL OF ACCUSED

Mr. J.-J. Blais (Nipissing) moved for leave to introduce Bill C-237, to amend the Identification of Criminals Act.

Some hon. Members: Explain.

Mr. Blais: Mr. Speaker, the purpose of this bill is to amend the Identification of Criminals Act to provide that the results of the identification process be destroyed upon the discharge or acquittal of the accused. As the statute presently stands, the results of the identification can become part of police records and can be used by the constabulary as they see fit and published and distributed generally among the police forces throughout Canada.

The amendment is to bring the statute into line with the time-honoured tradition of the Canadian criminal process that a person is not deemed to be guilty until proven guilty.

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

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

[*Text*]

NOTARIES AND LAWYERS EMPLOYED BY CMHC IN CONSTITUENCIES OF PORTNEUF, MONTMORENCY AND QUEBEC DURING 1972

Question No. 1,501—**Mr. Godin:**

What were the names and addresses of (a) lawyers and lawyers offices (b) notaries and notaries offices in Quebec City and the constituencies of Portneuf and Montmorency who worked for Central Mortgage and Housing Corporation during 1972, and what amount was paid to each?

Hon. Ron Basford (Minister of State for Urban Affairs): (a) and (b): For loans approved in 1972 in the municipal counties of Montmorency No. 1, Montmorency No. 2, Portneuf and Québec, the following notaries or notaries' offices were retained by Central Mortgage and Housing Corporation for legal work in connection with CMHC direct loans: Benoit Boulanger, Sillery, Quebec; Jean Cantin, Quebec, Quebec; Henri Chrétien, Charlesbourg West, Quebec; Raymond Deraspe, Quebec; Henri Fortin, Quebec, Quebec; Gilles Giroux, Quebec, Quebec; Louis Grenier, Beauport, Quebec; Antoine Hamel, Lorette, Quebec; Claude Martel, Quebec, Quebec; Claude Quirion, Quebec, Quebec; Maurice Taschereau, Quebec, Quebec; Legal fees in connection with CMHC direct loans are paid by the borrowers and CMHC, therefore, has no record of the amounts paid to these lawyers or notaries. The following lawyers were retained in 1972 to handle actions where

arrears on loans had developed in these municipal counties: Fees Paid Bernardin Blanchet, nil; Ross Goodwin, $913; André Monast, $783; Robert De Blois, $430; Gaston Desjardins, nil; Pierre Choquette, $700; Guy Des Rivières, $845. Where actions are settled prior to trial the costs are paid by the borrower. Where actions proceed to trial, the fees for legal work paid by CMHC are shown above.

LEGAL FIRMS ENGAGED BY CMHC IN METROPOLITAN HAMILTON, 1972-JUNE, 1973

Question No. 2,354—**Mr. Beattie (Hamilton Mountain):**

1. What law firms in Hamilton, Ontario drew CMHC mortgages in (a) insured (b) uninsured loans in 1972 and the first six months of 1973?

2. How much did each of these firms receive in legal fees from the government for handling these mortgages in 1972 and in the first six months of 1973?

Hon. Ron Basford (Minister of State for Urban Affairs): I am advised by Central Mortgage and Housing Corporation as follows: 1. For CMHC loans approved in Hamilton Metropolitan area in 1972 and the first six months of 1973, the following lawyers were retained to process mortgage documentation: (a) There were no loans approved under Section 58 during the period in question. (b) Uninsured loans under Section 15: Edward F. Cain, Hamilton; Alan Marshal, Hamilton; Edward G. Rolfe, Burlington.

2. Legal fees in connection with CMHC direct loans are paid by the borrowers and CMHC, therefore, has no record of the amounts paid to these lawyers or notaries.

LEGAL FIRMS ENGAGED BY CMHC IN THE DISTRICT MUNICIPALITIES OF DELTA, RICHMOND AND BURNABY, B.C., 1971-JUNE 1973

Question No. 2,357—**Mr. Reynolds:**

1. What law firms in Delta, Richmond and Burnaby drew CMHC mortgages in (a) insured (b) uninsured loans in 1971, 1972 and the first six months of 1973?

2. How much did each of these firms receive in legal fees from the government for handling these mortgages in 1971, 1972 and the first six months of 1973?

Hon. Ron Basford (Minister of State for Urban Affairs): I am advised by Central Mortgage and Housing Corporation as follows: 1. The following law firms were retained to process the mortgage documentation for direct loans approved under the NHA in the District Municipalities of Delta, Richmond and Burnaby in 1971, 1972 and the first six months of 1973: (a) loans approved under Section 58: Hean Wylie & Co., Burnaby, British Columbia; (b) loans approved under Section 15: Campney and Murphy, Vancouver, British Columbia; Doig, Guthrie and Bailey, Burnaby, British Columbia; James H. Edwards, Burnaby, British Columbia; W. Charles Johnstone, Richmond, British Columbia; LaCroix, Stewart, Siddall & Taylor, Burnaby, British Columbia; C. J. McGuire, Ladner, British Columbia; W. H. Mulholland, Richmond, British Columbia; Shore and Helsing, Vancouver, British Columbia.

2. Legal fees in connection with CMHC direct loans are paid by the borrowers and CMHC, therefore, has no record of the amounts paid to these law firms.

Order Paper Questions

PRIVY COUNCIL OFFICE—PUBLICITY EXPENDITURES

Question No. 2,876—**Mr. Nystrom:**

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

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

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

Right Hon. P. E. Trudeau (Prime Minister): 1. Nil.

2. Not applicable.

3. Not applicable.

TRANSPORTATION DEVELOPMENT AGENCY PROGRAM

Question No. 2,969—**Mr. Broadbent:**

1. What were the names of organizations, other than universities, receiving transportation research grants from the Transportation Development Agency Program in each of the fiscal years 1968-69, 1969-70, 1970-71, 1971-72, 1972-73 and 1973-74 to date and what were the amounts of money involved in each case?

2. What are the objectives of the above program?

3. Has the department conducted any evaluative study of the program and, if so, what was the date of the latest report?

Hon. Jean Marchand (Minister of Transport): It is presumed that all elements of the inquiry refer to the Grants and Contributions portion of the Transportation Development Agency program. 1. No grant or contribution expenditures were made by the Transportation Development Agency during fiscal years 1968-69, 1969-70, 1970-71 or 1971-72. Responsibility for administration of the university grants and fellowship program was transferred to the agency from the Canadian Transport Commission during fiscal year 1971-72. All of the grant and contribution expenditures made by the agency during fiscal years 1972-73 and 1973-74 were in support of the university grants and fellowship program.

2. The objectives of the university grants program is to encourage the development of broad interdisciplinary transport-related research and teaching programs and to support research into specific aspects of transportation. The fellowship program permits qualified candidates to undertake studies and research in transportation and transport related fields at Canadian universities in order to increase the number of people with educational and research experience in transportation and to provide opportunities for conducting research in areas of significance related to Canadian transportation problems.

3. An evaluation of the effectiveness of the grants and fellowships program is currently under way and it is expected that the report will be completed by the end of January 1974.

Order Paper Questions

FEDERAL ASSISTANCE TO THE ANISHINAHBEG MAN-O-MIN CO-OPERATIVE, KENORA, ONTARIO

Question No. 2,997—**Mr. Reid:**

Has the government made any (a) grants (b) loan guarantees (c) loans to the Anishinahbeg Man-O-Min Co-operative of Kenora, Ontario in the past three years and, if so, what were the amounts, by year, in each of the above categories?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Grants, loan guarantees and loans were provided in 1972 and 1973 in connection with the harvesting, processing and marketing of wild rice crops. However, it is not departmental policy to disclose financial arrangements made in borrowing from the Indian Economic Development Fund.

CFB GAGETOWN CLEANING CONTRACT STJ2-5528A

Question No. 3,010—**Mr. Howie:**

1. Were changes made in the term of security deposit requirements before the closing of tenders for cleaning contract STJ2-5528A at CFB Gagetown in March 1973 and, if so, for what reason?

2. Excluding Saturday and Sunday, how many days prior to closing were these changes notified to each of the tenderers and how was this notification made?

3. Was the time for closing of tenders extended and, if not, for what reason?

4. For what reason was the lowest and next lowest tender not accepted and what were the amounts and names of these and the successful tender?

5. Was a representative of Custodian Services Limited, Mr. Vincent Fox, denied information as to the time and place of opening of tenders so he or a representative could attend and, if so, for what reason?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): 1. Yes. As the requirement was of substantial value the department required to have a security deposit or bid bond submitted at the same time as the tender.

2. Telegrams were despatched four working days prior to closing date of the tenders.

3. No. It was decided that there was sufficient and reasonable time for all tenderers to respond. No requests were received from any of the potential bidders to extend the tender closing date.

4. The lowest and next lowest submissions were not accepted because they did not conform to the requirements of the Invitation to Tender. Better Building Maintenance Limited, $19,490. per month; Custodian Services Ltd., $21,431. per month; Jet Janitor Services Limited, $22,600. per month, (Successful Tenderer);

5. No. Mr. Fox was invited to attend an opening of tenders and to witness the procedures employed through the minister's letter to the hon. member for York-Sunbury (Mr. Howie), on the same subject, dated May 31, 1973. This invitation was again extended to Mr. Howie in September 1973 through the DSS Regional Director of Supply, Atlantic Region.

PURPOSE OF TRIP MADE BY CHAIRMAN OF THE PUBLIC SERVICE STAFF RELATIONS BOARD

Question No. 3,265—**Mr. Knight:**

1. In the fiscal year 1971-72, what was the purpose of the trip made by J. Finkelman, Chairman of the Public Service Staff Relations Board (salary range: $40,000-$45,000), to New York, Fresno, Tel Aviv and London ($2,746)?

2. In what month of the year was this trip made?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): For the Public Service Staff Relations Board.

	1.	2.
New York, New York	To speak at the International Symposium on Public Employment Labour Relations.	May/71
Fresno, California	To attend the 20th annual conference of the Association of Labour Mediation Agencies and the National Association of State Labour Relations Agencies. (This was a joint conference).	June/71
Tel Aviv, Israel	To speak at the International Conference on Trends in Industrial and Labour Relations.	January/72
London, England*	To meet with: Officials of the Industrial Court, the Commission on Industrial Relations, the Civil Service Department, the Staff Association of the Civil Service.	January/72

*A stopover while returning to Canada from Tel Aviv, Israel.

PURPOSE OF TRIP MADE BY VICE-CHAIRMAN OF THE PUBLIC SERVICE STAFF RELATIONS BOARD IN 1971-72

Question No. 3,266—**Mr. Knight:**

1. In the fiscal year 1971-72, what was the purpose of the trip made by G. E. Gauthier, Vice-Chairman of the Public Service Staff Relations Board (salary range: $34,000-$40,000), to Washington and New York ($336)?

2. In what month of the year was this trip made?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): For the Public Service Staff Relations Board:

	1.	2.
New York, New York	To attend the International Symposium on Public Employment Labour Relations.	May/71
Washington, D.C.	To speak at a conference on State and Local Government Labour Relations.	November/71

PURPOSES OF TRIPS MADE BY MASTER OF THE ROYAL CANADIAN MINT IN 1971-72

Question No. 3,281—**Mr. Knight:**

1. In the fiscal year 1971-72, what were the purposes of the trips made by G. W. Hunter, Master of the Royal Canadian Mint (salary range: $34,000-$40,000), to (a) Brazil, Guyana, Trinidad, Bahamas ($1,786) (b) Jamaica, Bahamas ($681) (c) Washington ($357) (d) London, Paris ($873) (e) Dayton ($300) (f) London ($679) (g) London ($1,445)?

2. In what months of the year were these trips made?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): In so far as the Royal Canadian Mint is concerned: 1 and 2.

	Purpose of trip	Date
(a) Brazil, Guyana, Trinidad, Bahamas ($1,786)	Discussions and negotiations with officials of the Banco Central of Brazil and Brazilian Mint, resulting in an export contract for the Royal Canadian Mint for 168 million cupro-nickel blanks valued at $2 million. Discussions with senior officials of the Central Banks of Guyana, Trinidad, and Bahamas—all of which (except Guyana) resulted in successful export contracts for the Royal Canadian Mint.	March, 1971
(b) Jamaica, Bahamas ($681)	Discussions with Chairman of the Bahamas Monetary Authority and the Governor of the Central Bank of Jamaica—both of which resulted in successful numismatic export contracts for the Royal Canadian Mint.	June, 1971
(c) Washington ($357)	To attend American Numismatic Association Convention, and for meetings with the Director and Head Office Officials of the U.S. Mint.	August, 1971
(d) London, England ($873)	To visit Bradbury Wilkinson Limited re world agency for export coinage contracts for the Royal Canadian Mint.	January, 1972
(e) Dayton, Ohio, U.S.A. ($300)	To meet with World Coin Editorial Board and officials of Paramount Coin International re procedures for approval of "proof" coins.	March, 1972
(f) London, England Llantrisant, Wales ($679)	To attend Conference of European Mint Directors and to visit the new Royal Mint at Llantrisant.	April, 1972
(g) London, England Birmingham ($1,445)	To visit plants of manufacturers of coinage presses for the new Canadian Mint in Winnipeg, and to complete negotiations for purchase thereof.	November, 1972

PURPOSE OF TRIP MADE BY DEPUTY MASTER OF ROYAL CANADIAN MINT IN 1971-72

Question No. 3,282—**Mr. Knight:**

1. In the fiscal year 1971-72, what was the purpose of the trip made by E. F. Brown, Deputy Master of the Royal Canadian Mint (salary range: $26,000-$30,000), to London ($676)?

2. In what month of the year was this trip made?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): In so far as the Royal Canadian Mint is concerned: 1. To attend, as Technical Advisor, the Conference of European Mint Directors and to visit the new Royal Mint at Llantrisant, Wales, and the Netherlands Mint at Utrecht.

2. April 1972.

PURPOSE OF TRIP MADE BY DEPUTY MINISTER OF VETERANS AFFAIRS TO LONDON AND PARIS, 1971-72

Question No. 3,293—**Mr. Knight:**

1. In the fiscal year 1971-72, what was the purpose of the trip made by J. S. Hodgson, Deputy Minister of Veterans Affairs (salary range: $34,000-$40,000), to London, Paris ($376)?

2. In what month of the year was this trip made?

Orders for Returns

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): 1. To accompany the minister on visits to Canadian war cemeteries in France and to the District Office in London, England.

2. November.

* * *

QUESTIONS PASSED AS ORDERS FOR RETURNS

*TREFANN HOMES CORPORATION

Question No. 2,553—**Mr. Woolliams:**

1. What date was (Trefann Court, Toronto) Trefann Homes Corporation incorporated?

2. What are the names of the directors and officers of the corporation in question?

3. What are the names of any solicitors and law firms who have acted for this corporation to date for any purpose?

4. In the negotiations for a loan or loans from CMHC, what are the total amounts of mortgage moneys that have been applied for?

5. Have any moneys to date been advanced to Trefann Homes Corporation for any purpose?

Return tabled.

SPEEDING CONVICTIONS AGAINST VESSELS OPERATING IN THE ST. LAWRENCE RIVER BETWEEN PRESCOTT, ONTARIO AND LAKE ONTARIO

Question No. 3,111—**Mr. Cossitt:**

1. During the last navigation year for which figures are available, how many large vessels, excluding pleasure vessels, operating in the St. Lawrence River between Prescott, Ontario and Lake Ontario were dealt with by Canadian authorities as follows (a) warned about speeding (b) had charges laid against them for speeding (c) were convicted and fined for speeding?

2. What were the names of the vessels convicted of speeding, at what speed were they charged, what was the location of the offence, what was the penalty levied and, in each case, what was the nationality of the vessel and the name of the shipping company and shipping agent involved?

Return tabled.

DAIRY EXPORTS TO EUROPEAN ECONOMIC COMMUNITY COUNTRIES, 1970-72

Question No. 3,136—**Mr. Schellenberger:**

What was the amount of exports, in dollars, to each of the European Economic Community countries for the years 1970, 1971 and 1972 for each of (a) skim milk (b) whole milk (c) butter (d) cheese?

Return tabled.

Mr. Fairweather: Mr. Speaker, I rise on a point of order. Question No. 3307 standing in my name is about reconciliation of the United States-Canada trade figures. The answer was in yesterday's New York *Times* and today's *Globe and Mail.* I would be very grateful if the Privy Council office could move with equal dispatch.

Some hon. Members: Hear, hear!

[Mr. Knight.]

MOTIONS FOR PAPERS

[*English*]

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, would you be so kind as to call notice of motion No. 259.

CORRESPONDENCE BETWEEN FEDERAL GOVERNMENT AND GOVERNMENT OF PEI RESPECTING BORDEN-TORMENTINE FERRY SERVICE

Motion No. 259—**Mr. Macquarrie:**

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House a copy of all correspondence, telegrams and other documents between the Minister of Transport and other responsible Ministers and the Government of Prince Edward Island respecting the Borden-Tormentine ferry service subsequent to the date of the latest national railway strike.

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the release of any exchanges between the Ministry of Transport, the Prime Minister's office and the government of Prince Edward Island on the Borden-Tormentine ferry service cannot be made in light of the decision of the government of Prince Edward Island to take legal action against the government of Canada on the matter of federal constitutional obligations. It would appear that this might prejudice any proceedings before a court of justice. I therefore ask the hon. member to withdraw his motion.

Mr. Macquarrie: Mr. Speaker, I would like the motion to be put.

Mr. Reid: Transfer for debate.

Mr. Speaker: Transferred for debate. Shall the other notices of motions stand?

Some hon. Members: Agreed.

ORAL QUESTION PERIOD

[*English*]

ENERGY

OIL SUPPLIES—EFFECT OF AMOUNTS MOVED BY SEA OR LAND TO EASTERN CANADA AND FUTURE PRODUCTION AT COME-BY-CHANCE ON ESTIMATED SHORTFALL

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I wish to direct a question to the Minister of Energy, Mines and Resources. I hope he can hear me. Is he prepared to revert to motions to make a statement to the House along the lines of the declaration he made in a special briefing to the press this morning with regard to petroleum supplies?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, there were widespread requests this morning, so I responded in general to the

press. I am quite prepared to answer questions. We will, of course, be debating the question of supplies later this day.

Mr. Stanfield: Will the minister tell the House whether the 200,000 barrels a day figure he gave as the possible shortfall in the supply of petroleum for Canada took into account the amount that might reasonably be made up from the movement of Canadian crude into Quebec and the Atlantic provinces by sea or by transportation across land? I think the figures he has given us are a possible 50,000 barrels a day by sea and between 40,000 and 60,000 barrels a day by land. Did the 200,000 barrel shortfall make any allowance for that movement?

Mr. Macdonald (Rosedale): The 200,000 barrel figure was the anticipated interruption from international sources. Naturally, we would try to make good, as we have attempted to do, on the supply side by the methods suggested by the hon. gentleman. The 200,000 barrel figure had reference to interruptions of supplies reaching the eastern Canadian market from overseas.

Mr. Stanfield: So it is possible that the movement of western Canadian crude might offset the shortfall from overseas by about 100,000 barrels a day. When the minister estimated a 200,000 barrel shortfall from overseas, did he take into account the projected petroleum product that might be available from the operation of the Come-By-Chance refinery which is supposed to have a capacity of 100,000 barrels a day, or was his assumption based on the worst expectation at all likely and nothing was taken into account from Come-By-Chance on the basis that nothing could be counted on from a refinery that was not yet in operation?

Mr. Macdonald (Rosedale): I am advised that the judgment of the advisory committee was that the Come-By-Chance refinery would not be in a position, at least early in the first quarter of 1974, to assist the Canadian market and for that reason the committee discounted the ability of that refinery to assist the Canadian market with product supplies.

Mr. Stanfield: In other words, if in fact arrangements are possible to move 100,000 barrels a day of Canadian crude by sea and/or by land, and if the Come-By-Chance refinery goes into operation at the end of this month as its management predicts it will, producing approximately 100,000 barrels a day, these two sources might offset a large part of the shortfall which the minister considers possible from overseas?

Mr. Macdonald (Rosedale): If those two eventualities came about, the exposure of Canadians would be very much reduced. I would agree.

Mr. Bell: In other words, no crisis.

OIL SUPPLIES—REQUEST THAT OIL COMPANY HEADS APPEAR BEFORE STANDING COMMITTEE TO INFORM MEMBERS ABOUT SITUATION

Hon. George Hees (Prince Edward-Hastings): In view of the many uncertainties surrounding the energy situation at the moment, would the minister give consideration to inviting immediately the heads of the principal oil companies in Canada to appear before the Standing Committee on National Resources and Public Works so that members of the House might better inform themselves about the actual situation that exists today and be able to decide to what extent, if at all, an oil crisis does exist in the country?

Some hon. Members: Hear, hear!

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): I do not, of course, give instructions to the committee but I would be delighted, should the committee be interested in that suggestion, if it would issue such invitations.

Mr. Horner (Crowfoot): Give them terms of reference.

CONSIDERATION OF IMPORTED OIL REQUIRED BY COME-BY-CHANCE REFINERY IN ESTIMATING POSSIBLE SHORTFALL—GUARANTEE OF SUPPLIES

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I have a supplementary question for the Minister of Energy, Mines and Resources. On November 13, as reported at page 7732 of *Hansard*, in answer to a question of mine about the availability of petroleum products from the refinery at Come-By-Chance, the minister said that "if it does go into operation this winter it will be covered by the export control regime we now have in effect with regard to refined products." I want to ask the minister whether, in estimating a shortfall of 200,000 barrels a day, he took into consideration at that time the imported oil which the Come-By-Chance refinery would need? I ask this particularly in view of the fact that it is supplied by the British Petroleum Trading Company whose primary suppliers are the Arab emirates, Iran and Nigeria. Can the minister tell the House first of all whether that was included in the shortfall, and second, has he any guarantee of supplies of raw material for the refinery at Come-By-Chance?

● (1420)

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, it was assumed that the refinery might be in a position to import some feedstock, at least for its own operations, which if it did not go into operation might be part of the general Canadian pool of crude oil. But the assumption made was that the imports could not be continuous so as to assure a supply of 100,000 barrels a day until the refinery got into operation. As I said to the Leader of the Opposition, the advice of the committee is that, given the difficulties generally of starting up and the difficulties encountered at this refinery in particular, it was not anticipated that it would at an early date be able to supply the Canadian market with a full range of products.

Mr. Douglas: When does the minister anticipate the refinery will be operating at full capacity, and if it is operating at full capacity how much does this reduce the shortfall which the minister anticipated at 200,000 barrels a day?

Mr. Macdonald (Rosedale): Mr. Speaker, I gather that at the moment the refinery is not being completed because of a strike situation. It is a matter of judgment as to when the starting up difficulties of a refinery can be overcome, but the opinion of my officials was that it is unlikely to be in full operation before, at the very earliest, the end of the first quarter. I know Mr. Shaheen is rather more optimistic and I suppose his success in life has been based on his optimism rather than otherwise, but this is the informed judgment of the industry.

INQUIRY AS TO MEETINGS BETWEEN GOVERNMENT MEMBERS AND SHAHEEN INTERESTS PRIOR TO PUBLICATION OF POSSIBLE OIL SUPPLY SHORTFALL

Mr. James A. McGrath (St. John's East): I have a supplementary question, Mr. Speaker. May I ask the minister by way of supplementary whether, when he made his statement in the House on November 26 regarding the 200,000 barrels a day shortfall, he or other members of the government had had meetings with the Shaheen people prior thereto and, if so, when did these meetings take place?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, in response to the hon. member for Nanaimo-Cowichan-The Islands may I say the shortfall would be reduced to the extent that the refinery could be brought into full operation. The difficulty at that point would, of course, be that during the period of the freeze-up in the St. Lawrence it would be difficult to deliver the product to Montreal where the particular shortfall arises.

In reply to the question put by the hon. member for St. John's East, and I apologize to him, the Shaheen company, Newfoundland Refining, is represented on the technical advisory committee to which I have made reference, and its official has been participating in those discussions.

Mr. Speaker: The Chair will recognize the hon. member for St. John's East for a further supplementary and then I will try with the assistance of the House to complete the first round of questioning. Following that, we might return to further supplementaries, including the hon. member for Edmonton East.

Mr. McGrath: Can the minister tell the House whether he or any other minister of the government held meetings with the Shaheen company prior to his statement on November 26? I am not thinking of any meetings that may have taken place with the advisory committee but meetings at the ministerial level. Was any assurance given at that time that the Come-by-Chance refinery would be able to feed into the Canadian market?

Mr. Macdonald (Rosedale): Mr. Speaker, my understanding is that the Minister of Regional Economic Expansion had met with company representatives earlier in the month of November.

Mr. Speaker: Perhaps we might try to complete the first round of questions and then we will return to hon. members who have supplementaries.

[Mr. Douglas.]

GASOLINE AND DIESEL OIL—SALES TAX REDUCTION ENABLING IMPERIAL OIL TO REDUCE WHOLESALE PRICE

Mr. David Lewis (York South): Mr. Speaker, still with oil but having to do with price I should like first to address a question to the Minister of National Revenue. Would he explain briefly to the House what magical wand his department was able to hold in its hands in order to reduce the sales tax payable by the oil corporations, which apparently made it possible for Imperial Oil to announce some slight reduction?

Hon. Robert L. Stanbury (Minister of National Revenue): Mr. Speaker, I am happy to have been able to take any step that helps the oil companies to reduce prices for Canadian consumers.

Some hon. Members: Hear, hear!

Mr. Stanbury: In fact, however, it was a rather unspectacular administrative step which was taken.

Mr. Lewis: I expected that.

Mr. Stanbury: For many years the department has widely applied sales tax equalization measures in various industries. The effect is to make the values for tax accounting equivalent to the selling price to wholesalers in industries where manufacturers sell at various marketing levels.

An hon. Member: That's clear.

Some hon. Members: Explain.

Mr. Hees: You must have learned from Paul Martin.

Mr. Lewis: Mr. Speaker, the obvious supplementary would be to ask the minister to explain, but I think that would probably be a further waste of time. I am too dull to follow that. I should now like to ask the Minister of Energy, Mines and Resources whether he or anybody in the government has assured himself that the reductions Imperial Oil has announced in the wholesale price, very significantly not in the retail price, of one and two-fifths of a cent a gallon east of the Ottawa Valley and four-fifths of a cent a gallon west of the Ottawa Valley, something about which the Minister of National Revenue should not boast too hard—

Some hon. Members: Question.

Mr. Lewis: —reflect fully the saving which the Santa Claus National Revenue Department gave to Imperial Oil, and will he also indicate why it is limited to gasoline and diesel oil and does not apply to home heating fuel?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, in answer to the last part of the question, these are the only two commodities covered by the manufacturers' level sales tax. Home heating oil is not subject to federal tax. Therefore it is not a question of lowering the price on it. I would have to say that at the moment, without an audit, it would be difficult to estimate the exact impact on the price, but I would be glad to investigate that to ascertain, from the information we have available, the exact impact.

Mr. Lewis: I have a supplementary question that I wish to ask probably because I do not know enough about the industry.

Some hon. Members: Hear, hear!

Mr. Bell: You will understand a lot more on Monday.

Some hon. Members: Oh, oh!

Mr. Lewis: Mr. Speaker, I am very flattered to be applauded by my equals in the House.

Some hon. Members: Oh, oh!

An hon. Member: I didn't think there were any.

Some hon. Members: Oh, oh!

An hon. Member: You are admitting there are some?

Mr. Lewis: I do not know whether the minister knows the answer now but I should like to know why there is a difference between the reduction per gallon in eastern Canada and the reduction per gallon in western Canada? Why should that difference exist?

Mr. Macdonald (Rosedale): Mr. Speaker, I must confess I cannot answer that question now but I will investigate and see if I can give a lucid reply.

● (1430)

[*Translation*]

COMPLAINTS ABOUT VARIATION IN GASOLINE AND FUEL OIL PRICES—SUGGESTED INQUIRY

Mr. Speaker: Does the hon. member for Richmond wish to ask a supplementary question?

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I wish to direct a question to the hon. Minister of Energy, Mines and Resources.

In view of the great number of complaints we are receiving concerning the enormous differences in prices which Canadian consumers must pay when purchasing gasoline and heating oil, which cause them to have serious doubts about the fairness of this practice by the petroleum industry, will the minister investigate this matter so that Canadian consumers may know where they stand and be advised concerning the oil crisis of this type?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, this is the result of an oil shortage. We would also want to be able to investigate such practices and if the hon. member can mention particular instances we shall be happy to hear him.

ALLEGED REFUSAL OF GOLDEN EAGLE CANADA LIMITED TO DELIVER FUEL OIL

Mr. André Fortin (Lotbinière): Mr. Speaker, I should like to put a supplementary to the hon. Minister of Energy, Mines and Resources.

He had promised the hon. member for Témiscamingue that he would look into cases in the lower St. Lawrence region. Can he tell the House what is the attitude of Golden Eagle Canada Limited in this matter? Is he aware that the same thing is now happening in Lotbinière, that is Golden Eagle Canada Limited is refusing to supply to its branches the oil that they need to serve the consumers?

Mr. Macdonald (Rosedale): Mr. Speaker, I have been able to confirm the existence of the situation mentioned by the hon. member of Témiscamingue. The National Energy Board has investigated and arranged a meeting of the man concerned with Golden Eagle Canada Limited. During November, the quota of this man was increased, but I must say that in view of the present shortage of supplies, similar difficulties could occur in the future. If special cases occur, we can order investigations.

[*English*]

OIL—POSSIBILITY OF RENTING UNITED STATES TANK CARS FOR MOVEMENT—CONSULTATION WITH U.S. AUTHORITIES—ALBERTA REFINERY PRODUCTION

Mr. William Skoreyko (Edmonton East): Mr. Speaker, I should like to ask the Minister of Energy, Mines and Resources if he has consulted the United States railroads or the United States government with regard to the possibility of the rental of tank cars to move crude and refined products from Alberta to the Montreal market? If he has so consulted, what was the result of those consultations and, if not, is he prepared to consult with these people regarding rental and is he also prepared to put the Alberta refineries on 24-hour production?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, a survey of the transportation industry, which I have mentioned several times in the House, has been conducted by the Ministry of Transport. I would have to confirm with them whether or not they have had discussions with the United States lines in this regard. I will be glad to make that inquiry and respond to the hon. gentleman.

On the question of refinery speed-up I think this depends upon the location and whether the decision is to move crude oil into the Ontario and Montreal refineries or to move the product from western Canada. If the latter is the better solution, then we would propose that the companies should increase their throughput.

Mr. Skoreyko: Is the minister aware that if the three refineries in Alberta were put on 24-hour production they could not possibly store the final product and that the problem lies in the transportation area alone? I should like to know what the government is planning or what the minister's department is planning with regard to this matter so we can put the refineries to maximum capacity in order that eastern Canadians will not have to suffer this winter?

Mr. Macdonald (Rosedale): Mr. Speaker, with regard to the question of whether the particular product can be moved effectively by the transportation system, in effect we have a substantial transportation system, the Interprovincial pipeline, for moving crude oil to the refineries in the east. I think it is likely that any transportation proposal would be designated more specifically between the Sarnia end of the Interprovincial pipeline and the Mont-

real refinery market rather than all the way across Canada.

DELIVERY OF OIL PRODUCTS FROM COME-BY-CHANCE REFINERY TO MONTREAL AND QUEBEC

Mr. Peter C. Bawden (Calgary South): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. I should like to ask him to what extent the lack of delivery systems from the Come-by-Chance refinery has affected his decisions about products from that refinery and whether his industry advisory committee has given the minister any advice regarding delivery of products from that refinery to Montreal and Quebec?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, the constraint I just mentioned was, of course, the date of the starting of the refinery but, if that should be effective with a full product line, at the present time it looks as though the two tankers of the Newfoundland Refining Company would be the best available for winter shipment. It might be possible to find other ice-classed tankers for the purpose of moving the product. But there is a constraint arising from the fact that it is difficult to move it through the ice in the winter time.

HOME HEATING OIL—REQUEST THAT SALES TAX BE REMOVED IN YUKON AND NORTHWEST TERRITORIES

Mr. Erik Nielsen (Yukon): Mr. Speaker, I have a supplementary for the Minister of Indian Affairs and Northern Development. Since the Minister of Energy, Mines and Resources has indicated that the consumers of home heating fuels in the two northern territories will suffer price increases along with other Canadians, since the Prime Minister and other members of the treasury benches have indicated that if any sales tax relief is to be experienced it will have to be at the provincial level, and since the minister is directly responsible in the area of the two northern territories, will he give the assurance that he will instruct each of his appointed commissioners in those two territories to introduce legislation to remove the sales tax which now exists on home heating fuels in both northern territories?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I shall consider the hon. member's suggestion and see if it could be applied. There are several taxes, but I know that most consumer taxes do not exist in the Northwest and Yukon Territories in respect of heating oil. I shall look into the matter and see if the situation could be improved.

[*English*]

Mr. Speaker: Is the hon. member for Yorkton-Melville rising on a supplementary?

[Mr. Macdonald (Rosedale).]

CRUDE PETROLEUM—INTENTION OF GOVERNMENT RESPECTING CONTINUATION OF PRICE FREEZE AFTER JANUARY 31, 1974

Mr. Lorne Nystrom (Yorkton-Melville): Yes, Mr. Speaker. My supplementary is on pricing. I should like to ask the Minister of Energy, Mines and Resources whether or not he can assure the people of this country that after the end of January there will be a price freeze on petroleum products?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, as I indicated yesterday in response to the hon. gentleman's leader, I cannot do this at the moment. This is one of the questions being discussed with the Alberta government.

Mr. Nystrom: Mr. Speaker, in view of the tremendous pressure coming from Canada's biggest oil lobby, namely, the Conservative Party and Sheik Lougheed—

Some hon. Members: Oh, oh!

Mr. Nystrom: Obviously I hit a sensitive spot, Mr. Speaker—to end the price controls on crude oil, can the minister assure the House that he will not succumb to this pressure which is highly undesirable for the people of this country?

Mr. Macdonald (Rosedale): Mr. Speaker, when I do not co-operate with Alberta I am given hell and when I do I am given hell too. It is a difficult situation.

[*Translation*]

Mr. Speaker: Does the hon. member for Bellechasse wish to ask a supplementary question?

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

BASIS OF OPINION OF GOVERNMENT RESPECTING POSSIBLE SHORTFALL IN OIL SUPPLIES

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, since the House is going all the way on supplementary questions, then I shall ask mine so as to follow this practice. I wish to direct a supplementary question to the Minister of Energy, Mines and Resources, who seems full of energy.

Seriously speaking, my question is the following: a release from the Canada-Near East press service indicates that Canadian oil production is 2 million barrels a day, including 1 million barrels for domestic use, and also that Canada has obtained considerable oil supplies in Venezuela and Romania which are more than sufficient. Can the minister inform the House whether government fears of an oil shortage are based mainly on the fact that Canada has too heavy supply commitments with other countries? If so, what countries are involved?

● (1440)

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, the problem at this time is that we have not adequate means of transporting oil to all Canadian markets.

[*English*]

INQUIRY AS TO AGREEMENT BY SASKATCHEWAN TO SELL CRUDE PETROLEUM AT LESS THAN ALBERTA PRICE

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I have a question for the minister. Yesterday the leader of the New Democratic Party chose to talk about legislation in Alberta on the price of crude petroleum. Can the minister tell us whether the Saskatchewan government and Premier Blakeney—Saskatchewan supplies a certain percentage of crude petroleum through the Interprovincial Pipeline that comes east—have agreed under any conditions or under any method to sell crude petroleum at less than the price at which Alberta petroleum is sold?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I have no such agreement with that province.

NATURAL GAS PRICE INCREASE IN BRITISH COLUMBIA—PRIOR DISCUSSION BY MINISTER WITH PREMIER

Mr. Eldon M. Woolliams (Calgary North): When the premier of British Columbia doubled the price of natural gas to consumers in that province and thus took advantage of those consumers who are Canadians too, did the minister have any discussions with the premier with a view to reducing the price?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): I did not have the pleasure of discussing it with the premier of British Columbia.

An hon. Member: But the Prime Minister did.

Mr. Macdonald (Rosedale): I did have an opportunity of discussing it with a member of that great and famous clan to which I belong. He indicated that the decision to increase the price of natural gas in British Columbia by the NDP government was a firm decision and that the increase would be 81 per cent.

Some hon. Members: Oh, oh!

An hon. Member: Another socialist sheik.

Mr. Fairweather: Sheik Barrett.

Mr. Hees: Let's have a word from Sheik Douglas.

Mr. Speaker: Order, please. I will recognize the hon. member for Dartmouth-Halifax East followed by the hon. member for Trinity.

EASTERN CANADA OIL SUPPLIES—REQUEST FOR BREAKDOWN BY PROVINCES OF POSSIBLE SHORTFALL

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I have a question for the minister regarding the pipeline to Montreal and the fact, which has been mentioned a number of times, that the river freezes over. Can the minister say whether or not he can identify, so that we can keep this dialogue straight in our own minds, the amount in barrels of the shortfall that will occur or could possibly occur in Quebec, the three Maritime provinces and Newfoundland? In other words, is the minister able to break this down rather than continue to lump it together so that we may better understand the necessity for adequate transportation systems?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I cannot break it down between the provinces. As the hon. member knows, some of the provinces supply others. I think that kind of breakdown, at least in the Atlantic provinces, would not give a full account of the resources available.

POSITION OF SAUDI ARABIA ON SUPPLYING OF OIL TO CANADA—AMOUNT SHIPPED IN LAST 30 DAYS—COME-BY-CHANCE REFINERY OUTPUT

Hon. Paul Hellyer (Trinity): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. Would the minister be good enough to reconcile for the benefit of the House the view he related from the Saudi Arabian minister that Canada is on the middle list with the statement of Mr. J. A. Armstrong, one of Canada's most knowledgeable oil men, that as early as October 22 Saudi Arabia had advised one of the Exxon affiliates that oil would not be supplied to Canada and that this information was given to the minister?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, as a result of that information on October 22, as the hon. gentleman will recall, our ambassador to Riyadh, who actually resides in Beirut, visited Riyadh for the purpose of confirming the position of the government of Saudi Arabia on this question and was assured that Canada was not on the embargo list although shipments would not take place to the Portland pipeline. I took the opportunity of speaking to the Saudi Arabian minister, Sheik Yamani, who was in New York yesterday, and he confirmed to me again that Canada was not on the embargo list.

Some hon. Members: Hear, hear!

Mr. Bell: Wait until tomorrow.

Mr. Hellyer: Can the minister advise the House how much oil has been shipped from Saudi Arabia to Canada in the last 30 days?

Mr. Macdonald (Rosedale): I would have to seek information on that.

Mr. Hellyer: It would appear that if in fact we are on the middle list, there is an asterisk and a footnote beside Canada's name saying "ship no oil".

My final supplementary is this: can the minister advise the House whether or not his advisory committee discounted the output of the Come-By-Chance refinery and the availability of that output to the eastern part of Canada by 100 per cent or by some lesser percentage for the coming season?

Mr. Macdonald (Rosedale): I do not have the actual percentage, but the over-all figure that I have given to the House is a rounded figure for the eventualities that the committee thought could occur in eastern Canada.

Mr. Hellyer: Mr. Speaker—

Mr. Speaker: Order, please. The hon. member for Sault Ste. Marie.

OFFERING OF COME-BY-CHANCE REFINERY PRODUCTION TO CANADA—POSSIBLE IMPOSITION OF "FORCE MAJEURE" CONTRACT PROVISION—DISCUSSION WITH UNITED STATES

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, my question is for the Secretary of State for External Affairs and it regards the Come-By-Chance refinery situation. Has the government consulted with the government of the United States regarding citizen Shaheen's offer, and can the minister inform the House of the attitude of the American government to the prospect that *force majeure* provisions of Mr. Shaheen's contracts with the American oil companies will be exercised with the apparent approval of the Canadian government?

Hon. Mitchell Sharp (Secretary of State for External Affairs): No, Mr. Speaker, I have not had such discussions with the United States.

Mr. Symes: Does the minister intend to have discussions with the United States to find out the attitude of the American government on this situation?

Mr. Sharp: It may be desirable to have such discussions.

TAR SANDS OIL—INQUIRY AS TO AGREEMENT TO ENABLE SYNCRUDE PROJECT TO PROCEED

Mr. J. H. Horner (Crowfoot): Mr. Speaker, I should like to direct a question to the Minister of Finance. Can he assure the House and the country that he, the Alberta government and the Syncrude people have nearly reached an agreement regarding the go-ahead for that project?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, the present stage of the matter, as far as I know today, is that in view of the reaction I gave earlier, namely, that the agreement as then drawn did not meet federal taxation policy with respect to resources and mining, the province of Alberta and the Syncrude consortium, according to my understanding, have been renegotiating that contract. Both my colleague, the Minister of Energy, Mines and Resources, and myself have had certain reactions to it. I do not yet know what the reaction is of the parties to the contract.

CONSIDERATION OF CONSTRUCTION OF PIPELINE FROM SAINT JOHN TO MONTREAL

Mr. Tom Bell (Saint John-Lancaster): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources. In view of the Portland pipeline difficulty and the ice in the St. Lawrence to which reference has been made in a previous question, has the government under any consideration at the moment the construction of a pipeline from Montreal to Saint John where the largest refinery in Canada and the first deepwater facility are located and, if not, why not?

[Mr. Hellyer.]

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I have had a number of discussions with Premier Hatfield on the question of a possible deepwater port at Saint John and a pipeline connection into the St. Lawrence valley. At the moment there has been no final decision by the government.

* * *

CANADA ASSISTANCE PLAN

SUGGESTED FINANCIAL ASSISTANCE TO PROJECTS DESIGNED TO HELP INVALIDS AND INFIRM IN THEIR HOMES

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, I have a question for the Minister of National Health and Welfare. In view of a report stating that certain local initiatives programs will be cancelled, particularly those dealing with the care and help to the infirm, invalids and the aged in their own homes, I should like to ask the minister, as this involves the pressing social problem of the aged and infirm, whether there are any arrangements to cover such programs through the Canada Assistance Plan or otherwise with the provinces?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, if the program is as the hon. member has described it, I would think that this is a program that could be cost-shared under the Canada Assistance Plan. However, it is up to the provinces to take the initiative and recognize it as a welfare service.

* * *

● (1450)

MANPOWER

LOCAL INITIATIVES PROGRAM—FORMULA FOR ALLOCATION OF GRANTS

Mr. W. C. Scott (Victoria-Haliburton): Mr. Speaker, I have a supplementary question for the Minister of Manpower and Immigration. In light of the vast discrepancies in allocation of LIP grants for the various ridings, can the minister inform the House what formula was used in arriving at these amounts?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, that formula was tabled when the allocations were tabled and made available to members a week or two ago.

* * *

GRAIN

REQUEST FOR INFORMATION ON ABILITY OF WHEAT BOARD TO FULFIL SALES COMMITMENTS AND DEFERMENT OF SALES

Mr. Jack Murta (Lisgar): Mr. Speaker, my question is for the minister responsible for the Canadian Wheat Board. Since at the present time our export sales are down some 100 million bushels and we have very small amounts

of feed or cereal grains on hand at Thunder Bay, may I ask the minister whether the Wheat Board can fulfil its sales commitments, and can he also inform the House how many sales have had to be or are going to be deferred in the coming months?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, the Wheat Board did make arrangements with some of its customers to take delivery at a later date than originally intended. Of course, with that change in deliveries it is expected that all commitments would be met. The supply of feed grains for eastern Canada is being watched very carefully, and the Wheat Board remains confident that the feed grains required will be moved either by lake freight or by rail.

Mr. Murta: Can the minister say whether or not this means that because some grain sales will be deferred to later months the grain will be sold at a lesser price than it could be sold at the present time?

Mr. Lang: No, Mr. Speaker, the sale contracts that are involved are normally firm ones. The over-all picture for this year is an expectation by the Canadian Wheat Board of exports in the 700 million bushel to maximum 800 million bushel range, and it should still be possible to get within that range.

FEED GRAIN—MINISTER'S POSITION RESPECTING STATEMENT BY CHIEF COMMISSIONER OF CANADIAN WHEAT BOARD ON PRICING AND SELLING POLICY

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, I have a supplementary question for the same minister. In light of statements by the Chief Commissioner of the Canadian Wheat Board to the National Farmers' Union meeting in Winnipeg, which the minister chose not to attend, that he had grave misgivings about the present feed grains pricing and selling policy, may I ask the minister whether the chief commissioner said the same thing to him? Did he convey to the minister his misgivings about the policy?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, the exact words of the commissioner were not those, but of course the proposals for next year, whether one adopts the ones we outlined in August or the ones outlined by the Saskatchewan Wheat Pool, are extremely complex as inevitably is the case in the matter of grain. Therefore there are naturally concerns about the exact details of their operation. I am satisfied that the plans can be implemented in a way which will in the end completely reassure the commissioner of the Wheat Board and all the supporters of the Wheat Board.

Mr. Speaker: Order, please. May I remind hon. members that we are quickly coming to the end of the question period. The hon. member for Saskatoon-Biggar will be recognized for another supplementary, and then the hon. member for Annapolis Valley and the hon. member for Charlevoix.

Mr. Gleave: Since the minister did not chose to answer my first question, perhaps he will answer this one. Again referring to the matter of the movement of feed grain into position, the Minister of Agriculture for Ontario has stated they are three million bushels short at Goderich. Is grain going to be moved into position in time to serve farmers in that area who want to buy feed grain?

Mr. Lang: Mr. Speaker, I answered that in answering an earlier question by another hon. member by saying that the Wheat Board is watching the situation very closely and that, while not all the grain that is wanted may be moved by lake because of the delays which occur, there will be rail movement to make up the deficit.

FEED GRAIN—REQUEST THAT PRIORITY IN ROLLING STOCK BE GIVEN TO MOVEMENT TO EASTERN CANADA

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, I have a supplementary question. In view of the answer of the minister and along the lines of the questions on the shortfall in the supply of feed grains in eastern Canada, will the minister ensure that, in terms of rolling stock, priority will be given to moving feed grains into eastern Canada where the short supply is becoming very critical, with Atlantic Canada having only an eight day supply at a good many points, and not let happen what happened this week when the Wheat Board cancelled 150 cars with the CNR one day and then because of pressure finally put them back on the rails?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, I am happy to assure the hon. member that the Wheat Board did no such thing. Canadian National Railways had thought it might be better to serve the Thunder Bay movement at this immediate point in time rather than leaving those cars in the movement to Nova Scotia. After consultation with the Wheat Board and the Canadian Livestock Feed Board, the Wheat Board arranged that Canadian National put 150 cars out of the Thunder Bay movement into the movement of grain to the east.

Mr. Nowlan: Mr. Speaker, I thank the minister for the explanation and I am glad the matter was clarified. But the first part of my question was whether the minister would personally ensure, in terms of priority of rolling stock, that priority will be given to servicing and filling some of the bins that are in short supply in eastern Canada rather than the very necessary and important export trade?

Mr. Lang: Mr. Speaker, we are really talking about domestic trade both ways. It is a question between all rail, or rail to lakehead and boat from there, but my answer surely should have reassured hon. members that the Canadian Livestock Feed Board and the Canadian Wheat Board are indeed making sure that the domestic market is being served.

Mr. Gleave: You cannot assure anybody of anything; that is your trouble.

[*Translation*]

ENERGY

SURVEY OF OIL AND GAS PATENTS IN ORDER TO REDUCE USE OF PRODUCTS

Mr. Gilles Caouette (Charlevoix): Mr. Speaker, I should like to put a question to the Minister of Energy, Mines and Resources.

The minister having just advised the House that there is no shortage of oil in Canada and that in spite of this the consumers have had to bear the brunt of price increases in recent months, does he intend to ask his department to review the registration of patents and list those liable to reduce the consumption of heating oil and gas used by vehicles? If so, will he increase publicity intended to encourage their application, even though some inventions were turned down in the past to protect oil companies?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): No, Mr. Speaker, but I shall take note of the suggestion of the hon. member.

Mr. Caouette (Témiscamingue): Mr. Speaker, a supplementary.

Mr. Speaker: The hon. member for Témiscamingue on a supplementary. I must point out to the House that we have reached the end of the question period. I shall still allow the hon. member to put his supplementary.

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I could very well put my question to the Prime Minister since I do not think that the government oil policy is established without his knowledge.

Since the government is asking the staff and members of parliament to set an example by saving energy, we can see that in parliament, at the restaurants, ladies have to wear more clothes and the Leader of the Opposition is just about dying from the flue. Here and there, complaints are heard concerning the low temperature in the building and as far as I am concerned, my hands are always cold. So, I must come to an understanding with the minister. Is he prepared to come and keep my hands warm if we cannot get more energy?

Mr. Speaker: I suppose that this is a suggestion which will be considered.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, if the leader of the Social Credit Party of Canada will hold my hand Monday night, I shall be most pleased to warm his.

[*English*]

Mr. Speaker: Order, please. The Chair will recognize the hon. member for Burnaby-Richmond-Delta and then call orders of the day.

[Mr. Gleave.]

AIRPORTS

PICKERING, STE. SCHOLASTIQUE AND SEA ISLAND—GOVERNMENT OFFERS TO PEOPLE WHOSE LANDS HAVE BEEN EXPROPRIATED

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, my question is for the Minister of Public Works. Can the minister explain to the House why the government has offered the people of Pickering and Ste. Scholastique an additional 10 per cent on the purchase of their lands to cover the cost of living and in British Columbia the government tries to tell the people that it has been included in the price?

Hon. Jean-Eudes Dubé (Minister of Public Works): Yes, Mr. Speaker. The same principle that prevailed at Pickering will also prevail at Sea Island, and 10 per cent has been incorporated in the offer to the people of Sea Island.

Mr. Reynolds: In the minister's reply he said that the same principle will apply. The question was, why did you offer an additional 10 per cent in Pickering but for Sea Island you tell people it is included in the price? Do they think they are stupid?

Mr. Speaker: Order, please.

* * *

THE ROYAL ASSENT

Mr. Speaker: Before calling orders of the day, the Chair will deliver the following message:

I have the honour to inform the House that a communication has been received which reads as follows:

Government House,
Ottawa, 5 December, 1973

Sir,

I have the honour to inform you that the Right Honourable Gérald Fauteux, P.C., Chief Justice of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate Chamber today, December 5th, at 5:45 p.m. for the purpose of giving Royal Assent to certain bills.

I have the honour to be,
Sir,
Your obedient servant,
André Garneau
Brigadier General
Administrative Secretary
to the
Governor General

* * *

● (1500)

BUSINESS OF THE HOUSE

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order in relation to the item of business that is to be considered today, and also in relation to the

announcement that Your Honour just read from the chair. Will it not be possible, before we proceed with Government Order No. 79, to take one minute and give third reading to the family allowances bill, so that it can be dealt with by the Senate this afternoon and included in the Royal Assent before five o'clock?

Some hon. Members: Hear, hear!

Mr. Bell: Mr. Speaker, on the same point of order, I am sure I speak for all members of my party when I say that we will give our sincere and utmost co-operation to this worth-while Christmas-like suggestion, without debate.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Fortin: Mr. Speaker, our party has always approved of an increase in old age security pensions and family allowances because we want to improve the status of our fellow citizens. I want to assure the House, on behalf of my colleagues, of our entire co-operation so that this bill to improve conditions for Canadian children will be passed as soon as possible.

Mr. Speaker, they are now playing politics with the oil shortage while our children are in need of money and while our party wants to deal with serious matters by passing immediately the family allowances bill.

[*English*]

Mr. MacEachen: Mr. Speaker, in view of the fact that the House is ready to move so rapidly, perhaps I can add a few other bills, to test hon. members.

Some hon. Members: Hear, hear!

Mr. Hees: Here comes the red herring.

Mr. MacEachen: Let us complete the parole bill; let us complete the Canada Pension Plan (Mennonites) bill; let us do the parks bill and the report stage of the residential mortgages bill, and take it all the way.

Some hon. Members: Hear, hear!

Mr. Bell: Mr. Speaker, I was going to say that we would agree to taking the report stage of the residential mortgages bill.

Mr. MacEachen: Mr. Speaker, I said all the way, and not just the report stage. I was referring to third reading.

Some hon. Members: Oh, oh!

Mr. Knowles (Winnipeg North Centre): The answer is yes, Mr. Speaker.

Mr. Bell: Mr. Speaker, in a spirit of co-operation and in an effort to clear the decks for the showdown on Monday, we will agree to the residential mortgage bill.

[*Translation*]

Mr. Fortin: Mr. Speaker, members of the Social Credit Party of Canada are here to do their job. We are ready to approve this proposal.

[*English*]

Mr. MacEachen: Mr. Speaker, it must be Leader of the House's day. I must say I am just delighted. As I understand it, Mr. Speaker, we need a House order now in order to give third reading to the family allowances bill, to deal with the CPP (Mennonites) bill at all stages—

Mr. Horner (Crowfoot): No, no.

Mr. MacEachen: —to deal with all stages of residential mortgages, all stages of the Parole Act, and to give the parks bill second reading.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, we are quite prepared to do this. There may be one or two bills, such as the residential mortgages bill, on which we shall say "On division". However, we will let them pass. We will not force a recorded vote. We will agree to the whole package.

Mr. Horner (Crowfoot): Mr. Speaker, I failed to gather what the minister is giving in return for this agreement. He gave no assurance that the family allowances bill would be dealt with immediately.

An hon. Member: Yes, he did.

Mr. Trudeau: Ask your leader.

Mr. Speaker: I am not precisely sure what has been agreed to. Perhaps the President of the Privy Council might make it clear and the Chair will ascertain whether there is to be an order of the House for that purpose.

Mr. MacEachen: Mr. Speaker, my suggestion was that we give the family allowances bill third reading today.

Mr. Bell: Without debate.

Mr. MacEachen: Without debate.

Mr. Knowles (Winnipeg North Centre): Agreed.

Mr. MacEachen: I cannot give any assurance about what is to happen in the other place. I have not reached that stage yet. I suggested, in addition, that we do the report stage of the Canada Pension Plan bill, which comes with an amendment proposed by the hon. member for Crowfoot, and give that third reading today, without debate; that we give the parks bill second reading, without debate; that we give the Parole Act third reading, as well, without debate; and that we complete the report stage and third reading of the residential mortgages bill. I will leave for the day when that is done.

Mr. Horner (Crowfoot): Mr. Speaker, every member of this House from time to time has to assert his presence. Perhaps that is what I am doing on this occasion. The government House leader has outlined a very full program for this afternoon, in the hope that there will be complete co-operation. I say to him and to the House, Mr. Speaker, that I very much regret that I cannot give that assurance, because there is a motion standing in my name which is to be considered at the report stage of the Canada Pension

Plan bill, and I want that motion to be dealt with at length.

Some hon. Members: Oh, oh!

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, unless I did not hear the minister correctly, I think he neglected to include in the last list he gave Canada Pension Plan bill No. 2. He knows that that was part of the package, and that it, too, would be given third reading without debate. I suggest to the President of the Privy Council that despite the reluctance of the hon. member for Crowfoot with regard to one of the less important bills, that he should regard the package of four or five bills as a pretty good deal. We shall go further than second reading with the National Parks bill. Indeed, all the bills could go all the way.

Mr. MacEachen: Mr. Speaker, I am prepared to reconsider the matter tomorrow.

Mr. Speaker: Obviously, we cannot proceed unless there is unanimous consent, so that there will not be an order of the House. Orders of the day.

• (1510)

GOVERNMENT ORDERS

[*English*]

ENERGY SUPPLIES EMERGENCY ACT

MEASURE TO PROVIDE FOR ALLOCATION BOARD, MANDATORY ALLOCATION OF SUPPLIES AND RATIONING OF CONTROLLED PRODUCTS

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources) moved that Bill C-236, to provide a means to conserve the supplies of petroleum products within Canada during periods of national emergency caused by shortages or market disturbances affecting the national security and welfare and the economic stability of Canada and to amend the National Energy Board Act, be read the second time and referred to the Standing Committee on National Resources and Public Works.

He said: Mr. Speaker, in introducing this bill on second reading, I refer the House back to the remarks I made on November 26 when I outlined some of the measures which the government and industry were undertaking to supply additional amounts of crude oil and products to eastern Canada. I discussed such things as the rapid increase of movement through the St. Lawrence Seaway, government purchases of products on world markets and the organization of transportation through the Trans Mountain pipeline system and Panama Canal.

At that time, I stated that even with these arrangements, we could not guarantee that oil, which had been lost to Ontario, Quebec and the Atlantic provinces through the production curtailments of Arab nations, could be completely replaced. I called upon the people of Canada, Canadian industries and manufacturers to enter wholeheartedly into voluntary programs to reduce the use of heating oils and motor gasolines. The response to that call is now beginning to take effect. At the same time, I announced what the government was proposing to do to reduce its own requirements for these petroleum commodities. Those measures are now generally in use.

At the same time, Mr. Speaker, I announced it was the government's intention to introduce a program of mandatory allocation at the wholesale level. That has been done in the form of this bill which was given first reading Monday, December 3.

I think, Mr. Speaker, that it would be useful to put these recent events in better historical perspective. It will be recalled that in December 1972, the National Energy Board prepared an assessment of the crude oil situation in Canada. That assessment indicated the need for caution in respect of Canadian crude oil exports. Flowing out of that report, a program of crude oil export controls was put in place beginning March 1, 1973. At the same time, the government announced that the National Energy Board would be holding public hearings to inquire into the appropriate mechanisms which might be established in the future authorization of crude oil exports. Continued developments of shortages in the United States throughout the summer prompted the government to impose export controls successively on gasoline, middle distillates, heavy fuel oil and propane. Thus, even before the occurrence of the Middle East war and the subsequent oil production curtailments by Arab nations, the government had moved and moved decisively in protecting Canadian supplies.

As I have mentioned on other occasions, with the outbreak of hostilities in the Middle East, the government very quickly established a technical advisory committee on petroleum supply and demand. That committee, composed of senior representatives of oil companies and of the various departments of government, has continued to meet every week. It has established a number of sub-committees composed of specialists in the various aspects of petroleum supply and distribution.

The recommendations prepared by that committee have been undergoing continuous review and refinement. The picture which emerges indicates clearly the possibility of shortages of middle distillates and heavy oils in the Atlantic provinces, Quebec and to some extent in Ontario. There is also the possibility of local shortages of these products in British Columbia.

In spite of its efforts, the technical committee is unable to advise the government of the precise extent to which international crude oil deliveries to Canada will be reduced. However, the committee has recommended that the government plan for possible curtailment as great as 20 per cent for these areas which are dependent on overseas oil. The government has also been advised that the voluntary program will be unable to restrain demand to that percentage level. Industry has urged the government to put in place a mandatory allocation program as quickly as possible in order to avoid a chaotic situation and inequities that might develop if each company institutes an allocation program of its own when its own supply situation becomes serious. That, Mr. Speaker, is the intention of the bill now before the House.

The advisory committee has also suggested to the government that serious problems could begin to emerge when and if curtailments reach 20 per cent of normal

requirements. It is for this reason, Mr. Speaker, that the bill provides for the extension of the mandatory allocation system to a full rationing program.

Before dealing with other aspects of the bill, Mr. Speaker, I would like to point out that the government's energy policy document tabled in this House in June 1973 had a number of important things to say in respect of the security of oil supply for eastern Canada. On page 121 of that document we find, and I quote:

> In the past, the security of Canada's imported petroleum supply was not considered to be a problem in then prevailing conditions of world supply. However, the magnitude and nature of world oil operations are now such that traditional patterns of oil supply no longer have the same relevance.
>
> In this decade, the Middle East will be the key in the balance of the supply and demand pattern. If the countries in that area which have the largest potential for increasing their output do so to the extent required, then a relatively stable world oil supply situation will pertain for the 1970's. If, however, even one of the very large exporters were to restrict its production for an extended period, a politically and economically unstable world oil situation would result. It is assumed that the impact on eastern Canada of an interruption of oil supply would be proportionate to the global diminution in the world trade in oil.

The last sentence which I read indicates that the present basis of the government's planning regarding the degree of curtailment of international oil deliveries was clearly set out in June of this year. The technical advisory committee has continued to reaffirm that this is an appropriate basis for planning in Canada.

If I might continue to quote from the same page of the energy policy document, Mr. Speaker:

> A fourth outbreak of major Arab-Israeli hostilities is a possibility which cannot be ignored. The effects on world oil trade of such a development or other developments affecting the oil producing states, cannot be readily determined.
>
> The United States oil industry has reached the stage where it is unable to expand its production significantly, at least in the short run.
>
> The decline in oil discoveries in the traditional oil-producing areas in Canada and the decline in known reserves in these areas, are unlikely to be compensated for, in the short term, by the exploitation of sources in the Mackenzie Delta, the Arctic Islands or areas off the east coast.
>
> In calculating the impact of a supply crisis on Canada, the assumption has been adopted that the impact on eastern Canada of an overseas supply interruption would be proportionate to the global dimensions in the world trade in oil. There are, of course, circumstances in which Canada might be proportionately better off or worse off than other oil importers.

● (1520)

It was factors such as those contained in the quotation I have just read from the energy policy document which led the government in early September to announce an intensive study of the question of the extension of the transportation system so as to make western crude oil available to Montreal. The government has now announced that it is it's policy to see such a pipeline built in order that in future Canadian oil may be delivered on a continuing basis to Montreal and could, in an emergency, be delivered to Atlantic refiners.

There has been much discussion in recent days about the level of interruption in petroleum deliveries Canada is likely to experience. I have already indicated the difficulty, and indeed the hazard, of trying to guess that level. The far more important question is the level of interruption for which planning provision should be made. I have indicated the level recommended by the technical advisory committee. That level, and, indeed even a significantly higher level, would require appropriate action by the allocation board which the bill now before the House seeks to establish.

There is one aspect of this question of curtailment of overseas oil supplies which I believe requires serious thought by the House and by all Canadians. The Prime Minister (Mr. Trudeau) has referred to our assistance to the United States in its present time of crisis. There are others who are our friends and who could be in dire circumstances through oil shortages in a very few weeks. Some European nations may face curtailment amounting to as much as 70 per cent or 75 per cent of their heating oil during the depth of this winter. Those countries are our friends, as the Prime Minister has said, and friends help each other in times of crisis.

During the meeting which took place with the energy ministers of all the provinces in Toronto on November 23, I reviewed the general nature of the mandatory allocation program contained in the present bill. There was free discussion of these concepts with the provinces, both at that time and subsequently. The government has responded to a number of requests from the provinces and has made appropriate changes in the bill now before us. In this measure, the government is seeking authority to handle the present petroleum supply emergency, in any form it might take, over the coming months. No one knows the exact nature of this emergency, how deep it may go or how severe its impacts may be upon the various regions of Canada. Accordingly, the government has to be prudent by asking for sufficient authority to enable it to respond adequately and quickly as these fast moving events unfold. It is not the intention of the government to bring in controls applying to all products in all regions of Canada.

There is provision that alternative fuels and electricity can be administered by provincial authorities under appropriate agreements. In some instances use of these alternative fuels and electricity can make a positive contribution to easing the petroleum supply shortages. However, in other instances, due to limited transportation facilities, curtailment of the use of these alternate energy sources would bring little or no benefit to regions of Canada experiencing petroleum shortages. Thus it has seemed advisable to the government that these energy sources should remain under provincial control provided appropriate agreements can be worked out with the provincial governments.

In respect of petroleum products, it would be the intention of the government to have the Emergency Supplies Allocation Board establish a mandatory allocation program dealing with each product in short supply. This would only occur, of course, after the Governor-in-Council had by order stated that a national emergency existed by reason of actual or anticipated shortages of petroleum or disturbance in the petroleum markets affecting national security and the welfare and economic stability of Canada. The bill grants the allocation board power to make regulations subject to the approval of the Governor in Council

and covering all aspects of the trade and supply of petroleum.

The board is instructed to produce a mandatory allocation program which shall:

(a) designate the regions of Canada in which the program is to operate, if it is not to extend to the whole of Canada

(b) specify the petroleum products included under the program

(c) set out the priorities of use of the controlled products, and

(d) provide for systematic allocation of the controlled products.

Although the board is empowered to make regulations prescribing the price at which, or a range of prices within which, any controlled product may be sold, it is the intention of the government that such power would only be exercised subject to the approval of the Governor in Council and to the extent that price should not become a factor in frustrating the equitable allocation of petroleum products. As the Prime Minister said in his address to the nation, the principle here is that petroleum products in short supply should be allocated to those who need them rather than to those who can pay high prices for them.

Part II of the bill covers the concept of the rationing of controlled products. This part becomes activated when the Governor in Council orders the allocation board to extend the mandatory program because supplies of a controlled product are, or are likely to be, so short as to cause the mandatory allocation program to fail. Under part II, the board is once again given the authority to make regulations, subject to the approval of the Governor in Council, covering all aspects of petroleum trade and supply to all levels including the ultimate consumer of those petroleum products. It is the hope of the government that a rationing program will not have to be instituted. Nevertheless, the government feels it must be in a position to order the allocation board to institute such a program, perhaps on very short notice.

Throughout the history of this current emergency, the government has moved in every way possible to seek the advice of industry and of provincial governments. Advice from the industry will continue under the mandatory program and, perhaps, even under the rationing program if that should come about. To this end provision is made in the bill for industry to enter into agreements, arrangements or courses of action which might involve contravention of the Combines Investigation Act. The Minister of Consumer and Corporate Affairs (Mr. Gray) shall be consulted in this regard but the board may, by order, exempt industry from the provisions of that act with respect to any action prescribed by the board.

Similarly, the board may find it necessary to make regulations contrary to provisions of law relating to the control of the emission of pollutants into the environment. Again, the board shall consult on these matters with the Minister of the Environment (Mr. Davis) but industry and private citizens shall be exempt from pollution control legislation if they are conforming with a valid regulation of the allocation board.

[Mr. Macdonald (Rosedale).]

There is, too, provision in the bill for support of the legislative authority of the National Energy Board and the Canadian Transport Commission in order that petroleum products may be moved so as to relieve current or anticipated shortages. Moreover, the bill provides that the authority of the National Energy Board may be extended in respect of pipelines not carrying a controlled product. This is in order that the uncontrolled product may make a contribution to areas experiencing shortages of controlled products.

Finally, there is provision for the termination of any mandatory allocation program by the end of December, 1974 unless such a program is extended by an order of the Governor in Council. Such order for extension shall be laid before parliament not later than 15 days after it has been made or within the first 15 days after parliament resumes sitting. A notice of motion in either House, signed by ten members within ten days thereafter praying that the order be revoked, shall be debated at the first convenient opportunity. If both Houses of parliament resolve that it be revoked it shall cease to have effect, and the mandatory allocation program in respect of which the order was made shall thereupon terminate.

There is one aspect of the bill which may raise questions among hon. members. It is the addition of a measure not strictly confined to the allocation program, a proposal to create two additional members of the National Energy Board. As I have already told the House, the jurisdiction of the board has been substantially expanded during the current year; first, so as to extend its control over the export of Canadian oil from Canada and subsequently over a range of petroleum products. The work involved both in the hearings of the kind the board has been carrying on, the proposed hearings with regard to oil supplies, the proposed hearings with regard to the pricing of natural gas for export and the hearing which may take place if the Canadian Arctic gas study group makes an application for the construction of a McKenzie Valley pipeline, has greatly increased the range of tasks falling on the board. The substantial increase in the hearing time involved will throw an extra burden on board members and for this reason the government is recommending the appointment of two additional members to assist in this work.

Before closing, I think I might refer to a question which has been much debated in the House in recent days. It is whether or not the supply in Canada this winter may reasonably be expected to be in jeopardy. The Leader of the Opposition (Mr. Stanfield), as I note from his remarks reported at page 8222 of *Hansard* for November 28, indicated he did not believe a report coming from the technical advisory committee that there would be a shortfall in supply.

● (1530)

Mr. Stevens: What committee?

Mr. Macdonald (Rosedale): —there would be a shortcoming in the supply of oil to the Canadian market. The hon. gentleman may not have done so, and I suppose it is a question on which reasonable men could differ. In effect, he feels that Canadians are secure for the winter and that they do not require further assistance.

This is not a view that has been shared at the provincial level. I should like to refer him, for example, to the action taken, the rather extensive action taken, by the government of the province of Ontario through publicity in the journals of the province, to action taken prior to the actual conversations between the federal government and provincial governments concerning interruption, founded upon that government's conversations with the industry. The province has said that action should be taken not only to relieve the situation regarding home heating oil in the province of Ontario, also to make any surplus available to relieve a possible shortage in the province of Quebec.

Among those who support the action taken by the federal government would be the minister of energy for the province of Ontario. I should like to read to the House the following remarks made by Mr. McKeough in the Ontario legislature, as reported at page 5576 of the debates:

> We in Ontario rely on and are well served by Canadian crude oil from western Canada. We must face up to the fact, however, that some of our domestic oil supply will and should be diverted, if necessary, to other Canadians. The big oil companies are multinational, so it is only prudent to assume that a world shortage will in all probability reflect in domestic shortages on a worldwide scale. In other words, Canadians cannot expect to escape the effect of a Middle East embargo on the United States. As a consequence of all this, there is more than a possibility of a Canadian gasoline and heating oil shortage. We in Ontario must accept our share of the burden.

So much for the views of the Ontario government.

Mr. Stevens: Did they set up a board, too?

Mr. Macdonald (Rosedale): They do not have authority to set up a board to deal with energy on a national basis.

Mr. Lawrence: Neither do you.

Mr. Macdonald (Rosedale): That is a matter of opinion. As for the views of another provincial government, I refer to remarks made by the Quebec minister of transport as reported in *La Presse* for November 30 of this year. He indicated that he felt voluntary restrictions would not be adequate for the purpose of protecting the Quebec market. I quote from his remarks in *La Presse*.

[*Translation*]

> Voluntary restrictions, he explained, would not be adequate for the purpose of protecting us against a possible scarcity.

[*English*]

So Mr. Mailloux, the Quebec minister, felt the same concern, as did the premier of New Brunswick, the Hon. Richard Hatfield, in his statement to the legislature on November 27, when he set out at some length the kind of interruption that New Brunswick felt it might experience in the course of the coming winter. He supported the measures taken by this and other governments for the purpose of voluntarily restricting the use of products of these kinds.

There are really two main areas in which the powers of the mandatory allocation board would be necessary. The first is the situation where, because of the increasing international tightness of supply, there will be a shortfall in international supplies coming on to the market in Canada, and where for over-all statistical reasons there may be within the eastern Canadian market a drop of supply below demand.

The other area, even if there were no tightness of supply—though I must say we are anticipating one—would be within our own market where, whatever the statistical balance of supply might be, the government would have no authority to set priorities between individual or company decisions concerning allocation of supplies. One could therefore find an imbalance in the supply of particular commodities in one region, an imbalance between various companies, where some customers would be going short while others would have no inadequacy of supply.

Under the law as it stands at the moment, there is no way government can intervene on behalf of the general public interest to set these priorities. So some kind of legislative authority like this would be required for the purpose of giving authority to the government of Canada to make such reallocation, and to do so without damaging the contractual situation or without creating any legal liability on the part of the contracting parties to any private arrangement.

The bill is really analogous to an insurance policy. As with insurance, the actual loss in the event of the occurrence assured against cannot be calculated in advance. What is required is an estimate of the risk, and the exposure that the risk will bring out. In conjunction with industry we have projected the potential loss if certain events come about, but we cannot be certain either that they will come about or even that those events not now anticipated may not occur. If any of these events do not occur, then we will all be relieved in the situation. We will have been insured, as an insured party is, by this particular bill, by the policy the government has followed, and there will have been no risk to the community.

If the event does occur, the measure that we are proposing will be available to enable the government to protect the priority needs of Canadians. On that basis I suggest it is important that the board be constituted at an early date and that it be given power to develop a mandatory allocation of supply for Canadians. It is important that the Canadian community, particularly the eastern Canadian community, have protection in this kind of legislative intervention so their interests can be guarded in the event this kind of interruption during the winter takes place.

There will undoubtedly be some questions at the committee stage regarding the detailed provisions of the bill and I shall say no more at this particular time. But the critical consideration, and I would re-emphasize it, is that Canadians by voluntary measures make efforts to reduce the exposure to which we may be subject in the coming winter because of international interruptions in supply, that these be moderated to a degree by voluntary restraint.

It would do no service to the community as a whole, and in particular it would do no service to eastern Canada, to try to suggest that there is no risk, given the interruptions we hear about every day taking place around the world, particularly as they affect our closest trading partners. Under those circumstances, I think it is important that we have the full support of the community in the program of voluntary restraint; and in anticipation that the interruptions will be even greater than the savings we can achieve through a voluntary program the government should also

have authority to be able to take the measures outlined in the bill in order to protect the Canadian consumer.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I have listened with interest to the minister, as have all members of the House, and I am sure the country will be listening to what he has had to say. I must tell you, Mr. Speaker, and through you the members of this House, that what strikes me about the over-all approach taken by the minister is the light, almost casual touch that he gave to this request he is making to the House for these tremendous powers. I wonder why the President of the Privy Council (Mr. MacEachen), when doing his bargaining this afternoon, did not ask for the bill to be passed without any debate at all. He might well have done so in view of the attitude the minister has taken.

Mr. Macdonald (Rosedale): Well, if the hon. gentleman is agreeable . . .

Mr. Baldwin: The minister talked about an insurance policy, but if you take out an insurance policy you want to know in some detail what the risks are. You want to know what premium you are going to pay. This information was not given to us by this minister of the government, but I intend to go into this aspect, as will my colleagues, to some extent at a later period in our discussion.

I want to make but one other comment at this particular stage regarding what the minister said, though I will deal with other remarks of his as I continue my comments. Although I do not think he intended to do so, I think he quoted the Leader of the Opposition (Mr. Stanfield) out of context. The Leader of the Opposition did not at any time say categorically there would not be any shortage or any problems in respect of supply in this country. What he did say, and you have to take this in context with his questions before and after this statement, was that he was not satisfied with the diverse remarks of the minister and other members of the government, and that there may be in fact very strong discrepancies in respect of these statements regarding this energy problem. It was that which compelled the Leader of the Opposition to seek a more detailed statement in discharging his responsibilities. So far the Leader of the Opposition, hon. members of this House and the country, have not received such a statement.

● (1540)

Some hon. Members: Hear, hear!

Mr. Baldwin: Before leaving the question of insurance, and I think Your Honour may have had occasion to deal with insurance law in the days when you did not have to worry about listening to speeches on energy, let me say that when one is dealing with insurance he wants to have some knowledge as to the integrity of the broker.

Some hon. Members: Hear, hear!

Mr. Baldwin: I would be the first to acknowledge that the members of our party have made no attempt to conceal the fact there are difficulties and problems in Canada and in the world. It would be a foolish person who would deny that fact, but these are problems which differ as to kind, as to intensity and as to geographic location. Steps are

[Mr. Macdonald (Rosedale).]

required to be taken in respect of these problems, but we in this party have never at any time attempted to deny the necessity of taking such steps.

An hon. Member: We have even asked for them.

Mr. Baldwin: As my friend has said, we have asked for them during the question period and in the course of discussions in the committee as well as in the House. We must bear in mind that, as we saw last night, as we have seen today and during this week, there are day to day alterations in these rapidly moving problems both in Canada and in the world. We may well hope that international conditions will settle down, and that there may be a mellowing which will make some difference in this regard, but conditions may in fact worsen. Certainly, no one on this side has attempted to deny that fact, but this does not mean we in this party will be panicked or that we are going to be pushed into granting this authority to the government until we are satisfied beyond any reasonable doubt that the problems are such that they require a cure of the size the minister is asking us to approve. There are other ways of making roast beef than by burning down the cow barn, and this is one of the propositions I should like the minister to keep in mind.

We do not intend to meekly give up the rights of not only ourselves but of other people outside this House.

An hon. Member: Of the oil companies.

Mr. Baldwin: Hon. members in the backbenches over there do not know what they are talking about, because we represent the people of Canada. We have seen what this government does when it is granted unreasonable power and authority, and it is not our intention to tamely give to those people those things they are demanding.

I sometimes think as I look at the minister of those lines of Shakespeare:

Upon what meat doth this our Caesar feed,

That he is grown so great?

I think the first thing to do is have a look at this bill which the minister skipped over very casually, simply and easily. I intend to take a little time to look at this measure. It has been before us for a very short time, although I had a few hours to consider it yesterday when I was interrupted by some event in the House of which we are all aware. I want time to look at it and discover precisely what is being asked for as well as what will be the effect if it is passed under the circumstances which exist today. I want more time to look at it to discover what powers the government will have. We will have a look also at the objectives the government seeks, and which I believe the people of Canada seek to achieve in dealing with this energy problem. I want to consider the things upon which the bill is based to see whether there are any alternatives to what is proposed by the government. I want finally to have some discussion and consideration of what we would suggest about the measure and how we should deal with it.

What does the bill do? In the first place there is no question at all that this board with the high sounding name, the Energy Supplies Allocation Board, is in fact government owned, operated and manned. There is no question at all that there is no indication of independence

on this board. This board will be subject to the direction of the Governor in Council, which means the minister, in everything it does.

An hon. Member: Yes.

Mr. Baldwin: The hon. member says "yes". This is what the Liberal party believes in; powers granted to the board which is out in front, but authority which this government can secretly use to obtain its way. That is what we intend to see shall not be granted unless, in fact, there is an adequate case made for doing so.

Some hon. Members: Hear, hear!

Mr. Baldwin: Hon. members on the opposite side may be conditioned to meekly acquiesce to all this government seeks, but that is not our responsibility, and we are not here to say no as a matter of perversity. We are here to examine and scrutinize, and we will not let this bill pass until we have discharged our responsibility in this regard, no matter what my hon. friends may think we ought to do.

I am not going to take this time to deal with the clauses one by one, and I would probably be out of order if I did, although the minister has done so. Referring to Clauses 1 to 10, there is not the slightest doubt in the world that this board will be subject to the day to day controls, orders and directions of this government and the minister. Let us not delude ourselves on that score. There is no doubt that this is the purpose of the bill as set out in Clauses 1 to 10.

Going on from there, we find the power of delegation. It may well be that in certain circumstances, no matter what the extent of the authority granted, the right to delegate part of that authority will be exercised. The minister did not touch on that and he has not made a case for it. He may make one in the committee, I do not know. But if we are to rely on his statement in this House today we must remember that he has not by one word, one sentence or one argument suggested any reason we should give this power to the government to delegate this authority in any part of the country.

In addition to that, the minister was not silent but not very effusive as to the extent to which the mandatory allocation program can be applied to other products than petroleum products. He used the phrase "mandatory allocation program", but this phrase undoubtedly constitutes a complete, 100 per cent granting of absolute authority to the government to act in any way it wants. There is no question about that, and I do not think the minister will deny it. He can call it a mandatory allocation program, but that is much like calling lying, mendacity, or saying theft is only embezzlement. This is just a choice of words. We in this House want to discuss the extent of the authority the minister wants us to give him under this program.

Alternative fuels can be used, such as electric power.

● (1550)

As has been pointed out, alternative fuels consist of coal, natural gas and many other commodities. Electric power can be used. There is no doubt that this clause, taken in conjunction with the clause which provides for byproducts or derivatives of petroleum products, could cover derivatives or byproducts of alternative fuels and that these could be placed under the mandatory allocation program. I am not an industrialist, but I would think that if this provision is taken at its face value the number of commodities which could be covered under a mandatory allocation program of this government could run literally into the thousands, including the very important industrially produced commodities of the petrochemical industry, plastics and fertilizers. There is no indication of the limit to which, in this modern world, this government could go in delivering its ultimatum to administer its so-called mandatory allocation program.

On the question of price, I would point out to the minister and to my hon. friends to my left that some ten months ago the hon. member for Don Valley (Mr. Gillies), our leader and members of this party, suggested an incomes policy. Had it been put in place at that time, there would not have been any necessity for the inclusion in this bill of the question of price. I say to my friends to the left in good faith that they must accept a very large share of the responsibility for keeping this government in place, thus enabling this government to deal with the question of price. If what the government does with regard to price does not please my hon. friends, let them bear the responsibility for keeping the government here.

I thank my hon. friends for the hallelujah chorus. It is always inspiring to have such intelligent help from the back benches. The right to vary and change contracts has been mentioned by the minister. Later on I will show the extent to which this bill intrudes into provincial rights, but from time immemorial contractual obligations have fallen squarely under the civil rights clause of the constitution. This minister and this government are clearly on record as asking us to move away from a right which does not belong to us by the simple process of bringing this bill into operation. This is something which at the moment is quite unsupported by hon. gentlemen opposite and the minister.

Then, there are the import and export regulations. I shall deal with those later. I shall just mention here, so hon. members can consider it, that the inclusion of the import-export regulations in this bill brings into the open the feud which exists in the cabinet. This is a fact of some significance. As I understand it, not so long ago the cabinet was considering what step it would take in this regard. It was decided to use, for the time being, the Export and Import Permits Act. I intend to deal with that later in more detail. The matter would then have fallen under the jurisdiction of the Minister of Industry, Trade and Commerce (Mr. Gillespie). The very fact that this bill is here today, and the fact that these proposals appear in it, are a certain indication that the minister has won this particular battle. There are several ministers present in the House and since none of them have spoken up, I take it that what I am saying is quite correct, Mr. Speaker.

Now, I wish to deal with what I consider to be a very important and very dangerous clause, clause 15. It is what I think will be known as the blackmail clause or the bludgeon clause, and the bludgeon falls very easily into the hands of the Minister of Energy, Mines and Resources because he is accustomed to using bludgeons. This clause provides that the board may, with the approval of the Governor in Council—and of course that means the Gov-

ernor in Council or the minister-negotiate with a provincial government with regard to alternative fuels or electric power for the purpose of there being regulation or allocation of supply. Then, it goes on to make the distinct threat that if no such agreement is made, then the government will find it necessary to bring in its mandatory allocation program. I believe the minister when he says that there has been some discussion with the provincial authorities. I think the minister learned his lesson a little while ago. I say to him candidly that I hope he and his officials will keep in close touch and liaison with the provincial authorities.

Problems of this kind which mature rapidly require co-operation by all levels of government with the present minister and his officials. If the minister and his officials deal with these problems on their own, they are bound to meet with difficulty not merely for them, for us, or for the government, but for the people of Canada. I deplore the language in which this clause is phrased when it includes this implicit threat to provincial authorities that they must deal with the government, that they must accept this government's proposals and disposition with regard to petroleum and other alternative fuels and electric power because if they do not this government will bring in a mandatory program. I consider that is no way to deal with other governments which, within limitations, are sovereign in that respect.

Now, Mr. Speaker, I should like to deal very briefly with the question of the regulations. The minister touched on this. In this Parliament we are becoming accustomed to a government which governs by regulation. I have said before, and I shall repeat again, that were it not for the British North America Act this government with the power and authority it has, with the regulatory power it has seized from this House under a number of statutes over the past few years, and with the changes with regard to the passage of supply, could stay in power for two or three years without calling parliament together. The proof of this lies in the fact that it is now three or four years since the CNR financing bill, which was discussed the other day, has been passed. Hon. members of the opposition have had valid questions to ask about that measure which have not been answered. Despite the fact that under the statute this bill needs to be passed each year, it has not been passed in three years and the government has carried on dealing with the auditors, the capitalization and so on. I say it is essential that we look at these regulations, look at the people administering them and then survey what has been done with the regulations. In this particular instance clause 16 provides:

> With the approval of the Governor in Council, the Board may make such regulations as may be necessary in the opinion of the Board to carry out effectively a mandatory allocation program . . .

● (1600)

In other words, the government is saying to itself through the board: pass any regulation you want; there are no restrictions; there is no curtailment; there is nothing at all to constrain you in the type of regulation you pass. That is the effect of that clause. The clause goes on to set out a few particular headings, but these are only afterthoughts. The meat of the regulatory granting clause lies in what I have read, and I say it is a dangerous practice for hon. members in the House to grant such powers to any government, even to a government composed of members of this party which will soon be occupying the treasury benches.

Some hon. Members: Hear, hear!

Mr. Baldwin: I would still dispute and challenge for a much better cause than the minister has so far stated, the giving up to hon. gentlemen opposite of the kind of powers which they seek in this bill and this clause in particular.

As the minister said, in addition to what I have already pointed out, the effect of the Combines Investigation Act and all combines legislation can be suspended, and the environmental provisions, laws and regulations which I take to be not only of this parliament but of any of the provincial administrations can be waived and overridden. There is a biblical phrase—and I think the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) could probably give me a lead on that—that the Lord created the earth—

Mr. Douglas: In six days.

Mr. Baldwin: —in six days. I was not sure of the number of days. By that part of the clause dealing with the environment, the government is seeking to give this board of nameless, anonymous officials the right to destroy with one signature those regulations and those statutes which the provinces and the federal government have, over some opposition and with great difficulty, enacted over the years in trying to make this a better world in which to live. I think it is a dangerous precedent and I am sure that hon. members on both sides of the House will deal with this more extensively later.

There is a right of expropriation and commandeering of the four modes of transport: rail, pipelines, transportation by vessel, and road transportation. In effect, if you search closely the powers which are granted in the clauses which deal with these particular issues, there is no doubt that the almost complete right to commandeer, to expropriate and to make use of any of these facilities of transportation will be vested in this board under the direction of the government.

As to the expiry of the powers, the minister has correctly stated that the bill will expire at a fixed date, but it can be extended by a simple order in council. There is, of course, the saving clause that a negative resolution can be advanced in the House. That, I submit, is not good enough. Our previous experience in trying to get hon. members opposite to give up powers which they have taken unto themselves can be described by a good Peace River saying, namely that it is like dragging a cow out of the muskeg, and probably just about as noisy. I am very unhappy about that proposal.

Having dealt, in this casual and perfunctory way, with what is in the bill, I consider it my responsibility to point out in far more detail than the minister did, the dangers, the extent of the powers which this government is asking for by this legislation. On what basis does the government ask that this bill be passed? I think it would be of some value to hon. members in the House to examine some of the comments which have been made by the Prime Minis-

ter (Mr. Trudeau) and by the Minister of Energy, Mines and Resources, the two Bobbsey twins from Pollyannaville. Their comments with regard to this energy crisis have been a little different, have varied from time to time, and have not always created that sense of urgency regarding the passage of this bill intimated by the government.

For example, the Prime Minister said on November 22:

> Our current assessment is that oil rationing at the retail level will not be necessary.
>
> If Canadians generously support the voluntary program—and I know they will—there is every prospect that shortages can be minimized throughout this winter.

On September 20 of this year, on a television program, the Minister of Energy, Mines and Resources said this:

> In a sense, this is a passing situation in Canada because we've got new refinery construction under way which will be completed in the fall of next year, and further refinery construction will be completed in the year after.

Is that the kind of statement on which to base the far reaching and extraordinary powers for which the government is now asking us?

On October 16, 1973, the same minister, in speaking to that society of which the Prime Minister is so fond, the Royal Society of Canada, said:

> Comparing the Canadian situation with that of other developed nations of the world, for example Germany and Japan, we are not on the whole in too dangerous a situation.
>
> Compared to other nations, Canada is in a relatively fortunate position.

On October 7, not so long ago, on a television program the minister said:

> Well, Canadians have been more fortunate than many other people. In terms of shortages the government has been able to take action by way of export controls to make sure that Canadian refineries will continue to have supplies of oil to turn into gasoline, into heating oil, and also to make sure that there will be supplies of gasoline and heating oil throughout the year.

This statement was made less than two months ago by the minister who has now come here to demand these extraordinary powers.

Mr. Macdonald (Rosedale): It was made before the war.

Mr. Baldwin: The minister has already quoted from the first report which was tabled last June in which he points with pride to the fact that the report deals with the question of the war. He knew about it then, he knew about the possibility then.

Mr. Macdonald (Rosedale): I did not know about the war, did you?

Mr. Baldwin: It was certainly under contemplation at that time. The Minister of Finance (Mr. Turner), that great Canadian who is in difficulty now because of the fact that he has not been given, as he ought to have been given, more authority in relation to this problem than the Minister of Energy, Mines and Resources—however, this is a family feud and I do not want to become involved in it—said before the Commons committee yesterday:

> It is very important that Canadians do not overreact to pessimistic scenarios based at this stage on inadequate information about the oil crisis.

I have a feeling that that statement was directed at the Minister of Energy, Mines and Resources.

Some hon. Members: Hear, hear!

Mr. Hees: They are fighting the convention battle already.

Mr. Baldwin: The Minister of Finance has been in the cabinet long enough to know all about inadequate information. He went on to say:

> While we must be concerned . . . there is no justification at this moment for panic and pessimism.
>
> Canada is in a much better position with regard to energy supplies than most other industrial countries.

● (1610)

Amen. May I refer to the *Globe and Mail*, Mr. Speaker? I quote the *Globe and Mail* when I should and they quote me when they should. There is a very interesting editorial in that newspaper today anticipating this debate entitled "Warm Measures Act". I refer to it because they take a very sensible position, namely, that before we accept in total all of those exorbitant demands which this government is making, we want to be satisfied there is in fact a need for the legislative provisions contained in this bill.

Some hon. Members: Hear, hear!

Mr. Baldwin: So I am glad to cite that editorial, briefly and concur with the *Globe and Mail* at this time, Mr. Speaker. I could go on ad infinitum—ad nauseam. The hon. member for Sarnia-Lambton (Mr. Cullen), who sits in the Liberal caucus, knows very well the kind of statements he gets from ministers and that is why he uses the term "ad nauseam" in describing them. I say in a purely political sense that the Prime Minister (Mr. Trudeau) and the minister are disreputable witnesses and their testimony is discredited and suspect when they come to this House and demand that we give the government, without further scrutiny, without further challenge, without further information, the kind of powers that they are asking. I would think that if you went to trial defending a man on a murder charge with witnesses of this kind he would be found guilty of attempted suicide.

I suggest, Mr. Speaker, that it is surely inappropriate, right at this point in time, for us to pass without further challenge this particular legislation. Certainly, people want to provide for the present difficulties and they want to provide for the future. We have never opposed, and we do not oppose now, a reasonable program of allocation at the wholesale level and, if necessary, of rationing with certain limitation. However, Mr. Speaker, that is extraordinarily different from the gigantic intrusion into so many aspects of the life of the Canadian people that is being requested here. I say the burden is on the government, as it is with any legislative program and certainly, doubly so with legislation of this character, to establish the need for this legislation in all its aspects. So far they have not discharged that burden.

Mr. Hees: Thumper has tried to become C. D. Howe Mark II.

Mr. Baldwin: It may be very well for my friends to my left—and I know I will be criticized for saying so, but I hope in a good natured way by them—to make this move to have a measure of centralization, of authoritarianism. As I said to the hon. member for York South (Mr. Lewis) when he referred to Sheik Lougheed, he reminded me, as he talked to the ministers opposite, of Ali Baba and the 40 ministers! I know we are called the old line party, but I think the hon. gentlemen to my left, as a political party, are well into their political menopause right now!

With eloquent vindictiveness and political bombast, the hon. member for York South has been chastising us. That is his right, of course. He has the right to be wrong if he so desires, but he is probably the most highly paid talking doll in the business. If you press him almost anywhere you will hear him squeak "capital ripoff, capital ripoff".

An hon. Member: Corporate ripoff.

Mr. Baldwin: "Corporate ripoff". However, that is not part of this measure. I say to my hon. friends to my left in all seriousness that we have no brief for large corporations or small corporations or individuals who have no proper claim to assistance, and we will be making propositions to indicate this later. During the course of my speech I will make some proposals with regard to dealing with what might be a very serious situation because of improper conduct by the multinational corporations. I simply say, Mr. Speaker, that if it comes to a choice, as some day it may, it is my preference to keep the government as much as possible, from any unnecessary intrusion into the affairs of mankind. It is essential at times, sometimes temporarily and sometimes more than temporarily, and to that extent I am prepared to go along with it. However, as long as this parliament resists dealing in a firm way with the problems created by the improper conduct of multinational or other corporations, I much prefer to see vested in the dead hands of government the kind of powers which are asked for here and which, once granted, are not easily taken away.

Let me suggest some alternatives, Mr. Speaker. By a question I asked in the House two days ago, I have already indicated that so far as the crisis or the difficulties have been apparent, and to the extent to which we can accept, after working our way through the dense undergrowth, the various statements made by the Prime Minister and the Minister of Energy, Mines and Resources outlining the facts, I believe the problems which have been delineated could well have been dealt with by existing legislative programs. The Export and Import Permits Act provides for a licensing of imports or exports to which can be attached firm, specific conditions spelling out precisely what an importer or exporter can or cannot do.

Last night, for example, we had the revelation that a refinery in Newfoundland was making a proposal to the government which would likely ease the present situation. I do not know the facts, and I can only hope this was a suggestion on a voluntary basis. But let me say categorically that if the government had chosen to act, it would have utilized that legislation and could have said to the company operating the refinery, "you cannot export except subject to the conditions which we lay down". There is in existence today an export control list which includes petroleum products. All that would have been required would have been an order in council or a direction establishing the conditions under which export licences would have been granted or altered and, it would have been compulsory for that corporation to obey the order. It is the law of the land today. I point that out because it has some effect on what I am about to propose. The people of Canada, through the government, are not today defenseless; they have reasonable opportunities in the shape of existing legislation to deal with the problems which so far have come to light, which we have examined and which have been detailed in this House.

The same thing would apply to the other multinational corporations. It would have been consistent and quite in accordance with the provisions of that legislation, in the ease of a multinational corporation in Canada which was receiving supplies of petroleum products from Venezuela under a contract, and which acquiesed in a diversion of those petroleum supplies to other countries, for the government to lay down conditions. Such a case would come within the scope of the legislation. The government could say to the companies, "These are the conditions under which you are operating and under which you are given a licence." Those conditions could be set down and insisted upon. The government could insist upon compliance with those provisions both on the part of the supply company in Canada, and on the part of the supplying company in Venezuela. If, by any chance, a simple amendment was needed to bring about such a result, that could have been done. I have only looked at the legislation casually, but I say as a lawyer that that right exists today.

● (1620)

The problems which we face are, first, those concerning the possibility of diversion, and those concerning refineries in Canada which should not need to export their product but utilize it in this country. I suggest to members of the House that this right exists today. If it were necessary to go a step further, the members of my party would consent to any simple amendment which might be required, just as we would have consented perfunctorily to the kind of simple legislation the minister led us to believe would be produced today, which was to deal with allocation of supplies at the wholesale level as well as other questions to which we have referred.

Let me say finally what our position is. In view of the limited facts which have been given to us, the contradictory statements made by the Prime Minister, the Minister of Energy, Mines and Resources (Mr. Macdonald) and other ministers, I would be extremely reluctant to approve second reading of this measure without giving it further examination. If I were to approve it, I would consider that I would not be discharging my responsibilities to the people of Peace River and to the people of Canada. I would not subscribe to this legislation in its present unpalatable form on the basis of the indifferent case which the government has attempted to bring forward. That is my position today.

Before this debate on second reading concludes, I hope the government will produce better evidence, more concrete facts, as to what are the problems. In his opening statement today, the minister said that the technical advisory board, these holy ghosts, or these deputy holy ghosts

who have not yet been identified, were unable to advise the government as to the extent of the shortage. That is what the minister said today. I might not have used his exact words, but that is the effect of what he told the House today. Those are the gentlemen who have advised the government to bring in this legislation. How, then, can we give credence to a government which asks us to pass this bill which is based on submissions of that kind from a board of this nature?

I have tried to keep this debate at a reasonable level. I have refrained from making the kinds of criticisms I should have liked to direct at hon. members opposite. Let me make this serious suggestion, however: there should be adequate discussion of this measure today, possibly tomorrow, and possibly even on Friday, although I do not know what business the government House leader proposes. Unless responsible ministers have told us by then, in the House, exactly what are the facts, this bill should not be debated further until it has been sent to the appropriate committee armed with the appropriate terms of reference. It should be before the committee for a very limited period of time and witnesses ought to be called so that we may discover what are the facts, what is the truth and what are the shortages, present or anticipated.

The members of my party and my friends to our left asked the government some questions today. Some political questions were asked, of course; nevertheless, there were some very searching, very earnest questions, designed to permit members of this House to find out what the facts are. The minister either did not know or, if he did know, he would not tell us. Under those conditions, we would be remiss in our duty if we were to pass this bill in its present form without knowing in more detail and with more certainty what are the facts. Until we know them, we must stand firm in our position.

We know that there are difficulties; we want to try to cure them. Legislation is directed at curing difficulties. When problem arise we legislate, in order to cure those problems, if at all possible. I and my colleagues want to approve measures which the government may need to cure existing problems. On the other hand, the government owes it to this House and the country to reveal with more accuracy what those problems are, and exactly how this bill will deal with them.

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, the measure now before us, Bill C-236, asks Parliament to vest the government with very wide powers for dealing with the energy crisis facing this country. I do not propose to deal with the details of the bill. Some sections, as we may urge when the bill is in committee, ought to be amended. I will deal mainly with the principles behind the legislation.

I suppose Canada is probably the only country in the western world which does not have legislation giving it authority to allocate its energy resources to meet the needs of its people. Personally, I have always been reluctant about giving to governments sweeping powers. On the other hand, when any country, especially a cold country like Canada, faces a situation like we face today, very wide powers are necessary, provided there are adequate precautions and restraints with regard to misuse.

My main concern at the moment is this: why did it take the government so long to introduce legislation creating an energy supplies allocation board for allocating resources according to the needs of the various regions of Canada? The government has taken a long time waking up to the fact that we are in the midst of a crisis. Warnings have been given by the oil industry, by the public and by members of opposition parties. The government was told of the situation creeping up on us, and these warnings were quite apart from warnings connected with the Arab-Israeli war. Yet the government went blindly along in its Polyanna spirit, closing its eyes to the impending situation.

When the minister made a Freudian slip in his speech and talked about the shortcoming rather than the shortfall, I thought he showed a guilty conscience and that he was cognizant of the fact that the shortfall was owing to the government's shortcomings. My criticism is not so much of this legislation as the fact that the legislation will merely provide a mechanism by which an oil policy could be implemented. An energy supplies allocation board is not, in itself, an oil policy. So far, we have not had an oil policy. After the minister's statement today, we do not know the oil policy framework within which this energy supplies allocation board will operate.

● (1630)

An oil policy has to set forth two things. First, it must ensure that adequate supplies of energy are made available to all the people of Canada who need them. Second, it must ensure that Canadians will not be required to pay unduly high prices for the privilege of using their own products merely because world prices are escalating for similar products from other countries. Those are the two basic things which must be included in an oil policy. We still do not know the government's oil policy. As a matter of fact, for the lifetime of nearly all of us here, the oil policy in Canada has not been established by the government. It has been established by the four multinational corporations which control 91 per cent of the oil production in Canada and 99 per cent of the oil refining in Canada.

I listened with great interest to the hon. member for Peace River (Mr. Baldwin). I enjoy listening to him because he is always so delightful and non-partisan.

Some hon. Members: Hear, hear!

Mr. Hees: A great parliamentarian.

Mr. Douglas: He became quite vehement about concentrating power in the hands of the government. I wish he had been equally concerned about concentrating tremendous power in the hands of the corporate elite.

Some hon. Members: Hear, hear!

Mr. Douglas: What kind of an oil policy has the oil industry imposed on this country? With regard to supply, they have made sure that the supply went where they wanted it to go. Just imagine, this country, one of the few countries in the world that is self-sufficient in oil and gas and which has only 2 per cent of the world's supply, has been shipping more than half its oil and gas to the United

States. The oil majors have used this country as a source of supply. They have sucked our reserves dry wherever they could get away with it. That is why today we are faced with the prospect of a 10 year life index for our present supplies of conventional oil.

Almost every plan that has been brought forward has the same end in view. Only a few months ago the present government, with the support of the official opposition, talked about a pipeline from Prudhoe Bay to the United States at a cost of $6 billion or $8 billion to take oil south. The government is prepared to entertain applications for the Mackenzie Valley pipeline to take gas from the Mackenzie delta to the United States. Some American companies have already made prepayment for that gas. They have advanced $75 million to PanArctic, in which the government has a 45 per cent equity, in order to get their hands on gas.

We export electricity. We will be shipping more and more uranium. We are exporting water power. If we are in a crisis situation now, let us not forget that the foreign-owned and foreign dominated multinational corporations have brought us to the position in which we find ourselves.

Some hon. Members: Hear, hear!

Mr. Douglas: They have taken the position that the price they would get for our products and which they would charge us for the privilege of using our own products would be the highest price they could get on the world market. We have had two prices set in Canada. We have had the Chicago price, the American midwest price, or the gulf coast posted price which is based on prices in Texas and Louisiana. They set the price we pay.

It was only on September 4 when the government finally took its courage in both hands, and I congratulate them for doing it, that we sought to cushion Canadians against the disastrous rise in the world price of oil. We froze the price of Canadian crude until January 31. We put an export tax on the differential between the Canadian price and the Chicago price with the money to go for future development of oil in Canada. I have said in this House before that I would certainly favour turning all of that export tax back to the oil producing provinces on condition they use that money to develop the oil sands and oil shale so that these resources can be developed by Canadians for the benefit of Canadians and under the control of Canadians.

Some hon. Members: Hear, hear!

Mr. Douglas: We have had an oil policy in Canada by the oil industry, for the oil industry and to enrich the oil industry. We are in a situation today where our oil reserves are being rapidly depleted. We passed the peak in 1972. In that year, our oil reserves showed a decline for the first time in our history. We probably only have 10 years left in which to busy ourselves with the task of developing other oil supplies, preferentially the oil sands of Alberta and Saskatchewan.

My criticism of this legislation is that, while the minister has brought forth a mechanism which is necessary to allocate what oil supplies we have, he has not yet enunciated a policy to ensure that now and in the future there will be security of supply. Nor has he stated what his policy is with regard to how the government proposes to insulate the Canadian consumer against rising world prices. Let us not deceive ourselves, Mr. Speaker, into thinking that this energy situation is of short duration.

● (1640)

I think it was on television last night that the Conservative member for Calgary South (Mr. Bawden), speaking of the fact that Mr. Shaheen had said there would be 100,000 barrels a day available from the Come-By-Chance refinery in Newfoundland, told us that in these circumstances the energy crisis was over. Mr. Speaker, it is not over. The Minister of Energy, Mines and Resources talks of the crisis from time to time as though it were solely the result of the Arab-Israeli war and that if this war could be settled our problems would be over. Our problems would be easier, but they would not be over.

The growing demand for oil throughout the world, the fact that the United States had to increase its oil imports by 31½ per cent this year, the fact that in our own country available reserves are being used up at an alarming rate, as are our resources of natural gas, all indicate we are heading into a crisis. I would suggest that if the diminution of our oil reserves continues at its present rate, by 1978 or 1979, unless oil from the tar sands is on stream, the country will face a much more serious crisis than it faces presently. Therefore, I say the government must make two things clear: first, the principle upon which the allocation of resources is based, and, second, the price structure it intends to follow.

Let me deal with the first proposition. At the present time there is no oil shortage in Canada as a whole; we produce more oil than we can consume. Our only problem is that we do not have a delivery system to take western oil to eastern Canada and that in some areas we do not have the refining capacity to produce the middle distillates and bunker fuel we need. For this reason, there needs to be some system of allocation in order to ensure that Canadians in one area are not in a surplus situation while residents in another part of the country suffer hardship. In the legislation before us I see no criteria set out to ensure equitable distribution. I know mention is made of distributing supplies on the basis of the existing market position. But if this is done we shall drive a lot of the small independents out of business—indeed many of them have already been driven out of business.

When oil was in surplus supply in Canada, the major companies were glad to use the small independents to take surpluses off their hands and dispose of them at lower prices, provided they did not use a brand name. The independents performed a useful function from the point of view of the oil cartel. But in the last year or two when oil was becoming a scarce commodity, the small independents were slowly being starved out. I could give the House a list of small independent companies which have been forced to the wall, of independent retailers who have been forced to close their doors.

I hope that before the bill is passed we shall be able to insert a clause into the bill which will ensure that independent wholesalers, independent brokers and

independent retail outlets will be able to get their share of the oil available. Their situation should not depend on the existing market position, because in the last year or two their situation has been a most unfair one. I want to make sure that these independents get a fair deal and I hope the minister will be able to tell us when the bill is in committee what criteria will be used in the allocation of oil supplies.

The real issue on which the government has been evasive and ambivalent is that of the price structure. In this legislation, apart from clause 16(1)(L), no reference is made to price and the reference in that paragraph is a minimal one. It speaks of the power of the energy supply board to prescribe a price at which or a range of prices within which any oil product may be sold to customers in particular market areas. This does not give us any information at all as to what the price structure will be. The hon. member for Peace River, when he was speaking earlier, told those of us in the New Democratic Party that if we had only supported the Conservatives' idea of a price freeze instead of voting against some of their non-confidence motions this situation would not have arisen. Mr. Speaker, we were not confident that a 90-day price freeze would solve our difficulties. By now, the 90 days would be long past. Second, we did not believe you could freeze the price of goods imported from other countries or the price of goods produced and sold within a single province. What we did advocate, and what we are still advocating, are selective controls. And oil is one of the commodities to which we want selective controls applied.

Some hon. Members: Hear, hear!

Mr. Douglas: I should like to see such controls applied to lumber, to steel, to farm machinery, to synthetic rubber, all of which are produced in this country. Those are the only kind of goods whose prices you can control. One of my hon. friends says the N.D.P. is coming round to the idea. Mr. Speaker, I moved a motion in this House ten years ago calling for a prices review board which would establish selective controls on some 30 or 40 commodities.

Some hon. Members: Hear, hear!

Mr. Douglas: The fact is the government has to make up its mind whether it is going to set the price or whether the international oil monopoly is going to set the price.

Mr. Yewchuk: Will the hon. member permit a question?

Mr. Douglas: If the hon. member wishes to ask a question, I shall be very glad to answer it when I have finished what I have to say, but I don't want to interrupt my line of thought. I should like to continue the point I am endeavouring to make.

Mr. Andre: Whatever it was.

Mr. Douglas: Well, Mr. Speaker, I can only give thoughts. I cannot guarantee that the hon. member has the receiving apparatus.

Some hon. Members: Hear, hear!

Mr. Douglas: We have to decide whether the government, in the interest of the people of Canada, will establish the price which the public will pay for Canadian oil or whether it will be set by the international oil industry. I would point out that the oil industry is only interested in establishing the world price or the international price for our present continental oil. It is also seeking to get its foot in the door with respect to the development of the oil sands in western Canada.

● (1650)

If one doubts that, one has only to see the statements of Syncrude made up of four large multinational corporations. They are asking, supported by the premier of Alberta and supported, I presume, by Conservative members in this House, first of all for special tax concessions. Despite the fact that the oil industry only pays taxes on 6 per cent of its book profits, it wants further tax incentives. Second, it wants a written guarantee that it will be free from any price controls; third, that it will be free from any export controls; and fourth, that it will be free from any export tax. If you add those four things together they spell only one thing, and that is that the oil monopoly wants to get its hands on the western oil sands and to be assured that it can ship oil without any restriction to the United States, while requiring the Canadian people either to pay the American price or go without oil.

When I talk about an oil price freeze, I am not suggesting that you can keep any price absolutely static. There has to be room for adjustments, and if the oil industry can demonstrate that its costs of production have gone up, then of course the price should be reviewed. If the increase is justified, it has to be granted. But the oil industry has not done badly, as is apparent when one looks at the profits it has made, up some 87 per cent, or if you realize that in the last 12 months there has been an increase of 95 cents a barrel, which represents a 37 per cent increase, increasing revenues by some $700 million annually. But the industry has done even more than that. It has increased the value of the oil in the ground by $9.5 billion, which is not a bad increase in the value of one's assets.

What we have to know from the government is what it proposes to do on January 31 when the price freeze which was established temporarily has ended. We have had a lot of contradictory statements. At one time the minister said outside the House that he would fix the price at the Montreal market price, which would be the international price. At other times we are told that it is going to be phased in. I notice Mr. Don Getty, minister of intergovernmental affairs of the province of Alberta, said they had reached an agreement with the Minister of Energy, Mines and Resources, and this was corroborated by the premier of Alberta. Mr. Getty said they would be prepared to phase in this increase to bring the price of Canadian crude up to the international market price, and they should start with an increase of $1.50 a barrel. An increase of $1.50 a barrel increases the revenues of the oil industry of Canada by $1,100 million a year.

I notice that the Leader of the Official Opposition (Mr. Stanfield) made a speech out on the Pacific coast to the Conservative convention. The Vancouver *Province* for Saturday, December 1 quotes him as follows:

> Mr. Stanfield said the federal government should be meeting representatives of oil producing provinces with the idea of increasing prices in stages and working out an arrangement lead-

ing to a Canadian price ceiling somewhat below the international price.

The Canadian people are intelligent enough to know that if it costs more to produce oil, or if we have to pay higher prices for imported oil, no one can keep the price down. But in my opinion the Canadian people will not stand for this government or for any other government raising the price of oil when an increase is not needed, merely because the oil industry can get a better price somewhere else.

Some hon. Members: Hear, hear!

Mr. Douglas: The oil industry needs to be reminded that this oil is not their oil; it belongs to the people of this country and to the people of the province where it is produced.

Mr. Clark (Rocky Mountain): What about the oil in Saskatchewan?

Mr. Douglas: Saskatchewan is selling its oil, which as the House knows is sour oil with a large sulphur content, in the main to the United States.

Mr. Clark (Rocky Mountain): How did you treat the oil companies when you were there?

Mr. Douglas: We were not using domestic oil at the time. We exported it. We got our domestic oil from Alberta, which is sweet oil, the kind of oil our refineries are equipped to handle.

What I think this House and the Canadian people have to recognize is that every time the price of oil goes up the Canadian economy loses money. Professor Bruce W. Wilkinson of the University of Alberta, a well known economist, has pointed out in an article in the *Canadian Forum*, and also in many other articles that he has written, that there is a net loss to the Canadian economy of 7.73 per cent when there is an increase in the price of oil. He has pointed out that the higher prices paid by Canadian consumers more than offset the revenues that the federal and provincial governments collect from taxes or royalties and dividends and retained earnings received by Canadian shareholders. As a matter of fact, only 14 per cent of the dividends and retained earnings derived by the oil industry stay in Canada; the other 86 per cent goes across the line. That means that if the price of oil is raised by $1.50 a barrel and revenue is increased by $1,100 million, the Canadian economy would be the net loser by $80 million.

Mr. Nystrom: You mean $800 million.

Mr. Douglas: No, $80 million—it is 7.73 per cent. He further points out that the 95 cents a barrel increase already granted this year with respect to the oil now in place will cost the Canadian economy $450 million over the life of those oil reserves. If the price is raised by $1.50, it represents a loss of over $1 billion during the life of the oil field. The Canadian people will not get the benefit of the increased price for oil; they will pay more for their oil and the Canadian economy as a whole will be out of pocket by nearly 8 per cent of the increase.

I know all the arguments, Mr. Speaker. I have heard them from my friends to my right and I have listened to them as briefs were presented by oil companies. They say "We need the money. We cannot make a case on the basis of increased costs, but we do need the money for future development". They say they need the money to go out and find more oil wells and bring in more oil reserves. I have listened to the hon. member for Calgary South (Mr. Bawden) say that ad nauseam. There are two things to keep in mind. First of all, we have no guarantee they will use the money to search for oil. Mr. Joseph Yanchula, a petroleum consultant in Calgary, wrote an article in which he said that $1,000 million goes out of Alberta each year; that $300 million has gone to the Arctic and $700 million went elsewhere, but that Alberta had a net loss of $1,000 million. We must remember that we have no guarantee the extra money the companies get for oil is going into research in this country. If that is their only argument for increasing the price the government should take that extra money, put it into a fund and use that in conjunction with the provinces to develop the oil sands on the basis of public ownership.

• (1700)

Some hon. Members: Hear, hear!

Mr. Douglas: The other fallacy of that argument is that the oil companies do not need money to look for oil, drilling 6,000 to 8,000 feet below the surface. Our main reserve of oil for the future will be the oil sands and we know where they are. This is a mining and refining proposition, and the companies do not need the extra $1.50 per barrel in order to take over control of one of Canada's last great energy resources.

I hope the government will give serious thought in the next couple of days to what it is going to do when the present price freeze ends.

An hon. Member: It has only two days left; 48 hours.

Mr. Douglas: I know the government is being pressured by the oil industry, being pressured by the government of Alberta and being pressured by our friends in the official opposition to raise the price of crude oil at the end of January. That will mean a substantial increase in the price of gasoline and home heating fuel as well as diesel fuel. I would remind the House that the largest single consumers of diesel products in Canada are farmers and fishermen, and when you raise the price of diesel fuel you automatically raise the price of food in the supermarkets.

Some hon. Members: Hear, hear!

Mr. Douglas: I say the government ought to think about this matter very carefully. The government has a duty to tell us within the next few days what it proposes to do about this price structure which will be put into effect when the price freeze ends.

An hon. Member: You will support them no matter what they do.

Mr. Douglas: I say that the price which must be set is a price which will be fair to the oil industry.

Mr. Yewchuk: And what is that?

Mr. Douglas: My hon. friend asks "And what is that?" It ought to be the present price subject to an adjustment that the oil industry can prove reflects increases in cost.

Some hon. Members: Hear, hear!

Mr. Douglas: Mr. Twaits of Imperial Oil, when interviewed by the press, admitted they could not justify an increase on the basis of cost. He said they wanted the increase because it reflected the world price structure. We do not want the Canadian people living under an international monopolistic price structure; we should arrange to establish our own price structure.

I see that my time is almost up. May I close with one sentence. I say to the minister, and through him to all his colleagues including the Prime Minister (Mr. Trudeau), I urge most strongly that the government make a statement within the next day or two telling us what the price structure will be when the present freeze ends, because upon that decision by the government will depend the attitude the NDP will take in respect of this bill and the whole energy policy of the government.

Some hon. Members: Hear, hear!

Mr. Yewchuk: Mr. Speaker, would the hon. member permit a question?

The Acting Speaker (Mr. Laniel): The hon. member can only ask a question with unanimous consent as the hon. member's time has just expired. Does the House give its consent?

Some hon. Members: Agreed.

Mr. Yewchuk: I thank you, Mr. Speaker, and hon. members. The hon. member who just spoke made a great to do about his support for price controls. I wonder if he could tell us why he and his leader nearly broke their necks running around the country saying that price controls would not work?

An hon. Member: Selective price controls.

Mr. Yewchuk: I think that we cannot have a member of this House talking out of both sides of his mouth at the same time. We want to know where he stands and whether he is or is not in favour of controls.

Mr. Douglas: If the hon. member will read the speeches that have been made by the leader of this party and by myself, both inside and outside the House, and I would be very glad to send him copies of radio speeches and the motions I have moved, he will see that we always were in favour of selective controls; but they would have to be permanent or stay in effect for a considerable period of time. We are not going to be led down any garden path by some phony talk about a 90-day freeze that will only postpone the situation.

Some hon. Members: Hear, hear!

Mr. Douglas: We want to be honest with the Canadian people and tell them that we cannot freeze the prices of imported goods. In respect of coffee, bauxite, citrus fruits and other things the price is set in the countries which produce them, but in respect of our products in Canada which cross provincial boundaries we can have selective controls. We cannot have price controls on products produced and sold within provinces, but we ought to have selective controls on those products that cross provincial boundaries. If the Conservative party believes so much in controls, it had a good many years in office when it could have put them into effect.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): Any more questions from Athabasca?

An hon. Member: Do you want to freeze doctors' incomes too, Paul?

• (1710)

[*Translation*]

Mr. Gilles Caouette (Charlevoix): Mr. Speaker, the House is now considering Bill C-236 which provides, as a result of an alleged oil crisis, the establishment of a control agency for energy resources rather than oil.

At the beginning of the discussions the Minister of Energy, Mines and Resources (Mr. Macdonald) stated that there was a shortage of oil in Canada. Later, he tried to withdraw from his position when he maintained that there was no shortage of oil, but no means to carry oil in eastern Canada. Again today he has just confirmed that there is effectively no oil crisis in Canada, but administration problems. Why are the people still being misled since once again, on the basis of an inexistent crisis, the establishment of a control agency has just been suggested.

In our view it is necessary to establish an assessment agency. What are the requirements of the Canadian people, what are the available resources in Canada? An assessment agency could determine it clearly on a 25-year basis. Therefore, every year, after a review of figures and data, we might have the most accurate knowledge of resources, production and requirements of Canadians. On this basis of agreement, balanced by this agency, we might guarantee that products will be available for Canadians and that they will be distributed to meet their needs.

Thus, indirectly, instead of ensuring the Canadian people that their needs will be met, they simply want to control both production and distribution and, at the same time, the needs of individuals. They want to control them as they have done for a few months, strengthening restraints and giving themselves the right to tell Canadians at a given time: We have energy, but try to do without it because we have not been clever enough to develop the means to take this energy and distribute it according to requirements.

But today, this bill is designed to establish a mandatory allocation program in four regions. This program is to apply specifically to petroleum products because once more it is under the pretence of an oil crisis that they interfere in the energy capacity of Canada as a whole. The kinds of petroleum products are specified—it is suggested to set up a list of priorities—to provide for the systematic allocation of products and to see what controls are proposed by the government.

And, as the previous speaker said, they forget, on the other hand, to ensure Canadians a fair price or a price truly representative of the costs of that production or those so-called controls.

I say that this a case where the pretence of a crisis is used to control all energy resources. Clause 14 goes even further, and I quote:

14. (1) Where it is considered necessary to do so for the purpose of conserving the available supplies of such petroleum products as have been included in a mandatory allocation program, the Governor in Council may amend the mandatory allocation program by adding electric power thereto and establishing mandatory allocation thereof.

The bill before us is not a bill aimed at controlling petroleum energy resources, but rather all energy resources.

Clause 15 goes on to state:

—any alternative fuel—

—not the oil problem that faces us now, but alternative fuels. It goes on:

—within the meaning of section 13 or electric power will be regulated as to allocation of supply and pricing—

There again, the pretence of a crisis is used to ensure control and not an assessment or the ensurance of fair distribution at equal prices across Canada. The bill does not talk about that. When the ensurance of a distribution is sought or when it talks about ensuring some distribution, nowhere does it talk about ensuring fair, or at least equal, prices to all Canadians.

We will still have the same system as now where there is a price for western Canada and another for eastern Canada. We were told why our petroleum in the province of Quebec and the Maritimes Provinces came from outside Canada. So we were subject to international prices.

I agree that a board must be set up but it should be responsible for evaluating resources and requirements and should advise the government as to what precise steps it should take to meet the needs of Canadians. If such a study had been undertaken two or three years ago the construction of a pipeline to the east would have been initiated. On the contrary, we have wasted all this time helping the major oil companies with guaranteed revenues to the detriment of Canadians. Again today, to favour the big corporations and allow them to increase their benefits to the prejudice of Canadians, they suggest a crisis and a price increase.

Once again today, as I have suggested to the minister, what effort did the government actually make to help the people? Absolutely none! For instance our fellow citizens have been obliged to bow to the government decisions, to accept price increases, to accept restrictions, but the government forgets once more to guarantee the country maximum exploitation of its energy resources.

This afternoon, I told the minister that patents have been submitted to reduce the gas consumption of vehicles and increase the efficiency of a gallon of gas. The same thing could be done in our houses with our heating facilities. We could simply raise the pump pressure of a heating system from 100 to 150 pounds and thus automatically decrease oil consumption by 20 per cent. Why is it not mentioned by the minister? Why is the minister not suggesting precisely that by using those patents we improve the return of our resources? Why has the minister, other ministers or the government not ordered its research personnel to study these patents and accept some of them for the benefit of the individual, and not, as in the past, to consider dangerous certain patents, only to assure companies, especially oil companies, maximum consumption of their products? And now, while we are supposedly facing a shortage which in fact does not exist, instead of acting for the good of the whole population, the people are asked to tighten their belt and, moreover, to help big corporations.

The bill provides the government with means to keep on lying to the people, fooling them, limiting individual liberties at all times by saying that we are facing another crisis, another mess. This legislation will then be used to stifle the citizen and to impose the desired restrictions. The present situation will prevail but in a much more legal way. The two price system, one for the East and one for the West, will be maintained throughout Canada.

More restrictions can be imposed on some parts of the country for the benefit of other parts. We can go on with our regional disparity policy.

The bill as a whole is further proof that the government is much more interested in obtaining money for its electoral funds through the large corporations than in meeting the needs of the population.

If we want to control, as we are now doing, the need for products and their distribution, I think that we could go much further in imposing these unfortunate controls and suggest something like the NDP members were suggesting a while ago, that is controlling everything by selection. The Liberals may find this funny, but they are progressively going towards such selective controls.

No consideration is given to protecting the individuals through all this. The aim is always to protect the large corporations to the disadvantage of individual interests. What I hope is that during the discussions in committee it will be possible to review this bill in full details in order to integrate amendments which will put an end to these attacks upon the individuals and to this protection of the large corporations.

● (1720)

Mr. J.-J. Blais (Nipissing): Mr. Speaker, allow me first to argue briefly against the views expressed by the hon. member for Charlevoix (Mr. Caouette).

First, he started with the premise that there was no oil crisis. Mr. Speaker, I wonder where he has been for the last couple of months, whether he is aware of the Middle East crisis and whether he is really serious when he suggests that obviously, as far as he is concerned at least, there is no crisis.

He says that he lacks information on the oil situation in Canada. Yet, we know that in February, March, April, May and June this year, the Committee on National Resources and Public Works has been sitting. We have made a study of all this information. We have questioned

officials and experts concerning our supplies and national resources.

The Social Crediters were of course absent from these meetings, Mr. Speaker, and if there exists a lack of information within their party it is because they did not take part in the discussions of the committee which was considering this problem.

Moreover, I advise the hon. member for Charlevoix to ponder the information found in the energy policy for Canada. The first stage is the analysis of this point which he appeared to support and which is incorporated in the bill under review. The hon. member suggested that this would increase the division between the various areas of Canada. I suggest to him, with all due respect, that if he should review the bill, he would realize that we are aiming at unity. As regards the allocation of supplies we do not want to encourage regional disparity but prevent that some be favoured at the expense of others.

That is one of the aims of the bill.

[*English*]

Mr. Speaker, I was also interested to hear what the hon. member for Peace River (Mr. Baldwin) said. Of course, I was not aware of the fact that we were supposed to carry out a clause by clause study of this piece of legislation. I was under the impression that we were supposed to discuss and analyse the principle of this bill. Evidently, the hon. member for Peace River has quite skillfully taken the tack which has been previously taken by the party of which he is a member, namely, that of avoiding discussion on the principle of the legislation because discussions on principle may lead to discussions on policy and we might soon become aware of the complete absence of any policy of that party with regard to energy. The hon. member stated that he has no facts upon which to come to a decision with reference to this bill.

First of all, he did not indicate whether or not he supports the principle of the bill. All he said was that he is ignorant. That much is evident from the speech that he made. It appears that the hon. member, like the hon. member for Charlevoix (Mr. Caouette), has been absent from the country during the past two and a half months. Indeed, I understand that Peace River is an area of Canada which is perhaps not as favoured with good means of communication as are other areas, but he must have been aware of the Middle East crisis; he must have known of the war between Israel and the Arab States; he must know of the shortage of energy in the form of petroleum in Canada and of the international shortage of energy.

Indeed, he must know that the European Economic Council is in dire straits as a result of the shortage of energy. A consultation has been taking place between France, which seems to have no shortfall of petroleum products, and Holland which has been placed on the Arab embargo list. Evidently, the hon. member for Peace River has not read the news relating to the serious situation in the United States where certain pundits have foreseen an unemployment level of up to 12 per cent. Neither is he aware of the difficulties of the president of that country with regard to his energy advisers, Mr. Love having resigned the day before yesterday.

Undoubtedly, he must be aware of these facts because he must have been advised by some researchers of the presence of force majeure clauses in most of the supply contracts. He cannot plead ignorance of that matter, and he must be aware of the repeated replies of the Minister of Energy, Mines and Resources when the latter stated that force majeure clauses might result in a shortfall of some 200,000 barrels a day. Again, he must also be aware of the fact that we in Canada are vulnerable. There has been a difference of opinion today between the Minister of Energy, Mines and Resources and the president of Imperial Oil as to whether Canada has been placed on the Arab embargo list.

He must be aware also of the fact that we will become vulnerable if we are placed on the embargo list. Surely, then he must recognize that since Canada imported 900,000 barrels a day of petroleum from offshore sources during 1973, if indeed there is an embargo which affects Canada, and if that embargo is added to the one facing the United States or if we are affected by the force majeure clauses contained in the supply contracts, we may be facing a serious shortage this winter. I am surprised that the hon. member has no information, because during the question period in the past three weeks the minister has been ready and available to provide information. Picayune questions of picayune importance have been directed to his attention, such as the reference to the force majeure clause. These questions are asked not because the opposition is interested in what it means but simply in order to score political points. Again, the same situation applies to the constitution of a technical advisory committee, which is not a policy advisory committee, relating to supply of petroleum. Mr. Speaker, these are the picayune matters which are directed to the attention of the minister and which, to my mind, explain the absence of knowledge of the hon. member for Peace River and I am sure, after listening to the speeches and contributions of members of the Tory party, of all its members.

● (1730)

The hon. member also suggests that the government ought not to have introduced this particular bill. We are very much aware that on Monday there will be a motion of non-confidence presented by the opposition. I would hope that this bill could receive third reading before Monday. I am sincerely hopeful of that, because this government is responsible for the maintenance of order and good government in Canada, whether or not there is a parliament sitting. It may well be that as a result of the next vote we will be defeated and this parliament might have to be dissolved.

I see the hon. member for Kent-Essex (Mr. Danforth) shaking his head. He is agreeing, as any irresponsible member of parliament would agree, that it would be a good thing for this country not to have a parliament sitting during a period of crisis, a crisis the like of which we have not seen for some time. Surely, the hon. member realizes that we could be without a parliament to pass effective legislation relating to these problems that we might be facing for a period of four or five months, not just any four or five months but those four or five months when the crisis would be at its height. That is the time when in Canada we would indeed be feeling the utmost

effect of an absence of energy and petroleum. The government has a responsibility to introduce this bill at this time in order to forestall the difficulties.

Mr. Speaker, in order to indicate that there has been a strenuous objection to the strength of this bill, I might point to section 11, which evidently the hon. member for Peace River had not read,—

Mr. Stevens: Stick to the principle.

Mr. Blais: The hon. member for York-Simcoe (Mr. Stevens) says that I am not dealing with the principle. Yes, I am, but I cannot leave on the record statements that are made without foundation by a member of Her Majesty's Loyal Opposition. I have to reply to the groundless statements, and one of them is that the bill is too powerful. I suggest that if it is too powerful, and the minister is attempting to assume powers that are usually exercised by the provinces, the constitution protects the Canadian people through the division of powers which indicate that only in a state of emergency can the powers which are proposed be exercised. That is the situation, Mr. Speaker, and I suggest that section 11 states exactly that. The passage of this bill does not mean that the board is created; this bill does not take effect until the Governor in Council determines there is a situation of emergency which requires that the provisions of the bill come into play. Section 11 reads:

> When the Governor in Council is of the opinion that a national emergency exists by reason of actual or anticipated shortages of petroleum or disturbances in the petroleum markets that affect or will affect the national security—

He can apply the provisions of this particular statute. The constitution is very clear and section 91 of the British North America Act relating to order and good government is very clear. These particular provisions could not be brought into play unless and until there is an emergency. So much for the hon. member's objection with reference to the powers that are to be exercised, Mr. Speaker.

I might also indicate that there was a strong objection—or at least I thought it was but we never know whether the hon. member for Peace River is taking a partisan view or being serious about a matter he is advancing—to sections 14 and 15 of the bill dealing with the control over electricity and discussions with the provinces. He suggested these sections cannot be applied under the constitutional position I have just indicated. Surely, in a time of crisis no one would seriously advance the proposition that the government of Canada, in order to benefit the whole of Canada, would not have a right in the event that there were one or two recalcitrant provinces, to take those measures to bring them into line and to administer that source of energy which may be completely within their boundaries. Surely, that is the aim of the bill, but it is a powerful measure that is not to be taken unless there is an emergency.

It may be that after next week we will have an energy situation which would require measures to be taken, and we might not have a parliament to take them as a result of an opposition motion. The government, therefore, has an obligation to protect the welfare of the Canadian people by presenting legislation of this nature.

Because of the time available to me, Mr. Speaker, I will try to deal with those objections that I find most important. There is the objection relating to the destruction of popular safeguards which have been enacted into law. The hon. member was referring to environmental situations and the Combines Act. Perhaps he had not paid too much attention to the matter, but he forgot to mention that there are provisions in the bill relating to consultation with the ministers responsible prior to any of the regulations being passed which affect some of the present provisions of the law. I should like to cite clause 24(2) with regard to environmental considerations which reads:

> Before making a regulation under this section, the Board shall consult with the Minister of the Environment regarding the relaxation of any provisions of law relating to the control of emission of pollutants into the environment.

Surely, those provisions are there to protect the Canadian people, just as the environmental statutes are there to protect the Canadian people. But there may be situations where these particular laws will have to be bent in order to provide a greater good, that of the health and welfare of the nation. The same applies to the Combines Investigation Act, the Transportation Act and the National Energy Board Act. I suggest that is only reasonable, and I do not find anything objectionable in these provisions.

There was also an objection to the duration of the bill. Clause 35 explicitly indicates that this shall be no longer than November of 1974, when these measures shall simply expire. If we want to extend the effect of these measures, we will have to come before this House and debate whether an emergency condition continues which would justify the continuation of the provisions of the bill.

The hon. member also objected to the intrusion of the provisions of this bill on the rights of the Canadian people. As was pointed out by the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas), the only persons against whom the intrusion would be directed would be those multinational corporations which control 92 per cent and 99 per cent of our production and refining capacities respectively. When I hear reference to this question of intrusion, I cannot recall any questions from members of the loyal opposition when the quotas of certain private individuals in Canada were being curtailed as a result of a shortfall of oil production or refined products. I do not remember any sort of concern then, so I am wondering whether the accusations coming from the party to the left of the Loyal Opposition that they are indeed a lobby for the big oil companies, have not some truth in them. They are only defending an intrusion against those people involved in the petroleum industry.

● (1740)

Finally, the last point I wish to make in the few minutes available to me is this: the hon. member indicated that there is existing legislation on the statute books which will permit the government to do exactly what it wants. I am surprised at the extent of the information available to the hon. member. Nevertheless, he did not state specific examples, so far as I could ascertain. He merely indicated that he has looked casually over the whole field of available legislation. Indeed, his may have been a casual view, a casual examination, indicative of the attitude his party has taken on matters affecting energy within this nation. That party indeed is very casual in its procedures with regard to analysis. I find that objectionable, and I suggest

that those members are not acting responsibly as Her Majesty's Loyal Opposition.

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, in the few moments left before we shall be called to go to the other chamber I wish to begin my remarks concerning Bill C-236. The Liberal member for Nipissing (Mr. Blais), who just preceded me, said that there is a crisis in the country the like of which we have not seen for some time. I wish the hon. member would take counsel with the Minister of Finance (Mr. Turner) and the Minister of Industry, Trade and Commerce (Mr. Gillespie), as those ministers in the last week to ten days have been assuring us that we are over-reacting to the energy crisis and, to use a phrase similar to that used, that we are deluding ourselves into some type of recession.

One reason why the Liberal government is using this argument in connection with the energy crisis is this: ministers want to hide the fact that they know that governmental policies are bringing this country to bad times. One barometer is the falling stock exchange, which in Canada fell to a new low for the current period.

An hon. Member: How about New York?

Mr. Stevens: New York went down as well. Nevertheless, in percentage terms, our rate of fall has been more rapid than that of the New York exchange.

The hon. member for Nipissing suggested that certain of our comments concerning the composition of the technical advisory committee which was set up by the government to advise the Minister of Energy, Mines and Resources (Mr. Macdonald) were "picky". I refer members of the House to what the Minister of Energy, Mines and Resources said before the committee. He said that the government's decision to go ahead and seek a mandatory allocation measure was founded on the advice received from the technical advisory committee. The very bill before us today is the mandatory allocation bill to which the minister referred. I suggest that referring to our questioning concerning the composition and activities of that committee as being "picky" is tantamount to misleading this House.

Having had the opportunity to examine the Minister of Energy, Mines and Resources, the Secretary of State for External Affairs (Mr. Sharp) and the Minister of Industry, Trade and Commerce, we are not at all satisfied that those ministers know what they are doing and that the government is in a position to bring in meaningful legislation, even if it is necessary. Let there be no doubt on one point: we feel that the bill in its present form is unacceptable. It must be modified before it can receive the approval of our party in this House.

It has been suggested that we should not at this stage deal with the bill clause by clause. One need not deal with it clause by clause to show how alarming it is. Read the title of the bill. If most hon. members are not alarmed by the title, I suggest they do not fully understand what the government is seeking in asking for such discretion as is outlined in the bill. On the front page of the bill we see that it is "An Act to provide a means to conserve the supplies of petroleum products within Canada during periods of national emergency caused by shortages or market disturbances affecting the national security and welfare and the economic stability of Canada—".

I intend to elaborate on what would be the net result for the government if this bill were passed in its present form.

Judging from the reaction of the Minister of Energy, Mines and Resources, as evidenced before the Miscellaneous Estimates Committee, I would say he is putting this nation into the hands of the private international oil corporations.

Some hon. Members: Oh, oh!

Mr. Stevens: By asking for passage of this bill he would make us, virtually, a pawn in the hands of the international corporations. I say that because that minister has put on the record of this House a statement to the effect that we have to accept a world shortfall. When the minister was asked in committee who had said so, he, in effect, said that the international private corporations said so. That position constitutes a complete abdication of power on the part of the government.

I have referred to the minister's statement on previous occasions. I think I ought to read it again into the record, as, apparently, many ministers and other members of the House seem to forget what the minister actually said on November 26. As recorded at page 8138 of *Hansard* for that date, the minister said:

> Canada will have to share, not only in the direct cutback from Arab sources but in the general world shortfall.

We asked the minister about that statement in the Miscellaneous Estimates Committee, to learn who says we have to accept a world shortfall. In this connection it has been suggested that two questions must be considered. First, there are certain private contracts in existence which may or may not be honoured, largely at the discretion of those private corporations. The second suggestion of the Minister of Energy, Mines and Resources was that, in any event, if we are to be good international citizens, we must accept a world shortfall.

I suggest that that attitude fits in with the attitude behind the presentation of an allocation bill such as this which confers such far reaching powers. Once international oil corporations realize the extent of the powers available to the minister, they can set whatever terms they like and the government will have to live by them.

Actually, when the Secretary of State for External Affairs appeared before the committee, I was astounded to hear him say that not only did he not have any jurisdiction for interfering with these private corporations but that, in any event, it was a private matter and that he did not think he ought to interfere any way. I suggest the Minister of Energy, Mines and Resources, also adopted that tone when testifying before the committee. That is the background we must bear in mind when debating this bill.

It is anything but clear as to whether the government has facts before it which would justify the measure it is requesting this House to pass. Second, it is anything but clear as to whether the government itself is apprised of the correct facts, not only in Canada, but world wide, regarding this situation. Really, it has no oil policy or policy to deal with a shortage.

● (1750)

There has been some discussion concerning the technical advisory committee. I believe it is important that we inquire as to who sits on that committee, what meetings have been held, whether minutes have been kept and in what way they made representations and recommendations to the Minister of Energy, Mines and Resources before he made some of his statements. Let me give an example.

It is suggested there may be a 200,000 barrels per day shortfall in oil imports to Canada. When we asked the minister who so advised him, he stated that the first time he saw that figure was in a draft of a statement he gave to this House on November 26 and from which I have already quoted. We asked him whether that meant the day he gave the statement was the first time he had been made aware of the possible 200,000 barrels per day shortfall. His answer was no, it had been in earlier drafts. When asked when this was, he could not remember. When we asked who gave the information upon which the 200,000 barrel estimate was based, he replied it was the technical advisory committee. I think it was just yesterday he was asked if he could name the individuals who sit on the committee. He said he could not remember.

Mr. Speaker: Order, please.

THE ROYAL ASSENT

[*English*]

A message was delivered by the Gentleman Usher of the Black Rod, as follows:

Mr. Speaker, the Honourable the Deputy Governor General desires the immediate attendance of this honourable house in the chamber of the honouralbe the Senate.

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

● (1800)

and being returned:

Mr. Speaker informed the House that the Deputy Governor General had been pleased to give, in her Majesty's name, the royal assent to the following bills:

Bill C-183, an act to amend the Cooperative Credit Associations Act—chapter 37.

Bill C-2, an act to amend the Criminal Code—chapter 38.

Bill C-189, an act to amend the Customs Act—chapter 39.

Bill C-222, an act respecting the Electoral Boundaries Readjustment Act—chapter 40.

At 6.06 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, December 6, 1973

The House met at 2 p.m.

[*English*]

BUSINESS OF THE HOUSE

POSITION ON ORDER PAPER OF MOTIONS FOR CONCURRENCE IN SIXTH REPORT OF MISCELLANEOUS ESTIMATES COMMITTEE

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order. Yesterday my friend and colleague, the hon. member for Oshawa-Whitby (Mr. Broadbent), filed a notice of motion in these terms:

That the Sixth Report of the Standing Committee on Miscellaneous Estimates, presented to the House on Wednesday, December 5, 1973, be concurred in.

I may point out that the hon. member for Calgary North (Mr. Woolliams) filed precisely the same motion.

My point of order relates to the position these two motions have been assigned for the order paper. As of today they are simply on the notice paper, but the notice paper indicates where they will be when they are transferred tomorrow to the order paper.

Their position on the notice paper indicates that they will be listed for debate on Monday next under motions made pursuant to Standing Order 58(4)(a). As everyone knows, Monday next is to be an allotted day on which it is thought there might be a non-confidence motion in the name of the Leader of the Opposition (Mr. Stanfield).

My contention is that, since these two identical motions relate to the adoption of a report of a standing committee, they should appear on the order paper under Routine Proceedings in the same place where half a dozen or more similar motions are already listed. Some of them have been standing for quite a while. There is one in the name of the hon. member for Kingston and the Islands (Miss MacDonald), one in the name of the hon. member for Skeena (Mr. Howard), and several more.

My point is that the motions filed yesterday for concurrence in the report of the standing committee should be given treatment identical with that given to other such motions. I suspect the reason the Chair and the Table have put these motions where they are is because of Standing Order 58(16) which reads as follows:

There shall be no debate on any motion to concur in the report of any standing committee on estimates which have been referred to it except on an allotted day.

I have to point out that the sixth report of the Standing Committee on Miscellaneous Estimates is not, strictly speaking, in fact in any terms, a report on estimates themselves. Rather, it is a report on a matter that arose in that committee out of consideration of the estimates. Just to identify it so that we will know what we are talking about, the actual report contains a recommendation that matters having to do with the administration of Central Mortgage and Housing Corporation, including in particular the dismissal of Mr. Rudnicki, should become the subject matter of a reference by the House to the Standing Committee on Health, Welfare and Social Affairs. That is a recommendation made to the House arising out of consideration of estimates that were referred to the Standing Committee on Miscellaneous Estimates, but in no sense is it a report by the standing committee on the estimates.

I can tell by that winsome smile on Your Honour's face that you are ready to tell me the report is out of court on another basis. That, of course, is a separate issue. I am not now arguing the question whether the report itself is in order. I am contending that the place where the motion should have been set out is where other motions for concurrence in reports of standing committees appear, namely, under Daily Routine of Business.

• (1410)

Your Honour might ask what is the difference, since the motion of the hon. member for Oshawa-Whitby or the identical motion of the hon. member for Calgary North will be reached in due course. I point out that if these motions appear under Daily Routine of Business it would be the prerogative of either of these hon. members, any day on motions, to ask the House to proceed thereon. But if those motions appear under the item of an allotted day one is faced with the fact that on the next allotted day, namely, Monday, December 10, a non-confidence motion in the name of the Leader of the Opposition may be filed.

Since Your Honour has the responsibility, when several motions are set down for the same day, to decide which shall take priority, if you have to choose among motions proposed by the hon. member for Oshawa-Whitby, the hon. member for Calgary North and the Leader of the Opposition one can imagine which one you would feel should be given priority. In such circumstances the motions in the names of the hon. member for Calgary North and the hon. member for Oshawa-Whitby would never be reached at all. If they were placed under Routine Proceedings, at least one or the other of the two members I have named would be able to move concurrence in his motion and, thereby, concurrence in the report.

I realize there are arguments about the validity of the report. It seems to me a case could be made for the right of a committee dealing with estimates which have been referred to it to make a recommendation about a matter arising from those estimates. This, indeed, is what happened in the committee. There was a discussion of the estimates of Central Mortgage and Housing Corporation and particularly with regard to the dismissal of Mr. Rudnicki, resulting in this recommendation that the whole matter be referred by the House to the Standing Committee on Health, Welfare and Social Affairs, the committee to which housing matters are normally referred.

As I say, the validity of the report in Your Honour's eyes is another issue. But to enable even that question to be decided it seems to me the motions ought to be in a place on the order paper where (a) they are entitled to be, and where (b) they will be reached. If they are put under the order for Monday's opposition day I assert they will never be reached. My point of order is, therefore, that they should be placed under Routine Proceedings.

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, I should like to comment briefly on the point of order raised by the hon. member for Winnipeg North Centre. I understand fully why you smiled, Mr. Speaker. I was smiling at the same time at the valiant effort of the hon. member for Winnipeg North Centre to demonstrate to us that we are not dealing with a report on estimates. It has to be a report on estimates. The reference from the House was on estimates, and if the report has any validity at all that validity must be founded on the fact that it is a report on estimates. If it has any standing at all it ought to stand where it is. I think it would be a splendid thing in this case if it were never reached because, for other reasons, it is obviously a breach of the rules.

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, I should like to make a comment on the point of order. It is true that the committee on estimates has made this report. But it is the Prime Minister who said on several occasions in the House that this vehicle could be used to discuss the matter and to interrogate the president of Central Mortgage and Housing Corporation about this very serious affair. It happened to be the committee on estimates that made this report, but deserves the place on the order paper which the hon. member for Winnipeg North Centre said it should occupy. It was the Prime Minister who directed the House as to which committee should initiate action, and I submit the motion of the hon. member from Calgary should certainly be dealt with right away.

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, the hon. member who preceded me referred to the substantive seriousness of the content of the motion and I should like to speak very briefly on that point before I get to the procedural issue. As has been indicated, the committee was quite properly dealing with the estimates that had been referred to it. In conjunction with that task it also touched on the important matter of social housing and the firing of Mr. Rudnicki. The committee decided that it would be inappropriate, in the context of discussing estimates, to pursue that inquiry and referred the subject back to the House so that the appropriate committee of the House, at a different time and with instructions by the House, could deal with the issue.

I point out that a clear majority of the committee, and therefore a majority of the members of the House, have said that they want the dismissal of Mr. Rudnicki and the government's social housing policy investigated, and this seemed to be the only way that this majority view could get a fair hearing. Whether Your Honour decides that my motion should be in its present place on the order paper or elsewhere, it is certainly my firm wish that you rule that, whatever the location, the motion itself is in order.

[Mr. Knowles (Winnipeg North Centre).]

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I should like to speak to this motion. The problem that arose in the miscellaneous estimates committee was that only an hour and a half was devoted to the consideration of this matter. When there is an important matter like the wrongful dismissal of Rudnicki one wants to discuss it, but during that time government members, backed up by a biased chairman, would not let us deal with the situation.

Mr. Speaker: Order, please. I have to interrupt the hon. member who has no right, on a point of order, to rise and accuse the chairman of a committee of bias. I think that is wrong.

Some hon. Members: Shame!

Mr. Woolliams: Mr. Speaker, I do not know what other word to use. He made it very clear when we tried to rise on points of order that he would not even listen to us. Even when we raised a point of order just before the ending of the committee itself, he would not allow us to speak to it. What else can you say? Certainly he was prejudiced, and he was backed up by his own members.

Mr. Speaker: Order, please. I suggest to hon. members that we might limit ourselves to the point of order raised by the hon. member for Winnipeg North Centre some minutes ago. I invite hon. members to take that into account. We have already spent some time on the point of order and, although it is an important one, we certainly should not at this point revive proceedings that took place in committee. The hon. member for St. John's East a few days ago raised by way of a question of privilege certain matters which took place in committee and a ruling was made at the time. I would hope that aspect of the situation might not be revived in the present circumstances but rather that we would limit our discussion to the very important procedural point raised by the hon. member for Winnipeg North Centre.

I am sure that the hon. member for Calgary North, with his experience in the House and elsewhere and his intimate knowledge of the rules of the House, can give very valuable guidance to the Chair on the procedural aspects of this matter.

Order, please. I am not sure whether I can assume that all that might be said for or against the point of order raised by the hon. member for Winnipeg North Centre has now been said. I had thought for a while that perhaps I should reserve my decision and think about it, but in all honesty I have to tell hon. members that since the notices were given to the table yesterday by the hon. member for Calgary North and the hon. member for Oshawa-Whitby I was placed in the situation where I had to give serious consideration to the whole matter.

● (1420)

The weakness I see in the point made by the hon. member for Winnipeg North Centre when he refers to motions already on the order paper is that he does not take into account a point of order raised, I think, on June 15 or June 16, followed by a ruling which was made on June 18. At that time the Chair received the benefit of excellent advice which was given by hon. members who went at length into this matter and gave their opinions. After

considering the advice and counsel given by members, the Chair felt at the time that the only way this type of motion could be considered was on an allotted day as business of supply. It would be very difficult for the Chair to reach any other decision. When hon. members look at Standing Order 58(16) they will see it states:

> There shall be no debate on any motion to concur in the report of any standing committee on estimates which have been referred to it except on an allotted day.

How can the Chair rule that there can be a debate on the report we now have before us on a day other than an allotted day as part of supply business? I think I would be remiss in my responsibility if I ruled in any other way. I think the House would embark on a rather dangerous procedure if, when we refer estimates to a committee and receive substantive reports on matters, which I think can legitimately be considered by the committee, we received reports and considered them from day to day under motions. The House would then turn not to the consideration of the regular business, and we would possibly never get to the question period from day to day if we were to consider these many reports with recommendations, very valid, I am sure, in many instances, but coming from the estimates committees where these committees are required substantially to consider and report to us on estimates.

The hon. member for Winnipeg North Centre and other hon. members have raised the point that perhaps this report is out of order in that it should not have been accepted at all. I am not prepared to go that far. I am not ruling whether the report is in order. But I am saying that if it has any validity at all it must be as a report of the committee on estimates, and therefore it should be considered as required by Standing Order 58.

I have some qualms about the work which is assigned to these committees, and particularly to the miscellaneous estimates committee. I see no reason why all or most of the estimates should be referred to that particular committee. I am referring to the supplementary estimates. I wonder whether, by agreement, there should not be some arrangement whereby this work might be spread over a number of committees—

Some hon. Members: Hear, hear!

Mr. Speaker: —rather than heaping it on the miscellaneous estimates committee and its poor chairman who is then called upon to allocate time, perhaps with imaginative timepieces.

Some hon. Members: Oh, oh!

Mr. Speaker: I am sure hon. members will have sympathy for the chairman of that committee. If they were placed in a like position they might feel they had to resort to that kind of extreme measure to ensure that all the estimates of the different departments are considered before the time the report has to be made.

For all these reasons I think hon. members will agree that it is perhaps generous on the part of the House to suggest that this particular report should stand as supply business rather than under the heading of motions.

Certain Motions' Position on Order Paper

The hon. member for Winnipeg North Centre has suggested it is up to the members who are the sponsors of the motions under routine proceedings which are called from day to day to have them debated. I suggest to him that if he reads the ruling made on June 18 he will realize there would be considerable resistance on the part of the Chair to this being done. It was my impression when the ruling was made that there was at least a tacit understanding that these motions perhaps ought not to be where they are now and that certainly we should think twice before we embark by common consent and with the sanction of the Chair on the consideration of motions or reports of this kind from the committee charged with the responsibility of considering estimates.

For these reasons I hope hon. members will see their way clear to the accepting of the decision of the Chair to allow the notices of motions in question to stay where they are at least for the time being.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, may I raise a further point of order very briefly. I believe that the restlessness of the House and the motivation for the first point of order arise out of what has flowed from the ruling of June 18 and the inability of the House to express itself in respect of any particular item in the estimates. Because of what happened last June, when a committee of the House after due deliberation varied an item in the estimates and expressed the opinion of that committee as charged by the House to do so and the government then moved to restore that item, the House is denied, as a result of the ruling and the move by the government, an opportunity to express itself on that particular item. The House must accept a vote on the entire set of estimates rather than on an item.

With the greatest respect I suggest that was not the purpose of the rule when it was introduced. I was a member of the procedure committee which considered these matters. I was not happy with the abolition of the committee of supply and never have been. But, Mr. Speaker, hon. members have in previous years posted particular items in the estimates and the House was asked to express its views with regard to those items. Only twice have we been denied that. I would say that the frustration expressed by the hon. member for Winnipeg North Centre (Mr. Knowles) in trying to move as he has on this occasion, and the hon. member for Oshawa-Whitby (Mr. Broadbent) and all of us goes back to this ruling that we cannot express ourselves with regard to any particular items. I would invite reconsideration of the ruling in June and the previous one and the practice of the House.

Mr. Speaker: I will not engage in a debate with the hon. member for Edmonton West, but the ruling of June 18 had nothing to do with the point now before the House. I appreciate the difficulty to which the hon. member has alluded. I realize the difficulty, but my suggestion in the past has been, and I express it again to hon. members, that perhaps the time has come for the House, or for the House through a committee, to look at the rule which hon. members feel has not been operating well.

But certainly the duty of the Chair is to see that the rule regarding votes on individual estimates as it is clearly written—perhaps it does not represent the intention of the

hon. member for Edmonton West or is not what he wanted to see in the rule itself—is observed whether or not the Chair thinks it is right. Again I say with all respect to the hon. member that I agree with much of what he has said in the sense that certainly hon. members do not have an opportunity to debate or vote on certain items in the estimates, but that is not the responsibility of the Chair. It should be the responsibility of all hon. members who feel a better procedure should be evolved to get together and see that the procedure is changed.

ROUTINE PROCEEDINGS

[*Translation*]

MISCELLANEOUS PRIVATE BILLS AND STANDING ORDERS

Fourth report in both official languages of Standing Committee on Miscellaneous Private Bills and Standing Orders—Mr. Duquet.

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

* * *

● (1430)

[*English*]

BUSINESS OF THE HOUSE

PROPOSAL FOR PASSAGE OF CERTAIN BILLS

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, I want to make a brief statement with respect to the business of the House. Yesterday, after some discussion, I undertook to reconsider a package of legislation that might be passed without debate and about which we had almost reached unanimity. As a result of that reconsideration, I am prepared to make a further proposal which involves the deletion of one of the items included yesterday, the addition of another item, and the progression of a third. Possibly hon. members will find a basis for unanimous agreement.

May I begin with government order No. 17, Bill C-135, residential mortgages, which involves the report stage and third reading. I understand there was no difficulty with respect to that.

The second item is government order No. 43, Bill C-190, the Canada Pension Plan No. 1, having to do with the Hutterites or Mennonites. I note that the hon. member for Crowfoot exercised his undoubted right to dissent from giving unanimous consent, and because of that I am prepared to delete this item from the package of proposals. However, because the government attaches importance to its passage, I certainly will seek the conclusion of this bill before adjournment or the prorogation of the House.

The next item is the Parole Act, Bill C-191, involving a report stage amendment and third reading. Yesterday there was no dissent on that point.

[Mr. Speaker.]

The next item is Bill S-4, national parks, for which I sought second reading. The hon. member for Winnipeg North Centre advanced my proposal and said he would be prepared to carry the bill all the way, including third reading. I am therefore putting that forward as part of my proposal, which I think is sensible.

In addition, I am prepared to suggest Bill C-211, the family allowances bill, concurrence at the report stage, third reading and passage.

Finally, I am making an addition that was not included in my package at any time yesterday, Bill C-224, the Canada Pension Plan Bill No. 2.

If we could agree to deal with these items without debate through all their stages, I would be pleased to suggest that it be done now.

Some hon. Members: Hear, hear!

Mr. Tom Bell (Saint John Lancaster): Mr. Speaker, the House leader did not give us any notice, of course, of what was to be in this package, both new and old.

Some hon. Members: Oh, oh!

Mr. Bell: We are primarily concerned with the family allowance bill and the Canada Pension Plan bill because they are welfare legislation, and we object to the fact that they are being used as bargaining items and as blackmail.

Some hon. Members: Oh, oh!

Mr. Bell: The House leader has changed his mind on the order of priority of some of these bills. For example, the Hutterite bill was not on the first list of priorities and it has now been moved to the secondary list.

Mr. MacEachen: On a question of privilege, Mr. Speaker, this is an absolute mistake on the part of the hon. member. If he will look at the list I mentioned yesterday, he will see that the first item on the list was CPP No. 1—the very first.

Some hon. Members: Hear, hear!

Mr. Lambert (Edmonton West): He protesteth too loudly.

Mr. Bell: The House leader is carried away with excitement about next Monday. We realize that it is a very difficult time for the government.

Some hon. Members: Oh, oh!

Mr. Bell: However, I did not refer to any list of yesterday. I referred rather to the priority list of last week which I have in front of me which contains the seven bills that were discussed at the House leaders' meeting. The list of seven bills does not include this particular bill, and the House leader can check this.

Some hon. Members: Hear, hear!

An hon. Member: Withdraw!

Mr. Bell: In view of the mistakes the House leader made yesterday, the ones he has made now and the fact that

there are changes, we reserve the right to look this over in caucus in a democratic way.

Some hon. Members: Oh, oh!

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, we are most anxious to see an arrangement of this nature agreed to. Perhaps I might throw a little oil on troubled waters, if there is any oil to spare—

Some hon. Members: Oh, oh!

An hon. Member: Crude or castor oil?

Mr. Knowles (Winnipeg North Centre): I do not know whether it is sweet oil, sour oil or bunker oil. My suggestion is that there be a meeting of the House leaders as early as possible this afternoon and that if we can reach an agreement, as I believe we can, we put that agreement into effect later this day.

We stand by our agreement to the initial offer of the President of the Privy Council yesterday. May I say that in the bargaining that took place yesterday, when the hon. member for Crowfoot would not agree to Bill C-190 I made an offer to go a bit farther with the parks bill. I made that offer quite straightforwardly. One or two of my colleagues feel that they would like a committee discussion of that bill but we still agree to no further discussion in the House on that bill. I put in that point of protection, but I do think we could reach agreement on the total package after a meeting of the House leaders this afternoon, and I hope the government House leader will summon such a meeting.

Some hon. Members: Now.

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Speaker, the position of our party is as clear today as it was yesterday when, on behalf of my colleagues, I indicated our willingness to accept the government's proposition without discussion.

What really matters to us, Mr. Speaker, is that the bill concerning family allowances, although imperfect, be passed as soon as possible and without debate. It would still be an improvement over the present situation.

Now that I have risen, Mr. Speaker, I should like to clarify a point: yesterday, the hon. member for Saint John-Lancaster (Mr. Bell) and Progressive Conservative House leader stated, as reported in *Hansard* on page 8441, and I quote:

> Mr. Speaker, on the same point of order, I am sure I speak for all members of my party when I say that we will give our sincere and utmost co-operation to this worth-while Christmas-like suggestion, without debate.

Mr. Speaker, I am quite surprised to see that after one day the Progressive Conservatives have started to disagree again. They are going to filibuster so as to prevent the passing of this legislation. Frankly, Mr. Speaker, I would like to suggest that the Conservatives get together for ten minutes so as to reach an agreement, come back to us afterwards and really work.

Local Initiatives Program

● (1440)

[*English*]

Mr. Bell: Mr. Speaker, of course the answer to the last statement is that we stand by our word but the ground rules have been changed again.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Bell: We will agree to a House leaders' meeting this afternoon, and when we see the proposition in writing we will try to make progress later today on what the government House leader puts forward.

Mr. Speaker: Order, please. I think that some measure of agreement has been reached at this point. At least hon. members have agreed to try to agree.

PROPOSED TRANSFER OF CERTAIN MOTIONS TO ROUTINE PROCEEDINGS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. G. W. Baldwin (Peace River): Mr. Speaker, following what the hon. member for Winnipeg North Centre (Mr. Knowles) said at the beginning of today's session, and as a result of the legal roadblock which Your Honour, I am sure, reluctantly threw up with regard to what was proposed by the hon. member for Calgary North (Mr. Woolliams) and by the hon. member for Oshawa-Whitby (Mr. Broadbent), behind which the government has crept for shelter, I would ask leave under Standing Order 43 to move as follows:

> That this House order that the Notices of Motions appearing in the names of the hon. member for Oshawa-Whitby and the hon. member for Calgary North under notices pursuant to Standing Order 58 be transferred to the item "Daily Routine of Business—Motions."

Mr. Speaker: Does the House give unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity.

* * *

MANPOWER

LOCAL INITIATIVES PROGRAM—ALLOCATION OF FUNDS TO CONSTITUENCIES—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Tom Cossitt (Leeds): Mr. Speaker, I rise to ask unanimous consent of the House to move a motion—

Some hon. Members: No.

Mr. Cossitt: With all due respect, Mr. Speaker, I do not think they are mind readers on the other side of the House—perhaps mindless rather than mind readers. I ask unanimous consent of the House to move a motion under Standing Order 43 pertaining to the manner in which funds under the Local Initiatives Program have been

awarded to the various electoral districts this year. I ask permission to move, seconded by the hon. member for Parry Sound-Muskoka (Mr. Darling):

That before this year's Local Initiatives Program is proceeded with any further, this House instructs the government to conduct an immediate and speedy revision of the amounts of funds allocated to individual constituencies with regard only to such things as area need—

An hon. Member: Did you get too much?

Mr. Cossitt: The Liberals got it all.

—unemployment and project worthiness rather than advice from its political advisers on Liberal party patronage.

Mr. Speaker: Order, please. I suggest to the hon. member for Leeds, as I have suggested to him previously from time to time, that a motion proposed to the House in those terms should not be put. I think it unfair for the hon. member to ask the Chair to put a motion such as this to the House.

Some hon. Members: Hear, hear!

Mr. Speaker: I will inquire whether there is unanimous consent.

Some hon. Members: No.

Mr. Cossitt: On a question of privilege, with all due respect, Sir, I bow to your ruling, but I feel it is the privilege of any member of the House when he notices, as we all have, that the government has divided these moneys on the basis of ministers' ridings and other Liberal members' ridings, to protest. I repeat that we have the right to object when LIP grants are awarded on the basis of cabinet ministers' ridings and other Liberal members' ridings getting more than others.

Mr. Speaker: Order, please.

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ENERGY

SUGGESTED FEDERAL-PROVINCIAL DEVELOPMENT OF OIL SANDS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, I rise under the provisions of Standing Order 43 to move a motion of urgent and pressing necessity. In view of the urgency of the need to develop the Athabaska oil sands since conventional crude oil supplies in Canada will be exhausted within ten years, and in view of the most recent statement by the Premier of Alberta that he would like to see greater public ownership of production facilities and would welcome applications from all sources, I move, seconded by the hon. member for Waterloo-Cambridge (Mr. Saltsman):

That this House instruct the Minister of Energy, Mines and Resources to submit to the government of Alberta proposals for joint federal-provincial development of the oil sands.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

[Mr. Cossitt.]

Some hon. Members: No.

Mr. Speaker: There is not unanimity.

* * *

EMERGENCY MEASURES ORGANIZATION

CUTTING OF BUDGET—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. In view of the defence department's decision to cut the budget of the Emergency Measures Organization by 50 per cent, in view of the fact that such a budget cut will grievously affect the operation of many local Emergency Measures Organization groups, resulting in the loss of approximately 1,000 jobs across Canada, and in view of the fact that this cut was decided upon without consultation with provincial governments, I move, seconded by the hon. member for Sault Ste. Marie (Mr. Symes):

That this House recommends to the Minister of Defence that he reconsider the proposed cut, with a view to reinstating the original budget.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent.

* * *

INDUSTRY

SHORTAGE OF EDIBLE OILS FOR PREPARED FOOD PRODUCTS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Fred McCain (Carleton-Charlotte): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. Since the Canadian food industry has reported a serious shortage of edible oils required in the normal conduct of its business, and since the recent major price increases in vegetable oils are already affecting prepared food costs, I move, seconded by the hon. member for Annapolis Valley (Mr. Nowlan):

That the Minister of Industry, Trade and Commerce immediately ban all exports of vegetable oils until such time as he can assure this House that domestic requirements of the Canadian food processing industry can and will be fulfilled.

Mr. Speaker: Is there unanimous consent to the motion proposed by the hon. member?

Some hon. Members: Agreed.

Some hon. Members: No.

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

ORAL QUESTION PERIOD

[*English*]

ENERGY

SEEKING OF AGREEMENT WITH ALBERTA ON MECHANISM FOR STAGED PRICE INCREASES IN PETROLEUM PRODUCTS IF FREEZE LIFTED

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker—

Mr. Guay (St. Boniface): We want Horner.

Some hon. Members: Hear, hear!

Mr. Stanfield: Mr. Speaker, with my voice as it is today I certainly will not try to outshout the hon. member for St. Boniface (Mr. Guay). I would like to ask the Minister of Energy, Mines and Resources, in view of the replies he gave earlier in the week that discussions were going on with the government of Alberta about the pricing of oil following the freeze, whether he has been pursuing and seeking an agreement on a mechanism for staged price increases in regard to petroleum products following the end of the freeze, whenever that may be?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, because of my involvement in the House yesterday I was not able to meet with the Alberta officials, but my deputy minister did have occasion to continue the discussion which has been going on for the last two weeks or so with regard, among other things, to the appropriate pricing mechanism for Canadian oil and also the impact of the legislative changes the Alberta government has proposed with regard to oil royalties. I would have to say that to the moment there has been no conclusion to these discussions, or no agreement concluded. I anticipate that there may be a basis for further discussions in the coming week.

● (1450)

Mr. Stanfield: Would the minister tell the House whether he, the department or the government, have taken any initiative in this matter and whether the government is presenting any specific proposal with regard to price increases after January 31, staged or otherwise? If so, what is the proposal that the government of Canada has put forward?

Mr. Macdonald (Rosedale): Mr. Speaker, we have put forward a number of proposals. Since this is still a matter of discussion, and as the proposals were really put forward *ad referendum* for the cabinets of both sides, that at the moment I am afraid I cannot say what they are.

INCREASE IN OIL EXPORT TAX TO $2.20 FOR JANUARY—INTENTION RESPECTING INTRODUCTION OF WAYS AND MEANS MOTION—DISPOSITION OF INCREASE

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I direct a supplementary question to the Minister of Energy, Mines and Resources arising out of the fact that last Friday the National Energy Board informed the oil companies that the export tax for the month of January would be $2.20, raised from the $1.90 figure for December. I assume this is the differential that the National Energy Board anticipates there will be between the Canadian and Chicago prices. Does the minister intend to bring in a ways and means motion to implement that tax, and will that tax be levied on exported Canadian crude oil for the month of January?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, if I may correct the hon. gentleman, the National Energy Board advised the industry that the differential between the Canadian price and the export price would be increased by a further 30 cents, to $2.20. There has been no decision yet as to the appropriate treatment of the additional 30 cents from the taxation point of view, or how that is to be dealt with. I might say that this matter comes under the discussions we are having with Alberta concerning the export tax and also the price.

Mr. Douglas: In view of press reports that the minister outside the House said that the government may let this 30 cents a barrel flow through to the exporting oil companies, is that the government's intention, and why does the government find it necessary to give a windfall of something over $300,000 per day or $120 million per year to the oil industry at this time?

Mr. Macdonald (Rosedale): Mr. Speaker, it was in response to a question as to the possible ways in which the additional 30 cents would be dealt with that I mentioned three possibilities: an increase in tax by that amount, an increase in the domestic price by that amount, or neither an increase in the tax nor in the domestic price, which would result in the amount flowing through. At the moment there has been no decision on which of the three will be implemented.

Mr. Douglas: In order that this matter may be put in some legal framework so that we do not have constant decisions and changes of decision by the government as to where this money is to go, how soon does the government intend to bring in a bill to establish clearly the fact that the differential between the Canadian frozen price and the Chicago price will constitute the export tax as an ongoing process?

Mr. Macdonald (Rosedale): Mr. Speaker, as the hon. member knows, there has been a ways and means motion for the month of December and we would anticipate bringing forward one for January as well, I hope at an early date. If I might ask the hon. member to wait with regard to the taxation treatment of this $2.20 until later this day, he would have a fuller answer to his question.

* * *

[*Translation*]

COMMUNICATIONS

TELECOMMUNICATIONS—POSSIBILITY OF SURRENDER OF POWERS TO QUEBEC—FEDERAL GOVERNMENT POSITION

Mr. Henry Latulippe (Compton): Mr. Speaker, I would like to put a question to the Minister of Communications.

Does he intend to yield certain powers to Quebec in the matter of telecommunications and what position will the government take before Quebec representations?

Hon. Gérard Pelletier (Minister of Communications): Mr. Speaker, we are quite aware of Quebec claims at the present time and we have expressed our intention to discuss any matter whatever which Quebec or any other province would want to discuss, provided Quebec or any other province, in making their claims, also accepts to discuss all its legislation as well as its position up to now.

Mr. Latulippe: Mr. Speaker, would the minister also say what part the provinces are going to play in the field of communications? Will the central government give up part of its jurisdiction to the provinces and will the owners of cable TV firms be submitted to two jurisdictions?

Mr. Pelletier (Hochelaga): Mr. Speaker, when you undertake with the provinces a discussion on the matters that the hon. member is raising, it is most difficult to give the answer before the discussions take place. We wanted to rush things with the provinces. They are trying to stall them. They wanted the next conference to be held in June. We managed to gain three months. But obviously I cannot give the answer before we get to some conclusions since this is a discussion in good faith on our part and also, I hope, on the part of the provinces.

* * *

EXTERNAL AFFAIRS

CANADIAN POLICY RESPECTING PORTUGUESE COLONIALISM AND SUPPLYING OF ARMS—POSITION AT FORTHCOMING NATO CONFERENCE

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

In view of the fact that, at the United Nations on several occasions since 1962 and recently at the Commonwealth Prime Ministers' meeting in Ottawa, the government of Canada has recognized the right of Angolese people to a freely chosen government and in view of the unfair advantage taken of 15 million black people by 700,000 privileged whites, what will be the position of Canada at the next NATO conference concerning the use by Portugal of NATO arms or of NATO member countries against Angola, Mozambique and Guinea Bissau?

[*English*]

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, the attitude of the Canadian government toward the colonial policies of Portugal has been stated many times, both in the House and outside, and I have expressed our view personally to the foreign minister of Portugal. We are opposed to Portuguese colonial policy.

Some hon. Members: Hear, hear!

Mr. Sharp: We do not supply arms to Portugal and I think, if I may suggest this, that it is misleading to talk about NATO arms. There are no such things as NATO arms. There are arms supplied by individual countries which would probably supply them whether they were members of NATO or not.

[*Translation*]

ASSISTANCE TO VICTIMS OF FAMINE IN ETHIOPIA

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

In view of the recent CBC revelations concerning the thousands of starving Ethiopian children, can the government tell us what further action it plans to take so that Canada may take part in the relief of these victims whose fate is troubling the conscience of the world?

[*English*]

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, if I may be permitted to refer to a committee, I announced in the miscellaneous estimates committee that Canada had decided to contribute $1.5 million to the relief of suffering in Ethiopia. This is our second contribution. Our first was a nominal amount to the Canadian Red Cross of $50,000.

PORTUGUESE COLONIAL POLICY—REASON FOR CANADIAN ABSTENTION FROM UNITED NATIONS VOTE RESPECTING RECOGNITION OF GUINEA BISSAU

Mr. David MacDonald (Egmont): Mr. Speaker, may I direct a supplementary question to the Secretary of State for External Affairs with respect to the first question concerning Portuguese colonial policy and the government's abhorrence of that policy. Can the minister explain Canada's abstention in September with respect to the recognition of Guinea Bissau and, in addition, whether any action will be taken by our government at the NATO conference to determine the legitimacy of the government now commanding the support of more than 90 countries with respect to Guinea Bissau?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, we would welcome the independence of all of the Portuguese colonies, including what has now been called Guinea Bissau. As soon as the group that is supporting the independence of Guinea Bissau establishes itself throughout the country as a government that can discharge its international obligations, we will recognize it.

Mr. MacDonald (Egmont): I wonder whether the Secretary of State for External Affairs could be a bit clearer. In view of the fact that some 90 countries, I believe, voted at the United Nations in recognition of the government of Guinea Bissau, and as we moved for the recognition of the government of Chile with a good deal less public support than that, may I ask what further evidence it will take for the government of Canada to recognize the legitimacy of this regime?

Mr. Sharp: Mr. Speaker, we recognized the new government of Chile because it was in effective control of the country. Unfortunately the militants, guerillas or whatever you want to call them that are now trying to establish an independent government in Guinea Bissau have not been able to establish themselves in the capital and are not able to be in a position to discharge their international obligations. As soon as they are, we will recognize them.

● (1500)

GUINEA BISSAU—ATTITUDE OF CANADA ON ADMISSION TO UNITED NATIONS

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I wish to direct a supplementary question to the Secretary of State for External Affairs about Guinea Bissau. If the Canadian government is so anxious to be of assistance to independence movements, will the minister tell us what Canada is doing with regard to the initiative of many other nations to bring Guinea Bissau into the United Nations? How have we voted or how do we propose to vote on the admission of Guinea Bissau to the United Nations?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, the position we have taken on that question has so far been one of abstention. We are not opposed to the entrance of Guinea Bissau as soon as it is established as an independent country with a government that can discharge its international obligations.

* * *

[*Translation*]

MANPOWER

LOCAL INITIATIVES PROGRAM—POSSIBILITY OF ADDITIONAL FUNDS TO REDUCE UNEMPLOYMENT IN EASTERN QUEBEC

Mr. Irénée Pelletier (Sherbrooke): Mr. Speaker, I have a question for the Minister of Manpower and Immigration.

Since the unemployment rate is basically unchanged in the Eastern Townships area, could the minister indicate to the House whether he intends to increase the funds allotted to local initiatives projects at least at the same level as last year's?

[*English*]

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, no decision has yet been taken on that matter.

LOCAL INITIATIVES PROGRAM—POSSIBLE RECONSIDERATION OF BASIS ON WHICH FUNDS ALLOCATED

Mr. Tom Cossitt (Leeds): Mr. Speaker, I have a supplementary question for the Minister of Manpower and Immigration. Does the minister intend to adjust the allotments already made or any proposed future allotments on a more fair basis with regard to opposition members in the House rather than leaning toward Liberal members and cabinet ministers?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I do not accept the premise of the question. The allocation formula was tabled in the House.

ENERGY

NAME OF EXTERNAL AFFAIRS REPRESENTATIVE ON TECHNICAL ADVISORY COMMITTEE ON PETROLEUM SUPPLY AND DEMAND—ALLEGED CONTRADICTORY STATEMENTS

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my question is to the Secretary of State for External Affairs who has referred to his appearance before the Standing Committee on Miscellaneous Estimates. Can the minister explain his statement to that committee on December 3 that he was aware of who his departmental representative is on the technical advisory committee on petroleum supply and demand, bearing in mind his statement in the House on December 4 that he did not know who his departmental representative on that committee was and declined to name him?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I am not quite sure whether it is in order to refer to what went on in committee, but perhaps I can answer the question directly. I am aware of the name of the official. He is a very competent one.

Some hon. Members: Oh, oh!

Mr. Sharp: But I suggest it is not appropriate to bring the names of officials who are acting on behalf of ministers into contention in the House of Commons. One ought to address one's questions to ministers.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. The Chair will recognize the hon. member for York-Simcoe on a supplementary and then the hon. member for Simcoe North.

ATTENDANCE OF EXTERNAL AFFAIRS REPRESENTATIVE AT MEETINGS OF TECHNICAL ADVISORY COMMITTEE OF PETROLEUM SUPPLY AND DEMAND

Mr. Sinclair Stevens (York-Simcoe): Can the minister categorically confirm that Mr. A. E. Ritchie, Under Secretary for the Department of External Affairs, is the departmental representative appointed to the technical advisory committee. If so, can he also confirm to the House how many times the representative has attended the technical advisory committee meetings, and in what form did Mr. Ritchie report to the minister?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I could say this is a question that might be placed on the order paper, but I believe it is desirable to clarify the position. Mr. Ritchie did not attend any of the meetings of that particular committee. He designated an expert on Middle East affairs who went to the committee meetings to advise on the Middle East situation.

Oral Questions

HEALTH

AVAILABILITY OF HYDRAZINE SULPHATE FOR CANCER RESEARCH AND TREATMENT

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, I wish to address a question to the Minister of National Health and Welfare. In view of the early optimistic reports on the treatment of cancer by hydrazine sulphate, which treatment and research is, I believe, being carried out under the direction of Dr. Burke of the National Cancer Institute of the United States, is the drug now available in Canada through the Food and Drug Directorate or otherwise for research and treatment?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I will take notice of this question and inquire into the possible use of hydrazine sulphate in Canada at the present time. As soon as I have an answer, I will inform the hon. member.

* * *

ENERGY

URANIUM—REASON FOR DROP IN PRODUCTION OF ELDORADO MINE

Mr. Elias Nesdoly (Meadow Lake): Mr. Speaker, my question is addressed to the Minister of Energy, Mines and Resources. It deals with a slightly different aspect of the energy situation in Canada. In view of the increasing importance of uranium to Canada and the world, why has the production of uranium ore at Eldorado Nuclear Mine Limited of Uranium City dropped from approximately one and a quarter million pounds to an estimated seven or eight hundred thousand pounds this year?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I would be glad to go into the Eldorado situation at greater length, but perhaps I could not do so effectively in the question period.

OIL EXPORT TAX—DISPOSITION OF ADDITIONAL 30 CENTS FOR JANUARY

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, while I am on my feet I wonder if I might correct a response I gave to the hon. member for Nanaimo-Cowichan-The Islands earlier in the question period when I indicated there had not been a position taken with regard to the treatment of the additional 30 cents. There has indeed been a decision made in that regard and, as I indicated, there will be a statement on that later this day.

PETROLEUM—BASIS ON WHICH SHORTFALL PREDICTION MADE BY MINISTER

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I wish to direct a question to the Minister of Energy, Mines and Resources. The minister is quoted as saying that if the shortfall predictions are not accurate the oil companies will be largely to blame. On what basis did the minister make this statement, and does it indicate he has no confidence in the predictions provided to him by the government appointed committee on petroleum supply and demand?

[Mr. Sharp.]

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I do not know to what statement the hon. member is referring. I have indicated we have taken the advice of the committee with regard to the possible shortfall this winter. I have no reason to doubt that it is a competent statement on their part. I suggest that the statement the hon. member is referring to may have been taken out of context.

Mr. Speaker: Order, please. I believe the hon. member for Meadow Lake had a supplementary to his previous question. I apologize to him. I did not see him rise.

URANIUM—SUGGESTED GOVERNMENT CONTROL OF SALES TO ASSURE DOMESTIC SUPPLIES AND FAIR ALLOCATION TO CROWN CORPORATION

Mr. Elias Nesdoly (Meadow Lake): In view of the fact that a private corporation appears at this time to be making all the sales of uranium oxide, is the government prepared to assume responsibility for all sales of uranium oxide so that Canada's long-term requirements may be assured and also to assure that a Crown corporation gets its fair share of the sales?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I suggest to the hon. member there is a contradiction in his suggestion that we should make export sales and assure our long-term requirements at the same time. I agree that in general terms Eldorado should be put on a commercial footing, more so than in recent years, and I will be making some submissions to my colleagues in that regard. I think the appropriate point of consideration, and this will be done by the Atomic Energy Control Board, is as to at what level the reserves should be maintained for domestic purposes.

* * *

[*Translation*]

SOCIAL SECURITY

FAMILY ALLOWANCES—REQUEST FOR ASSURANCE THAT QUEBEC BENEFICIARIES WILL RECEIVE A MINIMUM OF $20

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

Since the Quebec government intends to establish its own family allowances plan and such allowances being taxable, could the minister tell the House whether he has had any discussions with the Quebec government and whether an agreement has been concluded in order that the minimum allowance of $20 will be paid for each child, as provided in Bill C-211, although this bill has not yet been passed by the House?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, it seems to me there are several

confused points in the question and I have already found unfortunately such confusion among a number of citizens.

First of all, the family allowance to be paid by the federal government to Quebec will be taxable under the terms of the federal Income Tax Act. The situation will be the same in Quebec as in the other provinces. Second, the minimum provided by the federal law is $12, or 60 per cent of $20; and third, the allowances payable by Quebec itself to its citizens, out of its own revenue will not be taxed under the provincial income tax act as they will take the place of the exemptions provided for in the federal act.

I therefore take this opportunity to clarify the matter in order to stem rumours that Quebec is being favoured in relation to the other provinces.

Mr. Lambert (Bellechasse): Mr. Speaker, I wish, first of all to thank the minister for his explanation, and then to ask him a supplementary.

I hope Bill C-211 will be passed and come into effect on January 1. May I be allowed to ask the minister whether the bill that was passed during this session increasing family allowances to $12 will be automatically rescinded and replaced by Bill C-211, without taking into account the one we passed and which took effect on October 12?

Mr. Lalonde: Mr. Speaker, I am pleased to confirm that such will be the case if hon. members of the Progressive Conservative Party can get organized and decide to approve the bill that it may be passed as soon as possible.

* * *

● (1510)

[*English*]

AIR TRANSPORT

HEAD TAX ON PASSENGERS—SUGGESTED CHANGE FOR PASSENGERS USING FEEDER AIRLINES

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, my question is for the Minister of Transport. Since the announced head tax of $2.80 on air passengers means an increase in the Victoria-Vancouver air fare of 21½ per cent and four out of five passengers leaving Victoria are going to Vancouver, is the minister considering any changes designed to make this new tax less discriminatory against people who live on islands or reside in cities and towns on feeder airline routes?

Some hon. Members: Hear, hear!

Hon. Jean Marchand (Minister of Transport): The answer is no, Mr. Speaker.

* * *

COMMUNICATIONS

CANADIAN NATIONAL—CANADIAN PACIFIC TELECOMMUNICATIONS—APPLICATION FOR INCREASE IN RATES—GOVERNMENT ACTION TO PROTEST

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is directed to the Minister of Communications. I ask him whether he will make the House aware of the application by Canadian National and Canadian Pacific Telecommunications for an increase in rates. Will he let the House know what the nature of the application is?

[*Translation*]

Hon. Gérard Pelletier (Minister of Communications): Mr. Speaker, when those applications for tariff increases are submitted to the Canadian Transport Commission, I think that they become public documents. If a public document has been filed with the Transport Commission, I will be pleased to send a copy to the right hon. member in both official languages.

[*English*]

Mr. Diefenbaker: It is apparent that the minister does not know what is going on, so I will ask him whether or not there is to be an application for a 100 per cent increase in respect of the transmission of news stories, and whether smaller radio stations across the country have already protested that this increase will create a very serious situation for them financially? Furthermore, will the minister arrange for counsel to represent the minister and the government of Canada before the Transport Commission and take the strongest possible exception to such an increase at this time?

[*Translation*]

Mr. Pelletier (Hochelaga): It is also quite obvious, Mr. Speaker, that the right hon. member knows very little about the matter. I explained to the House not very long ago—and moreover it seems to me that the right hon. member was there—that the minister, unless there are quite exceptional circumstances, refrains from making representations to the telecommunications committee of the CTC. The reason is that eventually as minister, he can be called, as he was in June last, to recommend to the cabinet that it should amend the CTC decisions. If he complied with the suggestion of the right hon. member, he would therefore find himself in the position of the lawyer and subsequently the judge in the same cause.

[*English*]

Mr. Diefenbaker: The high spirits of hon. gentlemen opposite today indicate that their fear of defeat on Monday has been removed. I ask the minister: does he say there is no example of a government being represented by counsel before the Transport Commission to object to an application for rate increases? Does he say this has never happened?

[*Translation*]

Mr. Pelletier (Hochelaga): Mr. Speaker, under a Progressive Conservative government everything could happen; so this may well have happened too.

[*English*]

Mr. Speaker: Order, please. This is a very interesting exchange between the right hon. gentleman and the minister, but I wonder whether we might not now move to the next question.

Mr. Diefenbaker: The fact that it has been done indicates it was needed. The fact that the minister is not going

to do it indicates that the people are to be mulcted because of the failure of the government to protect them.

Mr. Speaker: Order, please.

* * *

CONSUMER AFFAIRS

COST OF EYEGLASSES—SUGGESTED INVESTIGATION BY COMBINES BRANCH—POSSIBLE IMPORTATION FROM CHINA

Mrs. Grace MacInnis (Vancouver Kingsway): Mr. Speaker, I wish to direct my question to the Minister of Consumer and Corporate Affairs. In view of the fact that various studies estimate that one firm, Imperial Optical, owns between 85 per cent and 90 per cent of all retail optical outlets in Canada, thus constituting an effective monopoly in this field, and in view of recent findings by the Saskatchewan department of health that people are being charged two or three times as much for eyeglasses as they should be, has the minister set in motion an investigation by the Combines Investigation Branch of this situation which is against the public interest?

Hon. Herb. Gray (Minister of Consumer and Corporate Affairs): A research inquiry into this matter is already under way. The director and I found an opportunity for a useful discussion of this issue when I met with the Saskatchewan minister of consumer affairs in Regina the other day.

Mrs. MacInnis (Vancouver Kingsway): Following a question I asked on November 30, the minister promised to look into ways and means of encouraging competition by importing lower priced eyeglasses from China. Can the minister inform the House as to the results of his initiative to date?

Mr. Gray: I do not have a report for the hon. lady yet. I shall endeavour to get one for her as soon as possible.

* * *

SPORTS

DISPUTE BETWEEN CIAU AND COLLEGES—REQUEST THAT MINISTER INTERCEDE

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, I wish to address a question to the Minister of National Health and Welfare in his capacity as the minister responsible for amateur sport. I have given him notice. Will he intercede in the present CIAU dispute with several colleges across the country, affecting college basketball and Canadian championships and tournaments to be played shortly over the Christmas season, especially in view of the fact that a discriminatory by-law passed by the CIAU is before at least one commission on human rights for resolution?

Hon. Marc Lalonde (Minister of National Health and Welfare): I have much sympathy with universities and colleges in the Maritimes with regard to the particular problem they face. But the hon. member knows I have no power or authority to give instructions to the CIAU. I will be pleased to raise the matter with the CIAU, but the matter is now the subject of discussion and representations among the members of the CIAU. I can only add that the organization is going through the same problems that a lot of Canadians are going through, trying to get Canadian independence at the same time as getting the best players possible. They will have to resolve the problem in their own time.

● (1520)

Mr. Nowlan: I appreciate in part the minister's answer, but in view of the fact the CIAU and the national championships are funded by Sport Canada, would the minister intercede until the human rights commission has at least come to a decision on whether it is a discriminatory by-law on the basis of nationality, race, colour or creed?

Mr. Lalonde: Mr. Speaker, I believe I said in my answer that I would indeed make representations to the CIAU but that I am in no position to give instructions to the CIAU.

* * *

[*Translation*]

ENERGY

PROPOSED RETURN TO DAYLIGHT SAVING TIME TO REDUCE CONSUMPTION OF ENERGY

Mr. Eudore Allard (Rimouski): Mr. Speaker, I wish to ask a question of the hon. Minister of Energy, Mines, and Resources.

Does the minister intend to change his mind about reinstating summer time, or daylight saving time, in order to save energy now that the United States have accepted a suggestion similar to the one I made in this House on October 31?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): No, Mr. Speaker.

* * *

[*English*]

UNEMPLOYMENT INSURANCE

OFFER TO TABLE CERTAIN DOCUMENTS

Mr. J. R. Ellis (Hastings): Mr. Speaker, my question is for the Minister of Manpower and Immigration. On November 13, in answer to a question of mine, the minister asked whether I was prepared to table some documents. I am now prepared to table a representative sample, and I ask the minister if he would afford me the vehicle for doing so.

INDUSTRY

CLOSING OF HAWKER SIDDELEY FORGE OPERATION AT TRENTON, N.S.—EFFECT ON RELATED INDUSTRIES IN AREA—GOVERNMENT ACTION

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I have a question for the ministers of industry, trade and commerce, DREE or national defence, all of whom have been given notice. Does the government intend to take any measures to scrutinize the decision of Hawker Siddeley of Canada Limited to close its large forging operation at Trenton, Nova Scotia, the largest such press in Canada, which by its nature has a good deal of effect on some regional industries?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I have not had notice of the question but I will be very pleased to look into it and report back to the hon. member.

Mr. MacKay: Mr. Speaker, may I direct a supplementary question to the Minister of Regional Economic Expansion. Perhaps he has had notice. I apologize to the Minister of Industry Trade and Commerce. I thought I had given him notice. Has the minister made any assessment of what effect the loss of this unique press and forge capability will have on other related industries in the area such as the Sydney steel plant and so on? If not, would he look into the situation and report to the House?

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Mr. Speaker, I will certainly do the latter. I have to advise the hon. member that it may well be that there is something on my desk that I did not see this morning, but like my colleague I did not get notice either.

Mr. Speaker: The hon. member for Mississauga.

An hon. Member: Hear, hear!

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POST OFFICE

TIME TAKEN FOR SPECIAL DELIVERY LETTER MAILED IN REGINA TO REACH MISSISSAUGA—REQUEST FOR EXPLANATION

Mr. Don Blenkarn (Mississauga): Mr. Speaker, my question is directed to the Postmaster General. I want to advise him before I proceed with my question, if I may, that Mississauga is the seventh most populous city in Canada and has direct air service to Regina.

Mr. Speaker: Order, please. The hon. member for Mississauga should follow the good example set by the hon. member for Peel South and ask a question.

Mr. Blenkarn: Mr. Speaker, as I said, my question is for the Postmaster General. Will he advise me and the House how long it should take a special delivery letter with a 40 cent stamp on it to go from Regina to Mississauga?

[*Translation*]

Hon. André Ouellet (Postmaster General): Mr. Speaker, we are building one of the most modern mail handling centres in the hon. member's constituency; as soon as this is done, I am sure the service will be excellent in that region.

[*English*]

Mr. Speaker: Order, please. We are running short of time and the hon. member for Mississauga has had both a statement and a question. The hon. member for Don Valley.

* * *

ENERGY

PROPOSALS TO ALBERTA IN RELATION TO EXPORT TAX AND PRICE FREEZE—DATE OF DISCLOSURE

Mr. James Gillies (Don Valley): Mr. Speaker, I have a question for the Secretary of State for External Affairs in his capacity as Acting Prime Minister. Has the government placed before the government of the province of Alberta a specific proposal to take effect at the end of the export tax and the price freeze on January 30?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, my colleague, the Minister of Energy, Mines and Resources, explained the situation, that his deputy minister had visited the government of Alberta and had put before them a number of possible proposals, and that everything was on an *ad referendum* basis.

Mr. Gillies: When will the House be informed of the nature of these proposals?

Mr. Sharp: Soon.

APPLICATION OF ONTARIO HYDRO TO INCREASE EXPORT OF ELECTRICITY—DATE OF DECISION BY CABINET

Mr. Randolph Harding (Kootenay West): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources. In view of the recent application by Ontario Hydro to the National Energy Board for authority to increase exports of hydro power to the United States by more than one-third, I would ask the minister whether the recommendation of the National Energy Board on this application has been passed on to the cabinet for approval and, if so, when is the decision on this important matter to be handed down?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I would have to check and see whether the board has indeed rendered a decision. If it has, I have not seen it.

APPLICATION OF ONTARIO HYDRO TO INCREASE EXPORT OF ELECTRICITY—POSSIBLE UTILIZATION TO MEET CRISIS IN EASTERN CANADA

Mr. Randolph Harding (Kootenay West): A supplementary question, Mr. Speaker. Is this hydro energy which is proposed for export surplus to Canadian needs

and, if so, has the government investigated the possibility of utilizing this valuable energy source to help meet the energy crisis in eastern Canada, particularly in the Montreal area?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, this is a question of interruptable power and therefore it would have to be found to be surplus to Canadian needs. As to whether it is in fact surplus to Canadian needs, this is what the Energy Board has been holding a hearing about.

* * *

GRAIN

SHORTAGE OF FEED GRAIN IN EASTERN CANADA—REQUEST THAT WHEAT BOARD MAKE SUFFICIENT QUANTITIES AVAILABLE

Mr. Fred McCain (Carleton-Charlottte): Mr. Speaker, since the minister responsible for the Wheat Board advised the House yesterday that 150 cars would be made available by the CNR for eastern Canadian grain requirements, and since the feed grain supply in the eastern area of Canada is critical, would the minister now advise the Wheat Board to offer feed grain in sufficient quantities for loading into these 150 cars?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, I should think that the hon. member and all hon. members would appreciate that throughout the situation where feed was in short supply domestically, either in the far eastern or far western parts of Canada, the Canadian Wheat Board has acted in an admirable fashion to make sure that domestic needs were served first.

Mr. McCain: Since I have been informed that dealers in the east are unable to get any wheat from the Wheat Board this week, and very little oats and barley, would the Minister of Agriculture please intercede on behalf of eastern agriculture and these mills which have been out of some varieties of grain for up to two weeks?

Mr. Speaker: That is a representation.

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AGRICULTURE

FERTILIZERS—ALLEGED SHORTAGE IN CANADA CAUSED BY SALE TO UNITED STATES—GOVERNMENT ACTION

Mr. Ken Hurlburt (Lethbridge): Mr. Speaker, my question is directed to the Minister of Agriculture. In view of the fact that fertilizer is moving across the United States border to the point where Canadian farmers' requirements are not being met, and in view of the fact that fertilizer is being used to fertilize Washington forests, would the minister inform the House whether or not Canadian farmers are going to receive first consideration, or United States forests?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I think the hon. member recognizes, and remembers as well as I do, that the commercial fertilizer plants were built on the basis that a certain percentage volume of production would be exported. As I have said before, I am optimistic that the needs of all farmers in Canada will be looked after. We are compiling a report that I hope to submit to the House in the very near future.

* * *

GRAIN

SUGGESTED FREEZE ON CLOSURE OF COUNTRY ELEVATORS TO CONSERVE FUEL

Mr. Craig Stewart (Marquette): Mr. Speaker, my question is for the minister responsible for the Canadian Wheat Board and arises out of the energy crisis. If this crisis does exist, to conserve gas and possibly save longer hauls by farm trucks would the minister put an immediate freeze on the closure of any country elevators? This action would not only conserve fuel, but for a change the minister might do something that pleases the farmers.

Mr. Speaker: The hon. member for Hillsborough. Order. The hon. member for Marquette is rising on a point of order, but I am sure he appreciates that a question asked in those terms is hardly in order. Perhaps the hon. member would rephrase his question. Although we have reached the end of the question period, I will recognize the hon. member for Hillsborough afterward.

• (1530)

Mr. Stewart (Marquette): On a point of order, Mr. Speaker, I would be glad to rephrase my question. Will the minister put an immediate freeze on the closure of country elevators?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, the question of whether the country elevators close or do not is, of course, one for the elevator companies themselves, the largest of which are the farmer-owned co-operatives which make decisions in the best interests of farmers. I do not think I should interfere in those decisions even on the question of energy.

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AGRICULTURE

MILK SUBSIDY—REASON FOR DELAY IN SIGNING AGREEMENT WITH PRINCE EDWARD ISLAND

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I should like to direct a question to the Minister of Agriculture. Now that the federal milk subsidy has been made operative in the nine other provinces, will he advise us when, oh when, will it be operable in P.E.I., and also reveal the reason for the delay for which Premier Campbell blames him?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I do not know whether Premier Campbell blames me, but I am pleased to announce to the hon. member and the House that the agreement has been signed to begin as of December 10 for one complete year from that date.

Some hon. Members: Hear, hear!

Mr. Whelan: For a complete five cents a quart roll back.

Mr. Speaker: I see there are two members seeking to ask supplementary questions, but we have reached the end of the question period. I wonder if the Chair might recognize those hon. members and others seeking to ask supplementary questions tomorrow, knowing of their interest in this subject.

GOVERNMENT ORDERS

[*English*]

ENERGY SUPPLIES EMERGENCY ACT

MEASURE TO PROVIDE FOR ALLOCATION BOARD, MANDATORY ALLOCATION OF SUPPLIES AND RATIONING OF CONTROLLED PRODUCTS

The House resumed, from Wednesday, December 5, consideration of the motion of Mr. Macdonald (Rosedale) that Bill C-236, to provide a means to conserve the supplies of petroleum products within Canada during periods of national emergency caused by shortages or market disturbances affecting the national security and welfare and the economic stability of Canada and to amend the National Energy Board Act, be read the second time and referred to the Standing Committee on National Resources and Public Works.

Mr. Sinclair Stevens (York-Simcoe): Last evening, Mr. Speaker, when I was speaking on the bill before us I indicated I felt the government had acted largely on the advice of a technical advisory committee, and that is confirmed by the Minister of Energy, Mines and Resources (Mr. Macdonald). I also indicated it was particularly pertinent that members of this House should inquire into who actually sat on that advisory committee, what meetings were held, what form of report did the committee make to the minister and, most important, what was the basis of the committee's judgment which led to the recommendation to the minister.

It is particularly interesting that we have been unable to date to get the minister or the government to reveal who, in fact, sits on this technical advisory committee. Attempts were made in this House and at the Miscellaneous Estimates Committee to determine exactly who are the members, by name, from industry and from governmental departments. To date, we have not succeeded in having a candid disclosure in this regard.

I would go even further, because I think it is important to note on the record, that I believe there has been a misrepresentation concerning the membership of that committee. I should like to refer to the reports of that committee on Monday, December 3. As reported at page 57:29, I asked the Secretary of State for External Affairs (Mr. Sharp):

> I understand that the Minister of Energy, Mines and Resources has established, with industry, the Technical Advisory Committee on Petroleum Supply. Are you familiar with this committee?

The minister replied:

> Yes, I am.

I then asked:

> That Minister has also informed us that you have a representative on the Committee. Is that correct?

The minister then replied:

> That is right.

I then asked:

> Who is the representative, Mr. Minister?

The minister then said:

> Mr. Ritchie, nominally, is the member. If he cannot attend, then another official of the department replaces him.

I asked:

> Who would that other official be?

The answer was given by Mr. Ritchie, who also attended the Miscellaneous Estimates Committee meeting. He said:

> It could be Don McPhail, the Director-General of the Economic Bureau.

Subsequently at that Miscellaneous Estimates committee meeting I asked Mr. Ritchie how many meetings of the technical committee he had attended and he initially indicated two or three. Then, on further questioning he finally said he had not attended any of the meetings of the technical committee. I feel it is pertinent to draw this to the attention of the House, particularly when we remember that the day after the Miscellaneous Estimates Committee meeting, on December 4, the Secretary of State for External Affairs was asked similar questions in the House by the Leader of the Official Opposition (Mr. Stanfield). The Secretary of State referred the question to the Minister of Energy, Mines and Resources who at page 8385 of *Hansard* said in part:

> —I am afraid I cannot say who the individuals were at the moment. However, representatives of various departments have been designated.

The Leader of the Opposition persisted and, as recorded on the same page, asked the Secretary of State for External Affairs:

> —will he tell us who this individual is.

The Secretary of State for External Affairs finally replied:

> —I do not know who it is who has been designated for this purpose.

Surely, it is very strange that within 24 hours the minister should be able to reverse himself so dramatically on a simple question as to who has been appointed to a committee, bearing in mind that this committee has tremendous importance as far as our debate today is concerned.

Mr. Baker: Reversal is not unusual for this government.

Some hon. Members: Hear, hear!

Mr. Turner (Ottawa-Carleton): How would you know, Wally? You see everything upside down.

Mr. Baker: I am looking at you all the time, perhaps that is the reason.

Mr. Stevens: Mr. Speaker, I indicated yesterday that I felt this government had put Canada in an extremely unfavourable position as far as the private international oil companies in the world are concerned, and that I felt it

must be held responsible for that position. I feel that was perhaps indicated yesterday in the remarks of the Minister of Energy, Mines and Resources to this House when, as recorded at page 8442 of *Hansard*, he said:

Industry has urged the government to put in place a mandatory allocation program as quickly as possible—

Industry has made the request, and it would appear on the evidence which has been produced, that the government is responding basically to the request of those industrial leaders. I suggest this is nothing new.

It is interesting to note that there is a standing committee of this House known as the Committee on National Resources and Public Works. On March 8, there were some very interesting questions and answers between the Minister of Energy, Mines and Resources and certain representatives of opposition parties on that Committee in respect of fuel security problems in eastern Canada. I think that exchange should be put on the record as recorded at page 4:9 of those proceedings, the minister was asked whether he would be willing to enter into negotiations on a direct government-to-government basis, for example with Venezuela, in an attempt to secure oil supplies for eastern Canada if a crisis should arise. The minister stated:

That is a possibility. In these arrangements with the supplier countries we have inclined not to get into a direct government-to-government basis. Dr. Howland has represented Canada in the OECD discussions in this regard and the approach taken generally within OECD is that it should not be on a government-to-government basis as between consumers and producers but it should be left on the company basis.

Surely we do not have to reiterate the fact that the minister has continually said it is a private international company matter and that we in Canada must accept their position as to whether, in fact we have a shortfall in Canada.

● (1540)

I should like to come back to those minutes shortly, but dealing with the international companies I think it is helpful if we review the names of the international companies to which the minister is responding. One might refer to them as the group of seven because they are seven in number. There is BP Trading Company in the United Kingdom. There is Exxon from the United States, Gulf from the United States, Petrofina from Belgium, The Royal Dutch-Shell group from the United Kingdom and Holland; Sun Oil from the United States and Texaco from the United States. Those are the international companies to which the Minister of Energy, Mines and Resources has told us we must respond. The size of those companies is truly large. For example, Exxon is the second largest corporation in the United States, ranking only behind General Motors in sales but ahead of General Motors in terms of total assets. Exxon is based in New York and has sales of some $20 billion, which is even greater than the budget of the Minister of Finance, and it has assets of $21 billion.

The other companies I have listed are among the largest in the world. This is true, but I would suggest that no company, regardless of how large it is, should be able to push Canada around the way certain of these companies apparently are pushing our government around. Every one of the group of seven has a subsidiary in Canada. I think it is interesting to note that while a great deal is made about the foreign ownership of companies in Canada, it would take relatively little investment on the part of Canadians to shift control of all those subsidiary companies from foreign ownership to Canadian ownership. I am not speaking—and I would emphasize this—of state control. That is perhaps the only type of control, of which the government thinks. I am thinking of investment by individual Canadians. If the government would facilitate it, the shareholder control of literally all the subsidiaries of the group of seven in Canada could be shifted so that they could be Canadian owned. This would require an expenditure by Canadian investors of something in the order of $2½ billion. This may sound like a large figure until we relate it to the total worth of all companies in Canada.

For example, if we look at the Toronto Stock Exchange we find that the amount which it would take to shift control of these subsidiary companies to Canada from the international oil companies would be approximately one per cent of the total value of all stocks trading in Toronto.

Mr. Whicher: That was last week.

Mr. Stevens: No, that is today. We took the total off at noon today. I, of course, do not know, because of government action, whether the Toronto market has fallen since noon.

Yesterday the Minister of Energy, Mines and Resources read at great length from a publication he put out last June called "An Energy Policy for Canada". I thought the minister was not particularly careful when he was reading from this publication to make clear that the publication was put out for discussion purposes only last June. The government emphasized at that time it was not necessarily bound by the policies suggested in the analysis but felt there should be perhaps two years discussion before the government actually took a decision on energy policy. It may be that on a lot of other matters on which the government has procrastinated it has not been caught off base to date, but here we have a clear example of where the government's lack of policy and planning has caught up with it. The energy situation in the world caught them.

I would point out that while the Minister of Energy, Mines and Resources referred to page 121 in that report, he was very careful not to flip over the page and read from page 122 where we find the following:

Methods of increasing our security of supply over this medium-term period have been suggested by industry and others and include:

Under that heading various things are listed that could be done or have been suggested to be done. I would point out that even today most of those items have not even been suggested to be done by the government to ensure security of supply in eastern Canada. For example, the first item listed is extension to eastern Canada of pipeline facilities from western Canada. It may be that the Prime Minister (Mr. Trudeau) likes to appear on television and tell the people that a decision has been made to build the pipeline, but the fact is it was only being discussed in June. We in this party say build it and build it now.

An hon. Member: You did not say that last fall.

An hon. Member: We sure did.

Mr. Baldwin: I said it last fall.

Mr. Stevens: Mr. Speaker, on that point I would ask the Prime Minister, in his statement later this afternoon in this House, to tell us definitely if the pipeline is to be built, and when and how. I believe the Prime Minister should indicate to us exactly what type of a pipeline it will be. Will it be a reversible pipeline? We say it should be.

The second point referred to in that analysis is that there should be added capacity for fuel storage established in eastern Canada. We in this party have been saying for a long time that such capacity should be built, and I say to the Prime Minister today that he should let us know if they are going to do it. Mr. Speaker, I should also like to ask the Prime Minister if he intends to implement staged price increases after the freeze but keep the Canadian price somewhat below world prices. That is our position and it is time the Prime Minister let us know what his position is.

If the Prime Minister does accept that position from us, I hope he will go the second step and offer a quid pro quo to those in western Canada on such things as transportation facilities to ensure that they can compete in world and national markets more readily than they have been doing. While the Prime Minister is speaking, I hope he will also indicate if the government is considering a home heating oil price shelter,—subsidized by the federal treasury if necessary. I mean for all Canadians who will need such assistance in this coming winter. That is our policy, and I would be interested to learn if the Prime Minister is able to agree with that point.

● (1550)

Mr. Speaker, I have indicated in a very preliminary way that we do not feel we have sufficient facts before us to properly determine whether Bill C-236 should be accepted in its many ramifications. We believe that the facts must be disclosed. I have referred to the Committee on National Resources and Public Works, but I would point out that that committee has not sat for six months, and that is the committee that was established by the House to consider energy matters. Yet, the government has seen fit to allow the committee not to sit in order to hear witnesses and attempt to arrive at the actual facts regarding the current situation in Canada.

It has been suggested to us by the government that we have a crisis.

Mr. Baldwin: Its sits over there.

Mr. Stevens: I emphasize that the committee which you would normally expect the government would have asked to look into the question of energy, suitable security of supply for eastern Canadians and a pricing program, would have been the Committee on National Resources and Public Works. Yet it has not been called for six months. As one of the hon. members has mentioned, we, on this side of the House, have asked repeatedly that that committee be called. We believe the government has not made a case to substantiate their position I hope the Prime Minister will attempt to indicate to us what case they have for stating there may be a major energy crisis in Canada this winter and for their belief that this crisis warrants the wide powers which the government wants under Bill C-236.

Here again, if I may, I would like to refer to the resources committee because at its March meeting, to which I have already referred, the question of a possible fuel shortage in eastern Canada was raised. The Minister of Energy, Mines and Resources in turn referred the question to Dr. Howland who was the chairman of the National Energy Board. Dr. Howland at that time said that based on a possible 25 per cent reduction in world fuel supplies, Canada would not have a serious shortfall for 5.5 months. I feel we should have the right to know what has caused the difference in the ensuing months. Why are we now told that a 20 per cent possible world shortfall first of all, has to be accepted by Canada because the international private companies say we must accept it, and secondly, why is such a 20 per cent shortfall going to have such dire consequences in Canada when the former chairman of the National Energy Board told us that even a 25 per cent reduction, if it were shared by Canada, would not be felt in any serious way for 5.5 months?

I feel that the Prime Minister owes this House clarification of the situation concerning the export tax, which he has said is not permanent. What does the government propose to do with this tax revenue, what new measures might they substitute? I notice that the Minister of Finance (Mr. Turner) is with us today, and I must say how absolutely amazed I and my colleagues were that the Minister of finance and his deputy minister were not even aware that Canada has had export taxes in the past. In fact, they did not know that there is an existing statute, the Export Act, that provides for export taxes.

Surely, the government is totally adrift. They have lost their course. They have no policy and, unfortunately, it is showing up with respect to energy. During the Prime Minister's remarks I hope that he will offer a statement on how he intends to help the poor pay for higher fuel costs this winter. What steps does the Prime Minister intend to take to ensure that the poor who may feel the crisis as it is described by the government, will be relieved from its maximum impact?

So far I have touched on questions related to oil and energy generally, but I think we should bear in mind that we are being asked to approve at the second reading stage a bill that is extremely wide in its ramifications. I think it is fair to say that not only should we have the facts on matters touching on energy which I have outlined, but it is time that this government indicated to us what they believe will be the unemployment situation in Canada in 1974.

Mr. Baldwin: We know what it will be after the next election.

Mr. Stevens: What, in fact, do they believe will be the industrial production level in Canada in 1974?

An hon. Member: High.

Mr. Stevens: What will be the real growth level and what will be the rate of inflation?

An hon. Member: Low.

Mr. Stevens: I hope that is on the record. The answer to my first three questions was "very high" and the answer to the last one was "very low". I believe it was the Minister of Industry, Trade and Commerce (Mr. Gillespie) who made that comment.

In truth, this is more of a crisis within government than it is an energy crisis. We have a power hungry Minister of Energy, Mines and Resources.

Some hon. Members: Oh, oh.

Mr. Baldwin: He could generate enough gas for all of Ontario.

Mr. Stevens: The minister sees an opportunity to take unto himself and his department new powers, presumably at the expense of other ministers to whom he sometimes refers as colleagues.

In considering this bill, I believe we should remember that Canada is unique in the industrial western world. In 1973, we are 118 per cent self sufficient in oil. Surely we are owed an explanation by the government as to why a country that is 118 per cent self sufficient in oil has to live with a bill such as Bill C-236. In short, we are a net contributor to the world oil pool, and I think the minister owes us an explanation, which he did not give yesterday, as to why a nation such as ours, a net contributor to the world oil pool should have to live with a world shortfall.

The minister has sometimes said that we must be a good international citizen and that is why we must live with this shortfall. He has referred to such countries as Sweden as the ones he feels might need oil which would be diverted from Canada. Surely he is totally ignoring the different circumstances of the countries concerned. Sweden does not have the unemployment problem that Canada has, and to be casually stating that we must accept a shortfall because someone other than the Canadian Government has decreed it, is an unfortunate position to put Canadians into without further explanation. If we accept world sharing now, so be it, but I feel we do so only because the government has allowed us to drift into that position without proper arrangements being made in anticipation of the present world crisis. The government knew such a crisis could occur.

● (1600)

I have referred to the committee proceedings that took place up to June 6, that is the National Resources Committee. There was all kinds of testimony before that committee as to possible shortfalls, and how those shortfalls could be covered if they materialized. The government to date has been negligent in its efforts, and we today are faced with a crisis which is really a crisis within that government.

The Acting Speaker (Mr. Laniel): Order. I regret having to interrupt the hon. member, but the time allotted to him has now expired.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, in my statement of November 22 on national television I said that the government's first priority in the face of the current oil shortage was to assure necessary fuel supplies to all Canadians this winter, no matter what developments took place abroad.

I described the measures that the government was taking to assure the supply of oil to regions where shortages were most likely to occur. I indicated that Canadians would be asked to co-operate in a program of voluntary restraints to economize on the use of energy. I added that mandatory allocations at the wholesale level would be required to ensure a fair and equitable distribution of available supplies.

On November 26, the Minister of Energy, Mines and Resources (Mr. Macdonald), after consultation with the provinces, presented to the House a set of guidelines to conserve energy, and outlined the main features of the mandatory control system. On December 3, the minister tabled a bill to establish an Energy Supplies Allocation Board and to give to it the powers which it needs. Mr. Speaker, I am happy to participate in the debate which ensues.

It would be a mistake to underestimate the potential seriousness of the problem which led us to take these actions. Other countries, day by day, are taking the measures they think necessary to meet the same or greater difficulties. The government nonetheless believes that, barring some unforeseeable events, the Canadian short-term energy problem can be overcome.

We are confident that no Canadian need fear serious shortages of oil and fuel this winter, provided each one of us plays his part and contributes his share. We are also confident that the Canadian economy is flexible and resilient enough to adjust quickly to changing conditions and to maintain high levels of production and employment. I want to take this occasion once again to urge all Canadians to study and follow closely the guidelines given by the minister, and to ask the House to give early passage to the bill which it is now debating.

But my immediate task, Mr. Speaker, is to place before the House proposals which will set the basis for a new national oil policy. The objective of that policy, to be reached before the end of this decade, is Canadian self-sufficiency in oil and oil products.

Some hon. Members: Hear, hear!

Mr. Trudeau: During the intervening period we must create in Canada the physical capacity necessary to give us security of supply, and protection against the type of emergency now threatening us. In moving towards its objective, the government will also wish to maintain a reliable capacity for some continuing export of oil to the United States and a market in Canada for reliable foreign suppliers of oil to us.

[*Translation*]

The new policy will abolish the "Ottawa Valley Line". The Canadian market for oil will no longer be divided in two, one for domestically produced oil and another for imported oil. It will thus be a "one-Canada", not a "two-Canada" oil policy. The western provinces will have a guaranteed outlet for increased production; and the eastern provinces will be guaranteed security of supply.

The creation of a national market for Canadian oil is one essential requirement of a new policy. Others are, first, a pricing mechanism which will provide sufficient incentives for the development of our oil resources; second, measures to ensure that any escalation in returns and revenues as a result of any higher prices will be used in a manner conducive to security and self-sufficiency; third, the establishment of a publicly-owned Canadian petroleum company principally to expedite exploration and development; fourth, the early completion of a pipeline of adequate capacity to serve Montreal and as required more eastern points; and fifth, intensification of research on oil sands technology to permit their full and rapid development.

I intend placing these proposals before the meeting of first ministers of the federal and provincial governments. I am suggesting to the premiers that the conference should be held on January 22 and 23, immediately before the meeting of finance ministers now planned for January 24 and 25. In the meantime, I have asked the Minister of Energy, Mines and Resources (Mr. Macdonald) to consult with all provinces in preparation for the conference.

The construction of a pipeline to Montreal, which the government announced some time ago, is the single most urgent step towards the attainment of our national goals. Without a pipeline, eastern Canada will never be certain that it can meet its requirements should overseas supply be interrupted.

Moreover, without a pipeline the government is unable to guarantee a market in Canada for Canadian oil at a level sufficient to ensure the development of the oil sands and other Canadian sources of supply.

The federal government is taking all necessary measures to ensure that construction begins at the earliest possible moment in 1974. The government has directed the Canadian Commercial Corporation to determine whether the project could be expedited in any way if it were to place orders for steel or for pipe immediately. If such action would help, the government will direct that it be taken at once. Any steel or pipe so ordered would be re-sold at cost to those undertaking construction of the pipeline. Of course before construction can begin the National Energy Board must, under the law, hold hearings and be satisfied that the proposed route, the financial arrangements and the proposed rates will best serve the public interest and that adequate compensation will be paid for the rights-of-way. The government has asked the Board to carry out all proceedings in a manner as expeditious as the law will permit.

A second requirement for self-sufficiency is a rapid and significant increase in oil production in Canada. In 1972, Canada produced 1.7 million barrels of crude oil per the day and consumed 1.55 million barrels. We exported 950,000 barrels and we imported 770,000 barrels. We were, in a mathematical sense, self-sufficient. We will continue to have the necessary conventional reserves for some time, but not for long. The reserves from conventional sources—mostly from the oil fields of Alberta—are known and no major new discoveries can be hoped for at present. Production from these existing reserves is expected to decline towards the end of this decade and will then be insufficient to meet current and projected rates of consumption.

Canada must therefore move and move immediately to develop its frontier and non-conventional sources of supply so as to be able to reach a situation that will permit self-sufficiency. We do not want to cut off our exports and we do not want to reduce imports from reliable suppliers. However, we do want, and we do intend to put ourselves in a position where, in case of need, we do not have to depend on imports with all the risks we now know that dependence entails.

● (1610)

[*English*]

Canada is rich in oil. The Alberta oil sands alone are estimated to contain over 500 billion barrels of oil, as much as or more than the presently estimated reserves of the Middle East. Exploration activity, in the Arctic and off the Atlantic Coast, shows considerable promise. But none of these sources is anywhere close to producing oil in the quantities required to meet the challenge of the seventies and beyond. In the case of the oil sands, technologies must be developed which do not yet exist in order to permit the development of 85 per cent of the sands which are deeply buried. The development of the oil sands and other frontier resources will require major effort in which all Canadians must, directly or indirectly, join and participate.

A characteristic common to all frontier oil, and oil from unconventional sources such as the tar sands, is that it is much more expensive to develop and to bring into production than wells in the southern parts of Canada. This simple, undisputed fact is often ignored because it contains an unpleasant truth. It means that the days of abundant, cheap energy for Canadians must come to an end. It means that the cost of producing domestic oil must go up before too long. It means that Canadians must be prepared sooner or later, in some way or another, to pay for these additional costs or go without oil. Any attempt to hide these facts, and to formulate future policies without taking them into account, can only lead in the longer run to even greater shortages and, hence, to even higher prices than Canadians are now experiencing in the eastern provinces. In short, we must in the long run allow the price of domestically produced crude oil to rise toward a level high enough to ensure development of the Alberta oil sands and other Canadian resources but not one bit higher.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Lambert (Edmonton West): And how much is that?

Mr. Trudeau: Mr. Speaker, I am not sure if the opposition wants us to decide this unilaterally or if they want us to consult with Alberta.

Some hon. Members: Oh, oh!

Mr. Lambert (Edmonton West): You would not consult, anyway.

Some hon. Members: Oh, oh!

Mr. Speaker: May we have order, please. The Prime Minister has the floor.

Mr. Hees: Stick to the straight stuff, Pierre, the humour is terrible.

Mr. Trudeau: However, while prices must go up in the long run if we are to have adequate supplies, that does not mean that they must go up at once.

On September 4, I announced that the government had requested the oil companies not to raise the price of domestically produced oil during the period ending January 31, 1974, and that the companies had voluntarily agreed to this request. The outbreak of hostilities in the Middle East has resulted in a sudden rise in the price of international oil to a level which few, if any, expected at the time of my statement on September 4. In recent weeks there have been some discussions with the province of Alberta and with representatives of some of the companies about the timing and the extent of any price changes. Not unexpectedly, both are anxious to see such changes begin as soon as possible.

After careful consideration, the federal government has come to the conclusion that there is neither need nor justification for changes in the price of domestic heating oil during the present heating season.

Some hon. Members: Hear, hear!

Mr. Hees: If you want to see if David is smiling, he is.

Mr. Trudeau: We will, therefore, undertake new discussions with the government of Alberta and with the oil companies to secure their agreement to maintain the price of domestically produced oil at the current level at least until the end of this winter.

I hope they will understand the reasonableness of this request and will accept it.

Mr. Lambert (Edmonton West): We know the reason.

Mr. Trudeau: I was happy to hear, Mr. Speaker, as I was coming in, that the hon. member for York-Simcoe (Mr. Stevens) on behalf of the Tory party was indicating that he would support this approach, too.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Trudeau: I certainly appreciate that this unanimity in the House will make it easier for the oil companies and for the province of Alberta.

Some hon. Members: Hear, hear!

Mr. Trudeau: The federal government will continue to levy a tax or, after February 1, a charge equal to the difference between our domestic price and the export price as determined by the National Energy Board.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Trudeau: The federal government's offer—

[Mr. Lambert (Edmonton West).]

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. I must call again for the co-operation of hon. members who may wish perhaps to allow the Prime Minister to continue with his remarks.

• (1620)

Mr. Trudeau: The federal government's offer to share the proceeds of the tax to January 31 with the producing provinces on a 50/50 basis of course stands. We will discuss with first ministers the disposition of the revenues forthcoming from the charge levied from February 1, 1974 onward.

While it is hoped to defer any change in the level of domestic oil prices as long as it is possible to do so, and while it will be the government's objective to ensure that they do not at any time go beyond what is required to ensure the development of the Alberta oil sands and other Canadian resources, the current increases in international prices as well as any adjustments in domestic prices in the future have serious implications for the people of Canada generally and for the national interest.

[*Translation*]

So far as the people of Canada are concerned, changes that have already taken place in landed prices in St. Lawrence and Atlantic coast ports impose a burden on low income families. For those in greatest need, the Minister of National Health and Welfare has already informed the provinces that the federal government would view favourably related increases in welfare allowances paid under the Canada Assistance Plan. The federal government pays half of such allowances. Payments under OAS/GIS and under the CPP are now tied to the cost of living index. That index will reflect the higher cost of oil and oil products. The higher family allowances, which will be paid as soon as the necessary legislation is passed, are also tied to the cost of living index. The federal government recognizes that all these higher payments will not in themselves in all cases offset the increase in oil prices, especially in the eastern provinces. Something more may well be required. This is a further matter I will raise at the meeting of first ministers.

So far as any future change in domestic prices is concerned, I want to make clear that the government feels that there will be a national interest to be considered and protected. We will not be prepared to acquiesce in any situation in which windfall profits accrue to private corporations simply because of unusual and unpredictable circumstances of shortage created by major world producers for political and economic reasons of their own. Nor do we feel that it would be fair or just to have any windfall financial benefits accrue only to the producing provinces, leaving all the rest of the people of Canada with nothing but the burdens. There is, in the view of the government, strong justification for a national share in any unforeseen benefits just as there is a national assumption of unexpected costs and losses.

For we must consider the national action and the national commitment that will be required in achieving the capacity for self-sufficiency which is our objective. The pipeline to the east and the rapid development of western oil resources will require very heavy investment.

The market in the east for Canadian oil going through the pipeline must be certain. It must not disappear if international oil suddenly and temporarily drops in price. In short, we are proposing a national commitment to develop oil resources; there is a national strategic interest in them and there is an over-riding national interest in security of supply.

I should point out too that the rate and scale of development of oil resources in the west thus far has been the result in part of national action. The "national oil policy" established in 1961, with the protected market in central Canada in the years since then, together with federal tax and other incentives, have helped to develop what is a national and not a purely provincial productive capacity.

[*English*]

Mr. Lambert (Edmonton West): What benefit will central Canadian industry derive from that? Five times as much.

[*Translation*]

Mr. Trudeau: These are strong and, to my mind, compelling reasons for a national sharing of the proceeds of any unusual increases in oil prices that may result from artificial international scarcities.

In asserting that there is a national interest which may have to be considered in any adjustments imposed by circumstances in the future, the federal government realizes that it is touching upon an area where strong views are held. The government is doing so because it feels it is necessary to be frank about something that may have to be considered in the interest of the citizens and taxpayers of the country as a whole. I trust this will be equally true for the hon. member for Edmonton who seems to have only one city, only one province, in mind.

Mr. Lambert (Edmonton West): You may laugh, but that is the whole population and not only half.

Mr. Trudeau: It will be with this interest very much in mind that the government will continue its discussions with the producing provinces and consult with the others.

I would merely ask the hon. member to consult his colleague from York-Simcoe (Mr. Stevens). When they have reached an agreement, they can then perhaps come back to speak to us.

Mr. Lambert (Edmonton West): He has just said that you are wrong.

Mr. Trudeau: You shouldn't address yourself to me.

Mr. Lambert (Edmonton West): You did not listen to him, you did not understand him.

[*English*]

Mr. Trudeau: One of the instruments of the new national oil policy is a national petroleum company. A bill will be introduced at the next session of parliament to establish such a company and at that time the Minister of Energy, Mines and Resources will present full details to the House.

The new company will serve several purposes. It will undertake exploration for conventional oil and gas in the provinces as well as in areas under the control of the federal government, namely, in the Yukon and Northwest Territories and the Atlantic and Pacific offshore coastal areas.

Some hon. Members: Hear, hear!

Mr. Trudeau: It will assist and participate in the research and development work necessary to develop an *in situ* technology for the production of the vast amounts of oil from the oil sands which cannot be extracted by presently known methods. To this particular end, it will invest approximately $40 million over the next five years in co-operation with the Province of Alberta and private firms. Should the Province of Alberta prefer some other arrangement for carrying on this project, such as an independent Canada-Alberta Institute, the government would be quite prepared to discuss it with them.

● (1630)

The company will have a capacity to invest, in agreement with Alberta, in the development of the oil sands in those portions of the deposit which are exploitable by existing technology. The company could assist in oil sands development by way of equity investment, for instance, so as to ensure that this capacity to produce advances as rapidly as is industrially possible and as is environmentally and economically sound.

Mr. Stanfield: Forty million dollars!

Mr. Trudeau: No. It is $40 million for research. If the Leader of the Opposition (Mr. Stanfield) could hear above the noise of his own members he would know what I am talking about.

Some hon. Members: Hear, hear!

Mr. Trudeau: The company will not be precluded from developing other reserves which it may discover through its exploration activities, but it may choose to hold part of such resources as a reserve for the long term security of the Canadian market. This is a function which private investors often find it difficult to perform for understandable reasons, and it is a function to which the government attaches importance. Finally, the company will assist in ensuring reliable and adequate imports of oil to meet present and foreseeable needs for foreign oil.

The government has found in recent weeks that it can play an important role in purchasing petroleum and petroleum products. It proposes to exercise this role through the company. Finally, the company will not be prevented by law from entering the refining and distribution fields, but its more immediate and present tasks may not lead to this for some time.

Some hon. Members: Hear, hear!

An hon. Member: Why don't you just nationalize the whole industry?

Mr. Bawden: What happened to the Liberal party?

Mr. Trudeau: The national petroleum company will add significantly to the industry's total capacity to identify

and bring into production Canada's oil and gas resources. It is not, however, intended in any way to displace the private sector.

Some hon. Members: Oh, oh!

An hon. Member: Look what has happened to the Liberals!

Mr. Speaker: May we have order?

Mr. Nowlan: There is none over there.

An hon. Member: Get to the part about the election.

Mr. Hees: I am glad the Prime Minister has a sense of humour.

Mr. Trudeau: For a time I thought I might at least succeed in unifying the Tories, but I see from some of their faces that they are not unified even on this issue.

Some hon. Members: Hear, hear!

Mr. Trudeau: Nor is it intended to discourage investment by foreign companies which will continue to be welcome. The company will be ready to enter into joint ventures with other firms in that industry as well as with the provinces, both in exploration and in development. The government will, however, look to this corporation to contribute to an increased Canadian presence in petroleum exploration and development.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Nowlan: Are you going to move its head offices to Vancouver, too?

An hon. Member: Move it to Mount Royal!

Mr. Trudeau: It will, in its joint ventures, attempt to involve smaller Canadian-controlled firms which currently find it difficult to sustain costly and lengthy development efforts. It will thus ensure for Canadians a more significant role in the development of their own resources.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

An hon. Member: Where is Jim Richardson?

Some hon. Members: What about Turner?

Mr. Trudeau: If you will allow me, Mr. Speaker, I will re-read the last phrase. I should like it to be on the record that the hoots of the Tories are opposing this phrase—"It will thus ensure for Canadians a more significant role in the development of their own resources".

Some hon. Members: Hear, hear!

Mr. Lambert (Edmonton West): You don't know how or where!

Mr. Trudeau: They are doing it again, Mr. Speaker, but I will not read it for a third time.

[Mr. Trudeau.]

Mr. Hees: Once more, with feeling.

An hon. Member: We did not believe it the first time.

[*Translation*]

Mr. Trudeau: En français, then.

Mr. Lambert (Edmonton West): It is even worse than—

[*English*]

Mr. Trudeau: In our future self-sufficiency, it is the government's hope that a significant role may be played by resources on the Atlantic continental shelf. While exploration has proceeded there it has not been as rapid as we would wish. I doubt if it has been delayed by the failure thus far to reach agreement with the five eastern provinces on offshore oil administration. We are, I think, much closer to agreement and I hope it may be achieved soon. In future exploration and development, there will be a positive role for the national petroleum company, either acting alone or through joint ventures with oil companies.

Any oil policy must, if it is to be effective, take account of the larger energy picture. It should be so designed as to be consistent with the conservation and prudent use of all sources of energy while at the same time encouraging the substitution of relatively more plentiful resources for relatively scarcer ones.

Canadian natural gas is already supplying a substantial portion of our energy needs and some of those of the United States. Enormous quantities of gas are available to be transported from the far north. A major development is the proposed gas pipeline up the Mackenzie Valley to move Alaskan gas to United States markets and at the same time to make it possible to move Canadian northern gas to Canadian markets. While this project must, of course, be submitted to the usual regulatory proceedings and cannot go ahead until it has been approved by responsible Canadian authorities, the government believes that it would be in the public interest to facilitate early construction by any means which do not require the lowering of environmental standards or the neglect of Indian rights and interests.

● (1640)

Some hon. Members: Hear, hear!

Mr. Trudeau: I can see no reason why Canada could not give suitable undertakings as to the movement, without discriminatory impediment, of Alaskan gas through a pipeline across Canada to United States markets provided all public interest and regulatory conditions are met in the building and operation of the pipeline. An undertaking of this sort would, of course, be reciprocal, with the same assurance being given to Canada regarding our oil and gas shipments through the United States.

The development of nuclear power in Canada presents a third major potential source of energy which may be of considerable assistance in achieving the goal of security and self-sufficiency in oil. The success of the Ontario Hydro reactor at Pickering has shown beyond a doubt the soundness and viability of Canadian atomic energy technology. Ontario and Quebec already have nuclear reactors and more are being or will be built in those provinces. In

order to reduce the present and future dependence of other provinces on oil for electric energy, the government will enter into discussions with any of them that may be interested in assistance in financing construction of the initial nuclear generating station in each province.

Some hon. Members: Hear, hear!

Mr. Trudeau: At present the Atlantic provinces are very much dependent on oil for fuel in the production of electric power. In the case of New Brunswick, most of its hydroelectric power potential has been developed. Additional electrical capacity must essentially be thermal, based either on imported oil or on nuclear energy. The government has had discussions in recent months with the government of New Brunswick concerning construction of a nuclear reactor in that province under the new policy to which I have referred. The federal government has offered to help finance 50 per cent of capital cost of a new 600 megawatt nuclear power station, both to meet growth of demand in New Brunswick and, by interconnection with Quebec and Nova Scotia, to tie more closely the regional power system in eastern Canada.

Before ending my remarks, Mr. Speaker, I should like to reassure the government and people of the United States that, while we must move toward security of supply and a capacity for self-sufficiency, we will not do so in a manner which is destructive of the beneficial ties that have developed between our two countries. Obviously, the first duty of any Canadian government must be towards its own people. But we will wish to consult with the United States, and we will plan the development of our oil resources in such a way as to continue to export for some years yet. We probably will also continue to meet part of our total requirements through imports for at least some period, even after the pipeline to Montreal is completed.

The policy I have outlined is one that I am convinced is fair, reasonable and in the best interests of Canadians in all parts of Canada. I recognize that there will be differences of view on various aspects of it. The policy is, however, coherent in its relationship of current and future prices to current and future needs for energy in Canada. It will establish, too that security of supply which can ensure that we will not at some future time incur the hazards and inconveniences we now face. I hope the policy will justify and receive the co-operation of the provinces and the approval of this House.

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker—

The Acting Speaker (Mr. Laniel): Order, please. The hon. member for York North is rising on a point of order.

Mr. Danson: Mr. Speaker, I wonder whether we can determine from the Leader of the Opposition if he would care to call off the vote on Monday now?

Mr. Hees: Mr. Speaker, obviously the Liberal Party is no better at humour than it is at policy.

The Acting Speaker (Mr. Laniel): Order, please.

[*Translation*]

Mr. Latulippe: Mr. Speaker, I rise on a point of order.

The Acting Speaker (Mr. Laniel): Order. The hon. member for Compton on a point of order.

Mr. Latulippe: Mr. Speaker, if the Prime Minister (Mr. Trudeau) will allow me, I would like to ask him a simple question and I trust he will want to answer it.

The Acting Speaker (Mr. Laniel): Order. I think the hon. member's request could well be accepted, first with the consent of the Prime Minister but also with the consent of the House because the Chair has already recognized the hon. member for Prince Edward-Hastings (Mr. Hees). If the House does not object and the Prime Minister agrees to answer the question, I will recognize the hon. member for Compton.

Mr. Trudeau: As far as I am concerned, Mr. Speaker, I will be quite pleased to answer the hon. member. I have to give a press conference but, of course, I would be very glad to answer questions from hon. members first as long as there are not too many of them.

Mr. Latulippe: Mr. Speaker, I would ask the right hon. Prime Minister, in view of the new developments considered by him such as the extension of the pipeline and the development of the tar sands in Alberta, whether he intends to use various financial institutions to render beneficial the transactions in which the government will be engaging with respect to the financing of those large projects. I would also ask the Prime Minister if he intends to ask the World Bank for interest free loans as other countries do for developments of that size?

Mr. Trudeau: Mr. Speaker, the hon. member knows that we do not always share the same views on economic theories. As far as I am concerned, I am not all that prepared to accept the suggestions made by the hon. member, but had the people of Alberta not so massively rejected the Social Credit theories at the last election, that province of course might very well make that suggestion to me but they are no longer interested.

[*English*]

Mr. Hees: Mr. Speaker, the miracle of expediency that we have just witnessed makes Paul's conversion on the road to Damascus look like very small scale stuff.

The Acting Speaker (Mr. Laniel): Order, please.

[*Translation*]

● (1650)

Mr. Fortin: Mr. Speaker, I rise on a point of order.

The Acting Speaker (Mr. Laniel): Order, please. Is the hon. member for Lotbinière rising on a point of order?

Mr. Fortin: Yes, Mr. Speaker. My point of order concerns the remarks made by the right hon. Prime Minister. He has misled the House. The financial situation of Alberta was fantastic under a Social Credit government. Most

of its problems started when it got a Progressive Conservative government.

The Acting Speaker (Mr. Laniel): The hon. member will agree with the Chair that the issue he has referred to is far from being a point of order. It is a simple argument. I must therefore return to the hon. member for Prince Edward-Hastings.

[*English*]

Mr. Hees: Mr. Speaker, this afternoon we have just witnessed the presentation of Liberal policy made solely to please the NDP, with the obvious purpose in mind of avoiding defeat on the vote we are to have on Monday.

Some hon. Members: Oh, oh!

An hon. Member: No, we want an election.

An hon. Member: Let's have one now.

Mr. Hees: I am told that the two parties, the Liberals and the NDP, have worked very hard in the last two days to put this policy together. It is interesting to hear this afternoon the Prime Minister (Mr. Trudeau) make a presentation of policy which right up until this moment the Liberal party steadfastly, again and again, refused to adopt. Now, all of a sudden, to please the NDP in the shadow of a vote on Monday night, they give us this new Liberal policy. I suggest that the words we have heard this afternoon were those of Pierre Trudeau, but the music was that of David Lewis.

Some hon. Members: Hear, hear!

Mr. Hees: This kind of policy making which changes from day to day has, unfortunately, been slowing down decisions of the oil and gas industry which they must make immediately if there is to be a satisfactory expansionary exploration program for the additional energy resources we will need so that this country may become truly self-sufficient in the very near future and for the months and years ahead. It is about that I wish to speak for the few minutes I have available to me this afternoon, and I will then conclude my remarks at eight o'clock.

I want to talk about what is necessary to bring about self-sufficiency in energy in this country. This can only be done by bringing about conditions which make it possible for the only people who can find the oil and gas reserves in this country, that is the oil and gas industry, to expand their exploratory program and, in so doing, produce the additional energy we will need to satisfy not only our present needs, but those of the future which will be far greater than today.

Some hon. Members: Hear, hear!

Mr. Hees: In the situation that has developed as a result of the Arab-Israeli war, we came to see very clearly just how dependent this country has become on not only the Arab oil producing countries but on the multinational corporations which handle the offshore oil we have been using up to the present time. It has become painfully obvious that we can no longer allow this country to be subject to decisions made outside this country over which we have no control, and which can have such a disastrous

[Mr. Fortin.]

effect not only on this country but on the people who live here.

Some hon. Members: Hear, hear!

Mr. Trudeau: Thank you for your support, George.

Some hon. Members: Hear, hear!

Mr. Hees: I listened this afternoon to the Prime Minister outlining some specific measures that should be adopted by this government. This is the overture of soothing approach orchestrated to please the NDP in respect of matters the government has refused steadfastly to introduce up to this moment.

Some hon. Members: Hear, hear!

Mr. Hees: We heard the Prime Minister this afternoon talk about the great necessity, of which everybody knows, of building that Montreal pipeline without further delay. The very first thing that must be done is to acquire rights-of-way so that the pipeline can be laid, but we heard nothing about that this afternoon.

An hon. Member: You weren't listening.

Mr. Hees: The Prime Minister has not the slightest idea of what is to be done. There is no plan for acquiring the rights-of-way; there is no plan for acquiring the steel and there is no plan for building that Montreal extension of the pipeline that we hear about as something to please the NDP in advance of Monday night.

We have heard reference to the adoption of another position of the official opposition in respect of building this Montreal pipeline. It was in 1969, four years ago, that the official opposition first started urging this government to build that Montreal pipeline as a means of making this country not nearly so dependent as we are on Arab and foreign produced oil. At our policy convention in Niagara Falls, at that time, we said that as a government the Conservative party would "strengthen the National Oil Policy by including a pipeline to Montreal as a security protection against the interruption of oil supplies from potentially unstable areas". That is what we said four years ago; that is what we urged the government to do, and that is what the government refused to do. I suggest that is why we are in the situation we find ourselves in today. Now, the Prime Minister comes before us and tells us that because the NDP have been urging this, and because we told the government it should do this four years ago, they have been converted like Paul on the road to Damascus, so they are now great advocates of this Montreal pipeline.

Some hon. Members: Hear, hear!

Mr. Hees: Mr. Speaker, may I call it five o'clock.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Laniel): It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The hon. member for Hillsborough (Mr. Macquarrie)—external affairs—suggested invitation to Saudi Arabian and Algerian oil ministers to visit Canada; the hon. member for Assiniboia (Mr. Knight)—Public Service—arbitration of salaries of clerical staff—government position in light of salaries recommended for managerial levels; the hon. member for Wellington-Grey-Dufferin-Waterloo (Mr. Beatty)—external affairs—protection of Canadian visitors to United States against being stranded if gas rationing introduced.

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

Mr. McKinley: Mr. Speaker, on a point of order; I believe there is a general agreement that private member's bill No. C-49 be considered today.

The Acting Speaker (Mr. Laniel): Order, please. It is my understanding that following an agreement made last week the House has decided to proceed today with the consideration of Bill C-49, appearing on the order paper in the name of the hon. member for St. John's East (Mr. McGrath). Is this agreed?

Some hon. Members: Agreed.

PRIVATE MEMBERS' PUBLIC BILLS

[*English*]

FAIR CREDIT REPORTING ACT

MEASURE TO PROTECT CONSUMERS FROM UNFAIR CREDIT REPORTING

Mr. James A. McGrath (St. John's East) moved that Bill C-49, respecting disclosure of credit rating records, be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

He said: Mr. Speaker, the purpose of this bill, which has been on the order paper now for a year, first reading having been given on January 15, 1973, is to protect Canadians from unfair credit reporting. It can be cited as the Fair Credit Reporting Act.

We have just concluded in this House a debate on the wiretapping bill to protect the privacy of Canadians from this modern source of electronic surveillance. We all know the consequences of electronic wiretapping in wrong hands. It is interesting to quote the present Minister of

Finance (Mr. Turner) when he was Minister of Justice. In a paper he delivered at Queens University he said:

● (1700)

> The orbit of privacy will be an ever shrinking one, but the need for privacy will become more paramount than ever. The law must ensure that the right to privacy remains sacrosanct.

He went on to conclude:

> The erosion of privacy is the beginning of the end of freedom.

Mr. Speaker, I can think of no better quotation to put forward in support of my bill than those very eloquent remarks by the Minister of Finance when he was Minister of Justice. Robert Merton in his book "Social theory and social structure" said:

> Privacy is not merely a personal predilection; it is an important functional requirement for the effective operation of social structure. Social systems must provide for a portion of the self which is kept apart, immune from social surveillance.

It has become trite to say that we are in a cashless society, an age of credit cards, an age of computerized data banks. As I look around at this insidious erosion of privacy represented by these data banks and widespread use of credit cards, one gets the impression we are all in a race to 1984. Certainly, it seems as if the government, which is one of the chief offenders in respect of the improper use of credit reporting—and if time permitted I could refer to the Income Tax Act—and the private sector are in headlong competition to 1984, and yet we are all the losers as a consequence. Each of us will lose unless we become seized of the problem. I realize that there are those who will put forward the argument of jurisdiction and the constitution. Certainly, it is true to say that the provinces under our constitution have great responsibilities in this area which unfortunately, at least it seems to me, all too few are prepared to discharge. The two exceptions I think of are the provinces of Ontario and British Columbia. I shall have more to say about that in a few moments.

I believe the federal government has a very important responsibility in this area because only the federal government can provide the protection under the law which will ensure a standard of privacy with regard to credit reporting right across the country. Only the federal government can provide the legislative protective framework to protect Canadians from inter-provincial and international trafficking in individual credit information, because this is what is taking place today. We have as a result of sophisticated techniques and the use of date banks, a traffic developing in credit information about each one of us, interprovincially and internationally. Indeed, it can be said that credit reporting and credit information about each one of us, has become big business. It now can be said to be a saleable commodity. It is to protect Canadians against this international and interprovincial trafficking of credit information, which is all too often erroneous, that I put forward this bill in the spirit of the constitution, given the responsibility of the federal government to protect Canadians and ensure to all Canadians the right to privacy.

Credit bureaux provide what they submit to be factual material. In their opinion this material is factual, but the whole basis on which I build my case is that all too often this material is far from factual and all too often contains

very false, misleading and damaging information in respect of the individual concerned. The fact is that they do provide this kind of information in respect of more than six million Canadians per year. They have various and different methods of investigation. For example, they usually obtain information from secondary and questionable sources such as what would appear in the public media, in newspaper stories or whatever information they can obtain from the neighbours and friends of the individual under investigation. Consequently, their method of operation is not noted for its accuracy.

I might quote from the author of "Canadian Consumers Handbook", J. D. James who said:

> Credit investigators churn out files on individuals the way a sausage factory turns out sausages. Many are paid piece rate for each report turned out. The fact that there are many inaccuracies is not hard to understand.

A further quotation which I think is relevant is from an article which appeared in *Maclean's* magazine. *Maclean's* magazine did an exposé of this whole business of credit reporting. They quote a credit investigator who said, according to *Maclean's*:

> I always tried to get one good source anyway, but I cooked up most of the supporting ones. Some guys cook an entire report, sometimes often in alleged updating of old reports, but it's too dangerous. I've seen a man dead six months being written up as enjoying good health, seen recently, steadily employed, etc.

I will agree that that is probably an exaggeration and probably does not happen too often, but the fact is it is happening in varying degrees. The general manager of the Associated Credit Bureaux of Canada says that credit is a privilege and you must lose some of your privacy to prove you deserve it. I do not agree with that statement. I do not believe that credit can any longer be considered a privilege. Credit now is an absolute essential, an absolutely vital part of this new cashless society. In any event, I question that we should have to lose any part of our privacy in order to qualify for that.

● (1710)

However, it is more than a slight loss of privacy when some of the questions of credit reporters and investigators relate to very personal affairs, matters of a personal nature such as a man's drinking or driving habits, his weight, or the kind of influence that his wife has on him. All of our rights are limited unless we do something about it. The consumer, the average Canadian, has no idea of what information is on file. He may not at any time see the information that is contained therein, even though this may be vital to his very welfare or the welfare of his family because this information is kept from him and there is no law which demands that it be divulged to him on request. There is no provision for review or revision, and no provision for challenging the information contained in such files. There is no limit on the length of time that information, which is all too often erroneous or no longer relevant, such as a bankruptcy or a minor conviction for impaired driving, is to be kept on file. In other words, there is no statute of limitation.

The Consumers Association of Canada, in a survey of various Canadian cities, discovered that the accessibility of credit records to consumers was at best difficult and all too often impossible. The British Columbia privacy act has taken the right step in the direction of consumer protection, in my view, by making it an offence, actionable without proof of damage, for a person wilfully and without claim of right to violate the privacy of another.

It is worth quoting from the Ontario Law Reform Commission report of 1968 which is still, in my view, the most definitive work on this subject, notwithstanding the fact that it was brought down some five years ago. It proposes that:

> The collection of economic, commercial and social data about an individual for the use of the collector should be governed by the basic rules of (1) consent and (2) non-disclosure to others.

Therein are contained the basic elements of the protection of privacy for which my bill is put forward.

The other recommendations of the Ontario Law Reform Commission which I think are relevant concern the collection and disclosure of such data as relate to protected areas of information which should not be included, for example, religious affiliation, mental health, personal hygiene and so on. It recommended that the collection of economic, commercial and social data about individuals done with the intention and purpose of disclosure should be licensed by the province. It went on to recommend that the risk of whether a report is libelous should be placed upon the reporting agency and its source, not upon the injured individual.

Another of its recommendations is that a duplicate of every formal report made be automatically sent to the person concerned, and a periodic listing supplied in the case of informal disclosures. It recommended the setting up of machinery whereby the individual can challenge the accuracy of any item in his credit rating and require the bureau to correct its records. It recommended the placing of a time limit on the period that undesirable material may remain on file, and that the making or publishing of a false credit report should be a serious civil offence for which the injured party would be offered damages resulting in a penalty to the offender.

Unfortunately, time does not permit me to go into the very excellent legislation which has recently been brought down by the Ontario legislature, but it certainly stands as the hallmark and the guiding light for all jurisdictions in Canada, including this jurisdiction which, in my view, notwithstanding my limited knowledge of constitutional law, has a responsibility in this regard.

It might be worth putting forward an example of what can happen and what often does happen. There is one particular case which was reported, but how many cases go by undetected and how often are the lives of Canadians permanently damaged, careers destroyed and families broken up because of irresponsible credit reporting, the using of false, misleading and unreliable information. This is a story which was published in the March 1970 issue of *Maclean's* magazine. It is about a gentleman by the name of Bruce McGrath—no relation—and it reads:

> When he was 27, the future looked good for McGrath. He was the branch manager for a finance company at Sarnia, Ontario. He had climed aggressively, rapidly in five years, through the hierarchies of three companies. He had made some enemies on the way up. But Sarnia was home and he was well known—especially as a 150 pound but terribly tenacious quarterback of the Sarnia Golden Bears and Sarnia Imperials. Then he resigned for personal rea-

sons, which Maclean's is satisfied had nothing to do with his ability, business judgment or honesty.

With his background, McGrath has no trouble getting job interviews with, he says, 12 different firms. In some instances he was told he was hired—but there was always a final rejection. He couldn't find out why. Then a Sarnia-based businessman offered him a job, and McGrath told him, "I don't know what it is, but something is wrong. I've had a dozen jobs offered and then withdrawn". The man called on the McGraths a few days later. He brought a personnel file compiled by a large firm that specializes in such reporting.

That report quoted unnamed previous colleagues as saying McGrath had been fired. The reason given was the unspecified charge of "loose morals".

I will not read any further, but it turns out that the information was totally false, totally erroneous. The reverse was true. As a matter of fact, he had been offered a promotion at the time he resigned, but this had seriously affected his whole life. After this gentleman had shown him the file, he tried to obtain agreement from the credit agency to have a look at the file, only to be denied it. Ironically, the gentleman who showed him the file did so at great risk because he was breaking the agreement with the credit agency by divulging that information. Furthermore, the same gentleman withdrew the very job offer which resulted in the file being divulged. The whole life of that man was altered drastically. I do not know what became of him, but I hope he has been successful. I understand he graduated from law school and probably is now a very successful lawyer. He has served us all well by having the courage to come forward to tell us what happened to him, to document what can happen to all of us and what does happen to many of us even though we never have the opportunity to know about it.

The bill before the House goes a long way toward providing the kind of privacy and protection from irresponsible credit reporting that has been brought down by the Ontario legislature. This bill will provide that kind of privacy right across Canada. It will protect Canadians from trafficking in false and misleading credit information. It will protect Canadians from having damaging information retained on their credit files, information that is no longer relevant. In other words, it will apply the principle of statutory limitation. It has a number of very good areas of consumer protection.

• (1720)

I am not naïve enough, Mr. Speaker, to think this bill will pass today. It merely serves as a vehicle for some of us to put forward our views on this matter, and to express our concern about it. But perhaps some day it could be the subject of further investigation and study by a parliamentary committee, and perhaps even the subject of legislation by a government that expresses concern for the privacy of Canadians, the same kind of concern that was embodied in the wiretapping bill. Perhaps that concern can be carried forward to produce this type of legislation to provide protection to Canadians against irresponsible credit reporting.

Mr. H. T. Herbert (Vaudreuil): Mr. Speaker, I do not have major issue to take with the remarks just made by the hon. member for St. John's East (Mr. McGrath), but I do feel that in this short debate there are a few points that should be underlined. I want to start by looking at some of the provisions in the bill itself.

For example in clause 8(3), concerning the permissible purposes of reports, it is important to read that it provides:

To a person which it has reason to believe (a) intends to use the information in connection with a credit transaction involving the consumer on whom the information is to be furnished and involving the . . . review . . . of an account of, the consumer;

or alternatively for review we can substitute:

—or collection of the account of, the consumer;

On these two points I have some doubts in my mind as to their adequacy, and believe there should be a considerable expansion of the intent. I feel that they leave themselves open to considerable misuse if allowed to pass in their present form, and I just want to draw this to the attention of the hon. member.

I also want to draw attention to clause 14(5), about which I also have reservations. It reads:

Except as provided in sections 20 and 21, no consumer shall have any claim against or bring any action or proceeding in the nature of defamation, invasion of privacy, or negligence with respect to the reporting of information against any consumer reporting agency, any user of information, or any person who furnishes information to a consumer reporting agency, based on information disclosed pursuant to section 13, 14 or 19, except as to false information furnished with malice or wilful intent to injure such consumer.

My reservation here is the simple one that the statements may in themselves be correct but not necessarily complete. We are all aware of what can be done with a half statement. Again, I am concerned lest there should be room here for misinterpretation because of insufficient or inadequate reporting of information.

There is one other point I want to underline, stemming from my study of the bill, and that concerns clause 15 dealing with the procedure in case of disputed accuracy. My concern is with clause 15(1) where it reads:

If the completeness or accuracy item of any information contained in his file is disputed by a consumer—

And further down the page in subclause (3) it again refers to "disputed by the consumer." My concern is that the item itself has to be disputed and not the total impact, not the effect of the report on the person reading same.

Just for a moment I wish to turn, as the hon. member did, to what has happened in the provincial field. In the statement of findings of the Consumer Affairs Conference held at Charlottetown, P.E.I., from September 10 to September 12 this year, it was reported that several of the provinces have already legislated in this area, and they advise that the procedure is working out reasonably well. It was felt that the Manitoba legislation was attractive but the Manitoba delegates pointed out that medical information was exempted in the act, as was qualified privilege, and they felt that further consideration might be given to those areas.

The provinces of British Columbia, Alberta and Prince Edward Island indicated that legislation was under active consideration and was expected to be finalized within the next year. The New Brunswick delegates claimed that they had established a satisfactory arrangement with the credit reporting agencies in their province whereby they allow persons to see their own files and, as a result, the

provincial consumer bureau is not encountering any problems. The province of Nova Scotia is now working on regulations, and recommends that the agencies be registered and bonded.

It was noted that a great deal of progress had been made over the past year, and it would appear that the matter will be adequately dealt with by the provinces in the near future. Thus, as of mid-November legislation had been passed and proclaimed in Manitoba, Quebec and Saskatchewan. Ontario, Nova Scotia and Newfoundland passed similar legislation but have not yet proclaimed it. British Columbia, Alberta and Prince Edward Island in statements have indicated that legislation is under active consideration, and only New Brunswick appears not to be contemplating legislation for reasons which I have already mentioned.

I want to refer briefly to the Quebec legislation. The hon. member for St. John's East referred to the legislation passed in Ontario, which I also agree is excellent legislation. In the province of Quebec, provisions respecting a person's right of access to his credit record were incorporated into the Quebec Consumer Protection Act, in sections 43 to 46 thereof, and were proclaimed in force as of July 21, 1971. Section 43 defines as an "information agent" any person "carrying on the business of preparing and distributing to others credit reports respecting character, reputation and solvency of a person." Section 45 provides that any person may, during business hours, see any information gathered, and credit reports in the hands of an information agent, and may make written comments which must be added to his credit record.

He may also, for a fee determined by regulation to be a flat 50 cents, plus an additional 50 cents per page, obtain a copy of his credit record. The information agent is not bound to disclose to anyone the source of his information about him, unless the source appears in the credit record.

A report by Mr. F. J. E. Jordan, who is special assistant to the Deputy Attorney General of Canada, entitled "Privacy, Computer Data Banks, Communications and the Constitution" was addressed primarily to the question of a person's right to privacy as affected by such technological developments as the computer, but many of his findings would be applicable to the specific question of an individual's credit rating, whether or not such a rating was stored or disseminated in computerized form.

Concerning institutions specifically named by the BNA Act as being subject to federal jurisdiction, Mr. Jordan discusses the banks, and the business of banking as an example of a subject area coming under parliament's full jurisdiction. Adapting his analysis to the question of the privacy of credit rating, it could be argued that the Bank Act could be amended to set out the conditions under which banks could supply information about their customers' credit standing to such agencies as credit bureaux. Mr. Jordan finds it not unreasonable to suggest that parliament could go beyond applying its jurisdiction over statistics to the statistics collecting activities of the federal government, and extend it to "similar activities by other persons." Applying this idea to the credit rating area the argument could be developed that, to the extent that information about the credit rating of individuals takes on numerical or statistical form, the treatment of such ratings might be brought under the control of parliament.

[Mr. Herbert.]

● (1730)

Mr. Jordan also examines the celebrated peace, order and good government clause of the constitution. He comments that the operation of a nationwide computer data banking system might become a subject of national interest concerning the body politic, and this might suggest that such a data bank ought to come under the peace, order and good government provisions.

Mr. Jordan discusses the possibility of using the federal government's jurisdiction over matters of criminal law as a means of achieving some control over the gathering and dissemination of information via computer banks. He observes that certain activities on the part of data bank operators could be prohibited under the criminal law. Mr. Jordan also observes that the criminal law is in essence prohibitory rather than regulatory and this would, he implies, limit its utility in controlling the activities of data bank operators. It would appear to be questionable also, for similar reasons, whether the criminal law power could be successfully invoked to control the activities of credit raters.

Mr. Jordan discusses certain other constitutional powers of the federal government which could, by some arguments, be invoked to support federal control over data banks. These include jurisdiction over copyrights, jurisdiction over trade and commerce, the federal right to incorporate companies with other than provincial objects, parliament's right to bring within its jurisdiction such works as it declares to be "for the general advantage of Canada or for the advantage of two or more of the provinces" even though such works may be wholly situated within one province, and parliament's jurisdiction over "local works and undertakings" that are "connecting the province with any other or others of the provinces, or extending beyond the limits of the province."

These constitutional heads have somewhat less interest, in a discussion of credit rating agencies and their control, than they might have in a discussion of computerized information systems, whether or not run by credit raters. It might be noted, however, that if credit raters in Canada computerize their operations extensively, and if such operations develop interprovincial and even international aspects, as could happen if the credit ratings of Canadians were stored in computers beyond the borders of the country, parliament's jurisdiction over local works and undertakings extending beyond the limits of the province might assume considerable significance.

I also want to make some comments about a bill passed by the Senate of the United States, called the Truth in Lending Act. I would mention some rather interesting points about that act which might be borne in mind when any legislation in this field is being drawn up in the future. Under that act, merchants would have to mail bills at least 14 days before payment is due; otherwise, they would be barred from charging interest on revolving credit. If a customer's payment on a revolving account is received before it is due, a finance charge is prohibited. Further, discrimination against credit applicants on the basis of sex or marriage status would become unlawful.

If we were to introduce such provisions, I wonder how we would get over our problems in Canada, inasmuch as we have not resolved the matter of equal status and equal rights in other areas. The prohibition against discrimination—I am talking about equal status—would apply in the approval or denial of credit and in the determination of credit terms; and it would cover just about all kinds of credit transactions, including consumer, mortgage and business loans.

Another interesting provision is this: companies that extend credit would be given 30 days to respond to customer inquiries about bills and would be required to settle disputes within 90 days. One problem that some people seem to have encountered is that when they get into a dispute concerning a credit account, the computer keeps on churning out the interest charges while the discussion is going on. Sometimes it seems impossible to stop the machines. Another interesting feature of this bill provides that until a company giving the credit has complied with all requirements for resolving billing differences it would be barred from dunning a customer, threatening him with a bad credit report or taking other action to collect disputed bills.

I am very much afraid that as we are moving into the era of computerized records we, individually, as the hon. member for St. John's East suggested, will face a situation in which, unknown to us, there will be files with information about us and we shall not have any chance to dispute the correctness of the information. Yet that information can be made available to other persons when we are being hired, when we are applying loans or, for that matter, to people acting in many other areas. For example, consider what happens to a husband and wife when they separate or have a dispute and the wife wants to obtain information on what her husband is doing, or vice versa. I am concerned about information which may be stored in computer banks or elsewhere, information of which we have no knowledge and which, therefore, we may not demand to see, not knowing of its existence. That is potentially a dangerous situation.

The bill we are discussing is excellent in principle. I submit it needs to be given a tremendous amount of study and consideration. I suggest that by this discussion we may be opening the door for legislation which is contemplated for the new year, possibly in the next session. I hope we shall see a bill incorporating many of the suggestions made by the hon. member for St. John's East in order to provide the type of protection which I think we have all indicated we find desirable.

Mrs. Grace MacInnis (Vancouver Kingsway): Mr. Speaker, the hon. member for St. John's East (Mr. McGrath) has done us a service by introducing this bill. No area of consumer relations or of consumer problems is more complicated and thorny and creates greater difficulties for consumers than the area we are discussing. We run across this problem all the time. Little has been done to cope with it at the federal level. Some years ago we had a study on consumer credit. Not much by way of legislation resulted from that study.

By introducing this lengthy and elaborate bill, I think the hon. member for St. John's East has shown a good understanding of the complexities we encounter in dealing with problems of this kind. What he left unsaid, the hon. member for Vaudreuil (Mr. Herbert) may have filled in, inasmuch as he indicated possible abuses connected with computers. Possibly, this bill could be called an act to prevent the invasion of privacy.

Mr. Atkey: The teeth have been drawn from the government's bill.

Mrs. MacInnis (Vancouver Kingsway): Perhaps we ought to call this bill the restoration of privacy act, or a bill for the restoration of privacy in certain areas. We are dealing with a tremendously difficult area. After all, credit is a facility for enabling one to live beyond one's income and, in far too many cases, this ability creates many difficulties. The provinces have probably been wrestling with the problem more successfully up to this point than has the federal government. This is an excellent bill. It is a long and complicated bill. We cannot deal with it in detail today because this is not the proper place to do that. A bill of this type ought to be introduced before an appropriate consumers affairs committee. It should be studied there; there should be careful scrutiny, with witnesses called and all the rest. This matter is much more complicated than meets the eye.

• (1740)

I thoroughly agree with the points that have been raised. The hon. member for St. John's East has been receiving the same type of letters as the rest of us, complaining about neighbours being used as snoopers or being approached to give evidence which is often very unreliable and which forms the basis of irresponsible credit reports.

I have received many complaints. Not only do these snoopers go into how much these people are in arrears, but they go into their personal lives in detail. Neighbours are asked about the marital status of the person being investigated. They are asked whether the individual who comes around in the evening is the husband or someone else. Questions such as this do not have anything to do with a credit rating and are an insult to the person under investigation.

I do not know whether we should have the exact type of credit reporting bureau that is suggested in this bill, but we should have some type of bureau with people who have expert knowledge and can deal with complaints. People have every right to know their credit rating at any time. They should have the same right to know their credit rating as their bank standing. They can go into the bank at any time to determine the state of their account. They should also be able to make the same inquiry as to the state of their credit rating. This could only be ensured by legislation.

My province has been slower than some which have legislation in this regard, but they are now working on it. We have a new consumers department. I know this matter is slated for consideration in the spring session of the legislature. It will be a great blessing to people who are in difficulty because of their credit situation.

I do not intend to make a long speech, because a great deal has already been said. Coming from the west, I can identify with the conditions that have been described on the east coast as well as those described by the hon.

member for Vaudreuil in Quebec. This question is Canada-wide in its application and should be dealt with by the federal parliament through the Department of Consumer and Corporate Affairs.

I hope that legislation covering this credit aspect will be introduced before very long. The problem is getting more and more serious as devices for invading privacy become more and more diverse and embarrassing. While my hon. friend may say that all privacy has gone, there are people who have managed to keep a few shreds of it and they would like to be able to maintain that position. I very much hope this bill will be given second reading and referred to the standing committee to be examined at leisure and in depth. This is something for which many of us have been pressing for a good many years.

Mr. Ron Atkey (St. Paul's): Mr. Speaker, as a new member in this House, and having a passing interest in the field of privacy, I was delighted early in the session when I noted the bill before us today, Bill C-49, standing in the name of the hon. member for St. John's East (Mr. McGrath). Indeed, I think I can say this is one of the most sophisticated pieces of legislation in the field of privacy that we have seen this session. It is to the credit of that hon. member that this bill should come before the House to be debated today and perhaps referred to a standing committee for further consideration.

Three years ago the Standing Committee on Justice and Legal Affairs made a few passing references to problems of the sort that are dealt with in this bill. They referred to the interprovincial and international flow of personal information through telecommunication facilities linking computers with central data banks. They pointed out that no new development in trade and commerce has ever had more need for or been less subjected to regulation than the private data being programmed into and transmitted by such systems.

The government of Canada, to its credit, in April, 1971, commissioned a task force on privacy and computers which dealt with many of the considerations which have been discussed in this debate. There is a great deal of valuable information as to existing operations in the private sector and in the government of Canada. As I pointed out on Tuesday of this week, that report went a long way to alerting Canadians to many of the dangers, not only in the credit field but in other fields, of applied computer uses; existing and potential dangers and threats to the individual privacy of millions of Canadians.

In response to comments by a number of members the other night about the work that has yet to be done in the field of privacy, the Minister of Justice (Mr. Lang) gave some indication of government support. I wish to quote briefly from his words as reported at page 8406 of *Hansard*:

> But I do anticipate us coming forward with additional measures, both in relation to computers and in other ways, to further protect individual privacy in this country . . .
>
> We must move to meet these advances and techniques in our time. We are doing so at this particular time in respect of the devices for intrusion related to the conversations of individuals. We will do so step by step and without delay with regard to other areas. It was for this reason that we commissioned the study on privacy and computers, and followed it up with action inside the government to determine how we could most effectively carry out the recommendations or suggestions which are implicit in the work which went on in producing that report.

[Mrs. MacInnis (Vancouver Kingsway).]

Here are the key words:

> The House will before long see the fruits of some of that labour, and with that we will continue to do what we are doing in respect of this bill in protection of privacy.

I can suggest no better place to start than for the government to consider Bill C-49 standing in the name of the hon. member for St. John's East. A few technical problems were pointed out by the hon. member opposite. I do not share so many of his concerns of a constitutional nature. I looked at some of the problems in that field. I think this could provide a good starting point for work in the standing committee. One of the great problems in approaching this field of attempting to alert Canadians to the dangers is to assist them in appreciating what we are talking about when we deal with the right to privacy. The right to privacy is perhaps accepted by many members of the House as a substantive legal right, yet in non-lawyers' language what does it really mean? I think the task force on computers and privacy came close to coming to grips with that question. The task force said:

● (1750)

> Thus, the claim to privacy, as we know it, is eminently a phenomenon of the industrial and postindustrial age in which the exigencies of urban life have led to an atomic concept of society in place of the earlier organic model. Formerly, in moving from the country to the city, physical solitude was traded for anonymity. The exchange is increasingly nullified and anonymity is compromised by the spread of information systems and networks while solitude in cities has been largely lost. Moreover, the process is one way: institutions learn more about individuals, but individuals learn no more about the institutions, or even about what the institutions learn about them.

To put that in simple language, Canadians fear the powers of mass surveillance which large corporations can exercise through the use of computers. They fear this power because they do not have access to it and they do not understand it. In a recent book entitled "Private Lives and Public Surveillance", the author, Mr. James B. Rule, referred to this question of the invasion of privacy particularly in the consumer credit field. He used the term "mass surveillance" as an appropriate one to typify the view most people have of the use of computers in that field. In describing mass surveillance and human repression, he said this:

> If the erosion of personal privacy represents, for most people, one of unpleasant consequences of mass surveillance, then the abridgement of personal freedom represents the other. People instinctively feel that the appetite of corporate agencies for personal data is not simply whimsical. They feel rather that information so collected is apt to bear on subsequent decision-making, and that such decision-making may work to their disadvantage. The case studies have shown that these perceptions are quite correct, at least as far as they go. The question is: has this inquiry also revealed an over-all trend toward totalitarian repressiveness in the model of "1984"?

I would answer that question in the affirmative. I was interested to note the reference by the hon. member for St. John's East to the experience of a young businessman who later became a law student and then a lawyer in Sarnia, Ontario. This young man, Mr. Bruce McGrath, was a law student of mine and I had occasion to spend many hours with him on a personal basis discussing his situation, one

which was so carefully described by the hon. member for St. John's East.

The psychological damage which had been done to this young man as a result of the error which had been made and transmitted, in terms of his job prospects and credit rating, was painfully evident. I understand the agony which this man suffered and I imagine there are thousands of Canadians who have suffered in similar circumstances. If we as legislators can enact laws which will reduce the incidence of this suffering, or even eliminate it, we shall have gone a long way toward making our society a better place in which to live.

Finally, I want to mention a related field involving the use of computers in the collection of data concerning offences against the criminal law. I refer specifically to the Canadian Police Information Centre which is now in operation collecting data on many millions of Canadians, not only concerning offences which have been committed but concerning investigations and personal information on individuals which may or may not be accurate and which, if revealed to certain people, could cause great damage to the person concerned.

This represents one of the most blatant invasions of the individual right to privacy our society has yet seen. For some weeks a number of questions have been on the order paper in my name asking the Solicitor General (Mr. Allmand) for more information about this system. Answers have not yet been forthcoming. I trust this is another area in which we may see legislation passed giving Canadians the guarantees and protection they require if they are to retain any right of privacy.

Mr. Paul McRae (Fort William): I see it is almost six o'clock, Mr. Speaker. There is, therefore, no time left in which to launch into a discussion of this topic except to say I think there is a great deal of unanimity among all parties that this bill should be looked at very carefully by the Department of Consumer and Corporate Affairs in an attempt to fill in the gaps left in the provincial field which make consumer reporting a dangerous thing for many Canadians.

Mr. McGrath: I rise on a point of order, Mr. Speaker. I realise that the time allotted to this debate has expired and that there is not time for the question to be put. I wish to thank all hon. members who have participated in the debate. I appreciate the worth-while suggestion by the hon. member who has just resumed his seat and I hope the Department of Consumer and Corporate Affairs will indeed take a look at this legislation.

Some hon. Members: Hear, hear!

The Acting Speaker (Mr. Laniel): It being six o'clock, I do now leave the chair.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

ENERGY SUPPLIES EMERGENCY ACT

MEASURE TO PROVIDE FOR ALLOCATION BOARD, MANDATORY ALLOCATION OF SUPPLIES AND RATIONING OF CONTROLLED PRODUCTS

The House resumed consideration of the motion of Mr. Macdonald (Rosedale), that Bill C-236, to provide a means to conserve the supplies of petroleum products within Canada during periods of national emergency caused by shortage or market disturbances affecting the national security and welfare and the economic stability of Canada and to amend the National Energy Board Act, be read the second time an referred to the Standing Committee on National Resources and Public Works.

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, when five o'clock was called I was dealing with the latest chapter in the love affair between the Liberals and NDP. Since I finished speaking I have heard the most recent episode in this courtship, and that is that the hon. member for Peace River (Mr. Baldwin) was contacted—

Mr. Baldwin: Please!

Mr. Hees: I am sorry, I mean the hon. member for York South (Mr. Lewis) was contacted in Alberta a short time ago and was reported to be overjoyed. He is reported to have said that this is the greatest victory the NDP has ever had, and he has assured the Prime Minister (Mr. Trudeau) publicly, as he did privately before he went on his trip, that he would support the government on Monday night. So for the time being that is the end of this delightful little love story, but I suppose more and more chapters will unfold as this session and the next session go on.

I was also talking about the great need for steps that must be taken if this country is to be made self-sufficient in energy, not just in the immediate future but in the years ahead. The first thing I said the government must do is to come to grips with, and not just talk about, the building of the Montreal pipeline. Today the Prime Minister spoke glibly of that and said it was going ahead. We have been hearing that for months, Mr. Speaker. He makes this announcement every few days whenever he thinks that the NDP's love might be flagging a little. Just as you tell your girl or your wife several times a day you really do love her, so he keeps assuring the hon. member for York South that he really is going to build the Montreal pipeline. He came through with a few more goodies today.

The hon. member for Peace River—I am sorry, I mean York South. The reason I keep saying Peace River is that I am thinking of the former leader of the Social Credit party. I mean of course, the hon. member for York South. Any time his affection seems to be flagging, the Prime Minister can be counted upon to come forward with new assurances to keep him in line.

Mr. Knowles (Winnipeg North Centre): You are all mixed up.

Mr. Hees: Besides getting this Montreal pipeline built so that Canadian oil can be used to supply Quebec and the

Atlantic provinces, we must also find the additional oil that is going to be needed to supply all of Canada's needs in the future. We know that today Quebec and the Atlantic provinces together use some 900,000 barrels of oil per day, which when the pipeline to Montreal is finally completed in some two to three years will amount at least to an additional one million barrels a day that have to be found.

Where is that extra oil going to come from? Obviously, most of that oil has not yet been discovered. We must find this additional oil because we cannot in any way interfere with the one million barrels a day of oil and the 250,000 barrels a day of petroleum products which we deliver by contract to the United States. I think it is obvious to all members of this House and to all Canadians that any attempt to do divert even a small part of that solemnly entered into commitment would have a catastrophic effect both on our trading relationships with the United States, where we export 70 per cent of all our export products, and on our general relationship, on which we rely so heavily, with our neighbour to the south. In order to have enough oil to look after our needs for the future, we will have to discover two barrels of new oil per day for each barrel that we use. If we do not discover new oil at this rate, in ten years we are going to start running out of this fuel.

Let us ask ourselves how we have been doing in this regard in recent years. The sad story is that during the past three years we have discovered only one new barrel for each barrel of oil that we have been using. So the next question is: Where must we find the additional oil we are going to need? The answer, of course, is that it must come mostly from three places, the Arctic islands, the Mackenzie delta, and off the east coast of Canada.

The next question is: How much money should we be spending each year on exploration to produce both our present needs and the additional oil we are going to need in the future? The answer to that given by the oil industry, the people who have to do the discovering, and the only people who are doing this discovery work now, is that we must spend in the future a minimum of $750 million a year. The present indication is that, because of the lack of confidence that the oil industry has in the policies of this government, the amount of money that will be spent next year, 1974, will be only about half of this $750 million. This, of course, will leave this country very, very short of the oil we are going to need, and we must do something about it.

The reason this discovery process is being slowed down so materially is that the oil industry on which we have to rely to find this new oil is very, very dissatisfied with the decision-making process of this government. Unless they can get the decisions that must be made by this government in the very near future, we will be very short of the oil we will need in the future.

● (2010)

What are the oil companies trying to find out? First of all, they want to find out—and have been waiting for 2½ years to get this information, with no result whatsoever—the federal government's stand on the question of permits, leases and royalties in respect of Arctic and offshore oil that will be discovered as a result of the exploratory programs of the oil industry. Until these answers are given to the petroleum industry, the companies which will be putting up the risk capital to do this work in discovery of new petroleum will not spend any more than the projected amount I have given, that is, $375 million in 1974 instead of twice that amount, $750 million, which is the amount that must be spent if we are to find new oil now to enable this country to become self-sufficient in the future.

The government must make up its mind on what it intends to do regarding these matters, and let the oil companies know just what that intention is. It must sit down and discuss these matters with the oil industry and work out mutually satisfactory solutions. When it does that, the oil companies will go out and spend this $750 million. They want to do this and are anxious to do it, but they will not do it until they find out from this government how it intends to treat the finds they make at great cost to themselves. I think we all agree that is a very fair stand for the petroleum industry.

The second thing that has held back the production of additional oil products is the lack of a decision to go ahead with the Athabasca tar sands. This afternoon the Prime Minister spoke glibly about the way this project is going to go forward. It is not going to go forward until the Syncrude Corporation is advised by this government that it is willing to treat the 50 per cent net profit, that portion which by agreement will accrue to the Alberta government, in exactly the same way as any other royalty paid to any other government, for tax purposes, by the federal government. When the Syncrude Corporation is advised that this government is willing to treat 50 per cent of the net profits in that way, then the Syncrude project will go forward. It will not go forward until the federal government makes that information available. It is as simple as that. The Prime Minister can make all the syrupy speeches he wants, trying to build confidence in this country, about how this big project is going ahead; but I tell you it will not go ahead until this government gets off the seat of its pants, does a little thinking and lets the oil industry know what it is going to do in respect of this important matter.

Something that should disturb all of us who are interested in the provision of fuel for this country, and who are particularly interested in the magnificent Syncrude project, is information that the United States government has just issued the first six permits required to develop the oil shales of Colorado. This is a similar type of project to the Athabasca tar sands. If this project gets into production before the Syncrude project, this may very easily diminish very considerably the value of the Athabasca tar sands.

The oil industry in Canada is very worried about this aspect of the whole proposition, but the government does not seem to pay any attention to this concern. It seems to think we have the Athabasca tar sands production all to ourselves, it can do what it wants and take all the time it wants. Those in the oil industry who know of this matter will tell you that the Colorado oil shales represent a very worrying aspect of this whole matter. For that reason, this government should make a decision and so advise the Syncrude Corporation, allowing that very important resource to be developed in the shortest possible time.

Finally, the petroleum industry in Canada is holding back on the expansion of its operations because the gov-

ernment has largely removed from the National Energy Board the advisory function that was definitely granted it by the National Energy Board Act when it was passed in 1959. In the years following the passing of that act, the oil and gas industry learned to have great confidence in the recommendations of that board because those recommendations were based upon facts and not on political considerations. These facts and recommendations were made known to the oil and gas industry. The government, of course, had the right to decide on oil policy. But when the National Energy Board had the right to advise the government and make that advice known to the oil and gas industry, the industry knew the government was making these decisions, whatever they may be, on the basis of facts and not just on the basis of political considerations.

The government's oil policy today is decided 100 per cent in this way. What bothers the oil industry so much today is that these decisions are not only political but, as we have seen in the last few weeks, they can be changed two or three times in a single week. When an industry requires up to eight years from the time the decision to develop a project is made until the final production of the oil and gas, one can understand why such an industry cannot have any confidence in decisions based on political considerations, as they are now, and changed as rapidly as are the decisions of this government.

The speech made by the Prime Minister today is the greatest example of how the decisions of this government can change almost daily. His speech contained assertions that the government intends to do those things which a few days or weeks ago it stated flatly, over and over again, it would not do. Now, because the party to the left, the NDP, put the heat on and said it would defeat the government on Monday night if it did not come to terms and do exactly what that party wanted done, the Prime Minister has changed his mind. His speech could easily have been written by the hon. member for York South. My information is that that member did have a great deal to do with the writing of this speech. One thing that has been proved beyond any shadow of a doubt is that in the future Canada is going back to the two-party system; there will be a free enterprise party and a socialist party.

• (2020)

Both the Liberal Party and the NDP have a very celebrated day—December 6, 1973. It is going to be known as "A" day, amalgamation day. They will celebrate it together. There will be bonfires burning in their caucuses tonight, and everybody will be very very happy indeed.

Mr. Guay (St. Boniface): The same old rag that has not been washed.

Mr. Stanfield: You should do some washing over there.

Mr. Hees: Mr. Speaker, I think it is obvious that this country will not be self-sufficient in respect of energy for not only the immediate future but the long-term future unless four very definite things are done. I will sum them up. First of all, the government—

Mr. Woolliams: A new government.

Mr. Hees: Yes. This is one of the very reassuring things, that in a very short space of time a Conservative government will do these things. There is no question about it. Don't kid yourselves about that. First of all, the government must stop talking about the building of the Montreal extension of the oil pipeline. It must get down to the question of appropriations and the provision of the steel and the labour needed. It must have an actual timetable in respect of getting ahead with the building of this pipeline. Let them stop talking and let them do something for once. That is the first thing which must be taken on as a project of priority without any delay.

Second, the government must discuss with the petroleum industry the government's ideas regarding the ground rules pertaining to permits, leases and royalties as they affect Arctic and offshore oil, and work out a mutually satisfactory arrangement with the industry on these important aspects of how they will operate. Third, the government must advise the management of the Syncrude project that it will treat for tax purposes the net profit paid to the Alberta government in the same manner as any other royalty.

Mr. Speaker, I have wakened these deadbeat Liberals on the other side of the House. Most of these people have not spoken two words in two months and now they are all jabbering; they are alive and listening. I hope they will learn something, because there is plenty they can learn and I am telling it to them now. The next thing the government must do is transfer back to the National Energy Board the advisory function which was given to it by the National Energy Board Act of 1959. This advisory function was given to it under a Conservative government. This satisfied the National Energy Board. This should be done now so that we will get away from the type of oil policy indulged in by the Liberal government at the present time.

Mr. Speaker, I happen to write my own speeches and I do not mind when I hear this clap trap from the minister and his confreres. I say that what is needed in this whole matter is a revision of the government's decision-making process. Really now there is no decision-making process. The only people who make decisions in the conglomeration of Liberals and New Democrats are the New Democrats. They wrote that policy today: it was their policy and not that of the government.

I say, for heaven's sake get down to a policy-making process which will convince the petroleum industry that you know what you are doing, so that they can make their plans, can make the additional discoveries needed and can bring these locations into production so that this country can at long last become self-sufficient in respect of energy. I urge the government to do this in a very short space of time. I assure you, Mr. Speaker, that when a Conservative government takes over very soon, these are the kind of policies that this country will see.

Some hon. Members: Hear, hear!

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, the reaction of the Conservative Party which we have seen this evening is one of shock, distress and frustration. The hon. member for Saskatoon-Biggar (Mr. Gleave) said to me, in his very good rhetoric, a few minutes ago that the

distress of the Conservative Party reminded him of the farmer on the Prairies who went to milk a cow during a lightning storm and was left holding the bag.

An hon. Member: I didn't get it.

Mr. Nystrom: Anyway, Mr. Speaker. I am very amused by the reaction of the Conservative Party tonight. Their leader said in Vancouver recently that they wanted a staged price increase for consumers of petroleum products in this country, and they wanted that price increase to go away up almost to the level of the international price. This is what the Leader of the Conservative Party wanted for the consumers of Canada.

If we look at the price of petroleum in this country today, we see there is a difference of $2.20 a barrel between the domestic price and the international price. If the Conservative Party wanted to lift the price freeze, it would mean that over the next few years the oil companies of this country, because they have some ten billion barrels of assets in Canada, would be getting a windfall of some $22 billion. This would be the result if we listened to the Conservative Party. That is exactly what the Conservative Party wanted to do. It is very interesting to look at the party to my right and see some of the difficulty that that party faces. I have here an article from the Toronto *Star* of December 5 which quotes the energy minister of the province of Ontario when speaking to Albertans. He said:

—they have a responsibility to hold the price on our conventional oil and gas and protect the nation and people—

He also stressed that this refers to all people in Canada. He went on to say this, which I find very interesting:

—Canada has proven conventional oil reserves of about ten billion barrels. "If we bump the price by $5 a barrel—and there are plenty of people that are talking about $9 oil in Canada at the wellhead—there'll be a windfall for somebody of $50 billion"—

Those are the words of Darcy McKeough, the minister of energy in the province of Ontario. Here we have a national Conservative Party that wants to take price controls off energy in the country and allow the price to float in relation to what the international price may be, whatever it may be. I do not wish to comment on the statement the Prime Minister (Mr. Trudeau) made today, except to say one of the significant things in it is that we now have some public involvement in the oil industry in this country. How much that may be will be seen some time in the future.

We must take this energy situation very seriously. It is an important issue, not just for now but for the future of this country. We must have a policy which includes not only price but also those who own and control the industry in this country. To us in this party, this is very important. We suggest there should be public ownership of the energy resources of this country and that, like electricity, any energy should be treated as a public utility and should not be left solely in the hands of national and international cartels.

● (2030)

I suggest that the announcement made by the Prime Minister today is the beginning of some kind of public involvement in the gas industry in Canada. But I would like to see all future energy resources in this country treated as a public utility, under public ownership, through joint co-operation between the various provinces and the federal government. I can assure you that some provinces would be very interested in that type of proposal.

The development of energy resources could be financed through public ownership quite easily. For example, we could channel the revenues from the export tax, which will amount to millions of dollars annually if the situation remains as it is, into the development of energy resources for the public. If there is to be a price increase some time in the future, we could earmark the increase over the cost of the oil industry toward the development of that industry under public ownership.

These are just a couple of proposals regarding the future development of gas and oil in this country. Many people in this House have heard complaints that the oil industry does not have enough incentives. A few minutes ago the hon. member for Prince Edward-Hastings (Mr. Hees) said that the oil industry does not have the confidence of this country and therefore it will not develop. I wonder why they say that. All they have to do is look at the profit picture for the last year to see whether or not the oil industry has enough incentive.

First of all, we find that the price per barrel that the oil industry receives has gone up by 95 cents in 1973. That is an increase of 37 per cent that the oil companies are getting. This is before any kind of price freeze or export tax has been levied by the government. This increase that the government has granted them has brought the oil companies some $700,000 this year, and some companies have had profits of some 87 per cent. I suggest that that is a hefty increase for the oil companies and a real incentive, as the hon. member for Nickel Belt (Mr. Rodriguez) said. I think the time has come when there must be public control and public ownership of the energy resources of our country.

I think, for example, that the price control to which the Prime Minister referred regarding energy should not be lifted at the end of next April but should be a permanent part of the energy policy of this country, as the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) said in the House yesterday. There is no reason at all why there should not be some permanent price controls on energy in this country, which would be adjusted only when the oil companies have legitimate increases in cost. And the price should not be adjusted to give the oil industry additional profits.

Some hon. Members: Hear, hear!

Mr. Nystrom: That is an idea to which this party wants to hold the Prime Minister when he refers to unnecessary profiteering by the gas and oil industry. It is a selective control that our party is advocating. It is not like the phony 90-day freeze that the Conservative Party is advocating on commodities, on wages and prices across this country. That would not help anyone; it would only hurt the pensioner and the low income earner.

I also suggest that the export tax be a permanent feature of our gas and oil policy. If there are any windfall gains to be made in the gas and oil industry, those gains should

come back to the people of this country who own the resources, not to some foreign-based, multinational corporations. The windfall gains that are made could be channelled into a fund, for example into the Canadian Development Corporation for the development of the tar sands, the development of the resources in the north and in other parts of this country under public ownership, so the people of Canada could reap the benefits, rather than the few entrepreneurs who live outside our borders.

All one has to do is look at some of the real effects that foreign ownership has had in our oil industry to realize the emergency proportion it has reached. I find that over $1 billion is leaving Canada this year in terms of dividends and profits from the oil industry and finding its way into the hands of foreign investors, perhaps in the United States. Much of that $1 billion is used for exploration outside of this country, such as in the North Sea. Another statistic I have is that about 86 per cent of the dividends on the earnings made by oil corporations in this country go outside of Canada, and only 14 per cent stay here for exploration, development and expansion. In my opinion, that is an example of the negative value of foreign ownership and control.

It is not only that. When you have that type of control of the oil industry, you find there is a lack of jobs. For example, the petrochemical industry is not developed in Canada, but elsewhere. This is one of the by-products of foreign ownership. You will find that in times of emergency, such as we have now, an oil corporation may divert some of its supplies from one destination to another. Multinational oil companies are huge international private governments; they are huge elephants that stamp around in countries as if those countries were small ants scurrying to get out of the way of the big feet of the elephant. In the House we have a perfect lobby for these companies, namely, the Progressive Conservative Party. We should tell the people of Canada about it as loudly, as clearly and as often as we possibly can.

I think we should do all we can to force the government of this country to become more and more involved in the gas and oil industry on behalf of the people of Canada, because that industry belongs to the people and we have the money, technology and resources to develop it. Therefore, we should develop it for the use of the Canadian people. If we do that, Canada might have a great future, because there is a genuine shortage of energy throughout the world and if Canada developed its own energy industry this could have a real spin-off effect in other industries. Countries in western Europe, countries like Japan, Great Britain and perhaps the United States, will want to import more manufactured goods and have a high energy input some time in the future.

If we in Canada have our own energy resources and an abundant supply of them at the cheapest possible price, we will be able to produce more goods for export to other countries that might be less fortunate in terms of gas and oil. I suggest it is important that we keep pushing the government now and in the future toward getting more involved in the gas and oil industry of this country. As I said, I think we can do it. I think we should be encouraging the government now to buy out the major oil companies. If we did that, we would be on the way to real public involvement in the gas and oil industry. If we expanded and used the export tax, the tax revenues on gas and oil, we would have in this country within 10 or 15 years an energy industry wholly owned by the people. We would not have to take over the oil companies. In 10 or 15 years their assets would be depleted and they would be a public utility, under public control and ownership, a people's oil industry that would serve the people of this country. Any profits that were made would stay here, and any oil man will tell you that the oil industry today is very profitable, for they are raking in literally millions and millions of dollars.

Any decisions that were made would then be made here in Canada for the public good, not the private good, and any jobs created in the petroleum industry would be here in Canada. We could develop an industrial structure that was responsive to our needs both social and economic. The bill we are debating today, I see as a small part in the national energy policy that this country should be evolving in the next 12 or 15 years.

● (2040)

The allocation bill we have before us will give the government some of the powers to take the steps that I and others in my party want taken, and that I suggest the people of the country want taken. A Gallup poll conducted a few months ago showed that the majority of the people of the country want the energy resources of the country, including gas and oil, brought under public ownership and control. It also showed that the Liberals and Conservatives surveyed preferred to have energy resources owned by the people rather than by foreign-based, multinational corporations. That is the direction in which we should be moving. We can move in that direction. Other countries have done so and there is no reason why Canada should not.

We have the resources, Mr. Speaker. In the oil sands of Alberta and Saskatchewan we have in oil reserves as much as all of the Arab states put together. We should not allow the tar sands to be sold out in the same way that the oil industry to date has been sold out to foreigners. As a result, the oil policy of this country has been established by foreign-based, multinational corporations in the private sector. The time has come to change that policy and have a public input on behalf of the people of the country.

Mr. Norman A. Cafik (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, I was delighted today by the statement made by the Prime Minister of Canada (Mr. Trudeau) in which he clearly illustrated that the government intends, in a very forceful and dramatic way—

[*Translation*]

Mr. Lambert (Bellechasse): Mr. Speaker, I rise on a point of order.

Mr. Speaker, I do not wish to be disagreeable to my colleague, but according to an established tradition of the House, after a ministerial statement, a spokesman for each party is asked to make appropriate comments. In this circumstance, I think that it would be entirely normal for the Chair to recognize the hon. member for Lotbinière (Mr. Fortin) who is the spokesman for the Social Credit

Party of Canada in the House. I respectfully submit this point of order so that the established customs of the House be followed.

[*English*]

Mr. Deputy Speaker: I thank the hon. member for his intervention. The Chair does its best to recognize hon. members according to the number of members in the parties. I can advise the hon. member and the hon. member for Lotbinière (Mr. Fortin), to whom I have just directed a note, that after the hon. member for Ontario (Mr. Cafik) completes his speech, and the hon. member for Calgary North (Mr. Woolliams) speaks, the hon. member for Lotbinière will be recognized. I hope this will be done before ten o'clock. It is the practice of the Chair to try to see that at least one member of each party is recognized during any one day of debate. The hon. member for Ontario.

Mr. Cafik: Thank you very much, Mr. Speaker. I started off by saying I am delighted with the statement made by the Prime Minister today, indicating in no uncertain terms that the government intends to exercise control over the development of our natural resources and to see that the corporations, multinational or otherwise, act in such a way as to maximize protection for the consumer, particularly the consumer of home heating oil products.

Bill C-236 clearly restates our desire to have complete control over emergency supply allocations in Canada and is a welcome move. It is an emergency step to deal with the emergency situation in which we now find ourselves, but if passed by parliament it will be available as a permanent piece of legislation for use in any other such emergencies in times to come. The broad powers provided under the bill are necessary in order to protect our economy, the essential services of the country, and more particularly the oil consumer in terms of supply and prices.

It will also protect something that is very close to the hearts and minds of all Canadians, in that the independent distributors of petroleum products can now be assured that they will not be squeezed out of the marketplace by the multinational corporations who may have a vested interest in serving themselves rather than the independent dealers with whom they were happy to deal in the past.

Through this bill we are also ensuring the best use of our distribution system—ship, rail, truck and pipeline—to see that the private sector behaves in a good corporate way in meeting the national objective of getting energy supplies to all Canadians and to the essential public services which require them. Of course, at a time of crisis and high demand we must hedge the public against what might be termed corporate greed, against the self-interest of the multinationals who can arbitrarily dislocate the economy and national well-being of our citizens at large. This crisis has provided Canada with a tremendous opportunity to act now and dramatically exert national control over multinational corporations to make sure they serve the best interests of all Canadians, and to ensure that for years to come, for centuries to come, this country will be self-sufficient in energy supplies.

The Prime Minister spoke not only in terms of oil supplies but in terms of delivery systems. However, Bill C-236, now before the House is directed more toward

delivery than supply. There is no question that supplies are a problem of a worldwide nature, and in particular for developing countries. It was interesting that the hon. member for Prince Edward-Hastings (Mr. Hees) did not seem to recognize this point, and I gather that the hon. member for Calgary North (Mr. Woolliams) does not recognize it either.

The hon. member, speaking of supplies, talked about the Syncrude project and indicated that as a result of the Americans going forward with their shale development project in the United States this might well lessen the value of our tar sands unless we develop them rather quickly. To me, this implies a feeling on his part that once these two projects are developed we will have a world surplus of oil then and in the future. That flies directly in the face of the well known fact that, with the passage of time, the world will still be in an energy crisis and alternative energy supplies must be developed. I do not know how the Conservatives can have it both ways, one talking about the tremendous energy crisis and another saying we had better hurry up the development of tar sands because, if we do not, the Americans will beat us with their shale project and therefore we will not have anything worth while in Canada. That does not seem to be at all consistent.

Another matter with respect to the rather nebulous position of the Conservative Party in regard to this overall problem is the fact that during the 1972 election campaign, and afterwards, I was under the impression that the Conservatives were the party who wanted to have wage and price controls. The simple fact now is that every time controls are put on one sector of the economy or another by the government in order to protect the consumers, the Conservatives cry "foul". Their leader, when in Vancouver the other day, indicated that when the petroleum price freeze is lifted he would like to see staged increases. That does not sound very consistent to me.

• (2050)

Mr. Woolliams: Mr. Speaker, I rise on a question of privilege. I have heard quoted two or three times today what my leader is alleged to have said in Vancouver.

An hon. Member: Don't you know what was said?

Mr. Woolliams: I wonder if the Minister of National Health and Welfare (Mr. Lalonde) would mind keeping quiet.

An hon. Member: What is your point?

Mr. Woolliams: At no time did he make that statement.

An hon. Member: How do you know?

Mr. Woolliams: I have seen the script.

An hon. Member: But were you there?

Mr. Deputy Speaker: Order, please. Obviously, a point of debate has arisen. The hon. member for Calgary North (Mr. Woolliams) will be recognized, as I indicated before, immediately following the hon. member for Ontario (Mr. Cafik), and he can read into the record what was actually said. I think we should proceed in the traditional method

of debate. If hon. members disagree with each other, this is a free place; they have the right to rise and state their disagreement.

Mr. Woolliams: Mr. Speaker—

Mr. Deputy Speaker: Order, please. I ask the hon. member to co-operate with the Chair. The point concerns him, but this is the essence of debate. In a few minutes he will have a chance to present a rebuttal of the case presented by the hon. member for Ontario.

Mr. Woolliams: Mr. Speaker, surely, notwithstanding the rules of debate, the truth is important.

Some hon. Members: Oh, oh!

Mr. Deputy Speaker: Order, please. The Parliamentary Secretary to the Minister of National Health and Welfare has the floor.

Mr. Cafik: Mr. Speaker, I say, with due respect to the hon. member for Calgary North—I do respect him—that it is evident that I am quoting from what I believe to be the statement made. I do not think I am wrong.

Mr. Woolliams: You are.

Mr. Cafik: I am sure the record will show in due course that what I have read from the statement made by the Leader of the Opposition (Mr. Stanfield) indicates that he has advocated the staging of price increases after the freeze has been lifted on January 31, 1974. If that is not true, that will be fine: I will be glad to see that the Leader of the Opposition has come to his senses and realizes that this is not a good position to advocate.

In any event, this government certainly does not subscribe to that position. The Prime Minister indicated eloquently today that we do not believe there ought to be staged increases after the price freeze comes off. He said in no uncertain terms that it was his view that we should have voluntary controls until at least the end of the present heating season. I subscribe to that view.

An hon. Member: Then how high would it go?

Mr. Cafik: An hon. member asks, "Then how high would it go?" Finally, Mr. Speaker, what we have preached has finally stuck, has finally come home. We have said that wage and price controls advocated by those on the other side of the House would, once the lid had been lifted, only serve to create artificial pressures.

As has been said several times, the price of oil in Canada is not related to the cost of production in Canada but, rather, to market value in the world. That market value is not related to costs but is related to the shortage of supplies and the cutback in production in Arab countries. Therefore, we are simply saying that there is no justification for an increase at this time, as costs have not gone up, merely because there is an opportunity for the companies to garner more money from the people of Canada and of the world as a result of the tight supply situation.

An hon. Member: How high would the price go after the freeze?

Mr. Cafik: I presume the hon. member would recant what has been said on behalf of the Conservative Party about the putting of a lid on wages and prices, in view of the dangers which would arise once the lid was taken off. If that is the hon. member's position, then I am delighted to hear that he and other members of his party have come to their senses in that regard.

An hon. Member: Answer the question. How high would prices go then?

Mr. Cafik: One thing is sure. If the opposition party were in power today, oil prices in this country would be higher than they are today. A freeze would not have been put on, because I think hon. members opposite are the biggest lobby for the large oil corporations in this country.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Cafik: I think all Canadians welcome Bill C-236 which would clearly establish energy supply allocations in Canada through a board which would control the movement and distribution of petroleum products.

I now wish to say something about the over-all problem of energy in this country and what I think ought to be done about it. Without doubt, the people of Canada are sick and tired of what they believe to be the corporate rip-off by the multinational oil corporations.

An hon. Member: Now you are really recanting.

Mr. Cafik: The hon. member opposite may laugh, but I will tell him one thing: his attitude shows he does not care. That is not true of my party.

Some hon. Members: Hear, hear!

Mr. Cafik: The Prime Minister responded properly, I thought, by saying that we would keep controls on and see that the best interests of all Canadians are protected. I welcome the establishment of the Canadian petroleum corporation because I think it is essential for the Canadian government to involve itself in exploration in conjunction with the private sector. I particularly welcome the emphasis the Prime Minister gave to our supporting and helping, in exploration activities, those smaller Canadian-owned petroleum corporations which find it difficult to compete with the large multinational corporations. I think that will do much to help give us a greater degree of Canadian control over our natural resources.

The Prime Minister mentioned the pipeline from the west to the Montreal area. That is very important. I am delighted with the urgent priority given to this matter. May I make a suggestion, which is not really original to myself, which might be considered. In the interim, at the appropriate time we might be able to take advantage of some of the excellent personnel in the armed forces who could help in the development of this project and speed it up.

I think the new Canadian petroleum corporation could be used as a vehicle for development. Under its aegis we could set up a development fund into which special taxes and depletion allowances as presently available to the

large oil companies in this country could be funnelled, so that we could establish a sizeable fund for developing our own natural resources, which would include not only the tar sands but offshore resources and resources in other parts of Canada.

The oil export tax, established in Canada some months ago over the cries of "foul" by many Conservative members, I think has been a useful tool for ensuring that the government of Canada, in conjunction with the government of Alberta, can build up funds for those very developmental purposes. The export tax which many were led to believe was a tax against the consumers of Canada is in fact a tax to protect them. It was to make sure that people in Canada are only paying Canadian prices, not prices according to the Chicago market. Because of the export tax there has been a considerable increment in funds to be used for national purposes such as the development of oil projects in future. I welcome that.

Many Canadians are not fully aware of the enormous rise in the price of oil which has taken place in the world, and how much we have to be thankful for in this country because we are not permitting international prices to be charged on the domestic market. Recently, for instance, Nigerian oil has been sold for $16.40 per barrel; Tunisian oil for $12.60 per barrel. The Chicago market price, as best I can calculate, with our tax added is $6.40 per barrel. The Canadian price is much lower than that, being in the neighbourhood of $4 per barrel, only because the government has put the lid on and made sure that the corporations do not line their pockets because of the international energy crisis.

● (2100)

Another area that concerns me a great deal is the need for us to develop and stimulate alternative sources to fossil fuel for energy purposes. A good example of what we can do has taken place in my own constituency. For example, the Prime Minister referred to the Pickering nuclear plant. That has been a phenomenal success, something of which all Canadians can be proud. It is much more successful than any alternative form of developing hydroelectric power tried by any other country in the world, including the United States. The fact that it uses uranium rather than enriched uranium causes a greatly reduced operating cost of that plant.

I welcome the suggestion by the Prime Minister that the federal government will participate, as it did in the Pickering project, in developing similar plants in the provinces across Canada. By doing this, the impact can be phenomenal in terms of reduced fossil fuel use. For example, the Pickering plant is at present capable of generating enough power to heat every home in Toronto and light every light at peak periods. All this can be done by one nuclear plant. That is quite an achievement.

I think in the long haul we ought to give more emphasis to this kind of energy and less to the conversion of homes to the use of natural gas and oil supplies for home heating purposes, particularly in large metropolitan areas like Toronto, Montreal, and so on. It is now proposed to double the plant in Pickering. After that is completed, it will generate an enormous amount of power. It will take some of the pressure off the use of fossil fuels. I am sure it will serve as an enormous export boon when the world becomes aware, as it has increasingly been doing, of the tremendous project we have in the Pickering generating station.

[Mr. Cafik.]

There are other things we must do, perhaps in conjunction with the United Nations or at least other countries. We should evolve massive projects by numbers of countries in the world to look into the problems of solar energy. This is enormously expensive to develop. We must develop hydrogen use and other forms of energy production. There is no question that in 20 or 30 years, which is not long in the lifetime of a nation or the world, we will have to look at these other sources. I believe Canada can set the pace and an example in the development of that kind of approach in which we will conserve our energy, keeping it for a longer period of time in areas where it is really essential and not using it in areas where alternatives are presently available.

The same is true with regard to the use of automobiles. On a recent trip to England, I was quite impressed with a milk van which, when full, carried 40 cases of milk. It was powered by electricity, two batteries, one on each side of the vehicle. It travelled over 50 miles an hour, with a range of 250 miles on one charge. It is plugged in at night and then used for a full day for the delivery of this product. I do not know why there is not more emphasis given in this country to that clean form of operation for delivery vehicles. Even with its limited use, it can certainly be used much more extensively than at the present time.

Energy is a long and involved subject. I am delighted that the government, through the speech of the Prime Minister today, illustrated its determination to control this field and see that the consumers of Canada are protected, in terms of delivery and supply, in both the short run and the long run and are protected in terms of price so that they will not be gouged now or in the future because of artificial pressures and shortages that have been created.

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, in order to get the debate back on the rails, may I point out that this is a second reading debate on Bill C-236. I think members opposite have lost track of what this debate is about. I was rather surprised today with the panic of the Prime Minister (Mr. Trudeau) and the government over this crisis. It is really a government crisis and not an energy crisis. The Prime Minister's statement has been called a new national oil policy. There was not anything new about it. We have heard on several occasions the same announcements he made today. However, there was one that struck me forcibly. I will call it as a witness in my opening remarks. I will name the witness. It is very interesting. It is a very fresh piece of evidence. This is what the witness said: "It means that the cost of producing domestic oil must go up before too long. It means that Canadians must be prepared, sooner or later, in some way or another to pay for these additional costs or go without oil. Any attempt to hide these facts and to formulate future policies without taking them into account can only lead in the longer run to even greater shortages and hence to even higher prices than Canadians are now experiencing in eastern provinces. In short we must in the long run

allow the price of domestically produced crude oil to rise . . . "

Mr. Lalonde: That's right.

Mr. Woolliams: I am glad the Minister of National Health and Welfare (Mr. Lalonde) says that is right. If he says it is right, it is right: ". . . toward a level high enough to ensure the development of the Alberta oil sands and other Canadian resources but not one bit higher." The witness who said that this afternoon was the Prime Minister.

Some hon. Members: Hear, hear!

Mr. Woolliams: It was him, and not our leader, who talked about increased prices of oil. When he is dealing with the Syncrude project, he is dealing with a very expensive producing cost in an expensive process. If he says the cost must go higher than the cost of the Syncrude plant production, the Prime Minister is talking about a price of a barrel of crude petroleum in excess of $10. Compare that statement with any statement that our national leader has made at any time.

I am sorry the hon. member for Ontario (Mr. Cafik) has left the chamber. He said it was the Conservative leader who talked about increases in price. Today the Prime Minister, the head of the government, said "any attempt to hide these facts and to formulate future policies without taking them into account" would not be realistic. There is the evidence. Tonight we have before us the bill. I want to deal briefly with how I see it.

Mr. Guay (St. Boniface): Just keep on reading.

Mr. Woolliams: I always like to see the hon. member for St. Boniface (Mr. Guay) here. I will say this about him: he is active.

Mr. Guay (St. Boniface): I just want you to keep quoting the Prime Minister.

Mr. Woolliams: I will leave it to you to study what he said. I quoted what he said about increases. I wonder of the hon. member could once in a while bear to listen, rather than ramble along. I have studied the remarks of the Minister of Energy, Mines and Resources (Mr. Macdonald) as they are to be found at page 8442 and subsequent pages in *Hansard* in reference to Bill C-236. What is this bill about? It is a bill to set up a federal board to be known as the emergency supplies allocation board. I will quote one sentence from the minister's speech. He said:

● (2110)

I discussed such things as the rapid increase of movement through the St. Lawrence Seaway, government purchases of products on world markets and the organization of transportation through the Trans-Mountain pipeline system and the Panama Canal.

What he is really saying is that there is a shortfall. Whether it is as a result of the *force majeure* clause in contracts, the possibility of those contracts being performed, or whatever it is, what he is really saying is that we now find ourselves in desperate straits because for ten long years the government did nothing about the most serious problem which now faces us—transportation.

Representatives of the industry came to Ottawa in 1969 and begged the government to take action to see that a pipeline was built so that Canada's oil supply would always be secure. At the moment, the only answer that the government has to meet the emergency affecting Quebec and the maritimes is to send tankers all the way from Vancouver down the coast, through the Panama Canal and up to Montreal. Then on September 4, the Prime Minister announced he was going to build a pipeline to Montreal through Sarnia. When we questioned him about it, this is what he had to say—and this is on November 23. I asked the following question:

Mr. Speaker, I want to ask the Prime Minister two questions arising out of the statement he made last night and what he said today. I should like something to be clarified.

I went on to deal with the price. Then I asked a further question:

Yesterday the Prime Minister dealt with the Montreal pipeline and said it had been announced. We have had various announcements about this pipeline. As the pipeline is important to ensure supply, how far has the project gone? Who is going to build it? When is the project going to commence, and is the government assured of enough steel so it can go ahead?

I repeat that on September 4, 1973, four years after the government had been approached, he finally announced that a start would be made on this undertaking. Then, on November 22 he appeared on TV promising a pipeline for a second time. And as if that music were not sufficient on two occasions, he sings the same hymn this afternoon. It is all words and no action. The Prime Minister says the pipeline was announced on September 4. It was such a great speech he made today: "Following that announcement, the Minister of Industry, Trade and Commerce and the Minister of Energy, Mines and Resources have been putting together the answers to the questions asked by the hon. member and they will be announced soon in the usual course".

Now we have been given a further announcement, but what we want to see is some action. These emergency measures would never have been necessary if the government had planned and encouraged the building of pipelines guaranteeing the sufficiency of supply of natural gas and crude petroleum to the area east of the Ottawa Valley, and, indeed, the Maritimes. What really happened was this: they relied on imports. Nobody wanted western Canadian crude petroleum for years. We couldn't give it away. Finally they woke up when imports were cut off, and now they are going to transport oil through the Panama Canal. What a policy! How many miles is it by tanker from Vancouver to Montreal?

Mr. McRae: The same as from Montreal to Vancouver.

Mr. Woolliams: It is 7,202 miles. Compare that distance with approximately 2,000 miles from Alberta to Montreal, the distance over which the pipeline would transport crude petroleum, as the crow flies. The minister made a confession of the government's mistakes, as hon. members will see if they turn to page 8442, when he said:

The picture which emerges indicates clearly the possibility of shortages of middle distillates and heavy oils in the Atlantic provinces, Quebec and to some extent Ontario. There is also the possibility of local shortages of these products in British Columbia.

If this bill is passed by parliament and if the board becomes a living reality, then I fear it will be merely an instrument of the minister's power complex and an image of his political conscience, rather than a board which will deliver sound economic decisions for the good of the consumer and for the good of the country. All this bill really does is set up a super-department which will carry out the ideas and policies of the minister. It will be the minister who makes the decisions by order in council and the board will carry them out. He will be the general. The board will merely be an instrument by means of which he will invade the rights of the provinces and the civil rights of the people.

I also fear it will be used by him to pit one part of the country against another. The government has been very good at this. The board will be made up of an army of people carrying out the minister's will, the minister's authority. It will help realize the government's desire for political advantage for the purpose of retaining and regaining political power. It will exercise political muscle without any appeal from its decisions being possible. No checks and balances will control its power. The jurisdiction of this board will stretch out into every field of energy like tentacles grasping and controlling the destiny of the various provinces and of the people of Canada, killing off industrial incentive which would assure a continued oil supply so necessary for Canada's security.

The hon. member for Peace River (Mr. Baldwin), when he led off this debate for our party, described the board as owned, operated and manned by the minister. This board is being conceived in an atmosphere of failure of decision on the part of the government. It is being conceived in the climate of a desperate minority government clinging to power. It is being conceived at a time when the government wishes to bury its procrastination or, at least, to have its procrastination interpreted as Liberal pragmatism and action.

It is a great disappointment to me, and I know it is a great disappointment to all western Canadians who realize that Canada has become self-sufficient as far as energy supplies are concerned, to find that the government cannot use its power as it ought to be used because of deals with its NDP friends. What is really happening is this. We have an NDP government with a rump on the other side directing the policies of the government, both parties standing, speaking and voting together and planning a socialistic state.

Once this board is set up, all-powerful and all-encompassing, the minister—I can almost hear him now—will answer questions put to him in reference to autocratic and arbitrary decisions, or decisions which are wrong and unjust, by saying these are decisions of the board. It is the board, he will tell us, which made those decisions. He will pass the buck to the board while he himself dons the veil of innocence. I have no doubt that the board will be used as a political vehicle and as an instrument for granting privileges to favoured political areas while creating adversity for others. It really is a super-department set up under the control of the minister to carry out his will as if he were a general in the field fighting a battle.

[Mr. Woolliams.]

• (2120)

One has only to examine the grants made by the Liberal Party under the LIP program to know that the government cannot be trusted and will continue along this road of being political and partisan to the extent of being irresponsible. Once you give the minister the power that this bill gives to him, he will make decisions in one province which may be very favourable because the political climate is very favourable to him in that province. But he will make other decisions in other provinces which do not vote Liberal, just as the LIP program was a political slush-fund for Liberal interests and Liberal candidates everywhere.

An hon. Member: Never.

Mr. Woolliams: My hon. friend says never. I ask not to get into that argument, but let him check the figures that Rosedale, the Minister of Energy, Mines and Resources, gave and you will see where half a million dollars went anyway.

Mr. Guay (St. Boniface): Rosedale is a depressed area.

Mr. Woolliams: As my hon. friend says, anybody who knows anything about Rosedale knows it is a depressed area. It is quite within the realm of imagination, when you examine the bill, to learn that the minister will use his super-board to ration gas in Calgary, or in a city in a province where energy is produced, whereas gas will be pumped into tanks in other provinces without any restriction or control. This board has the power to act on a regional basis, as is apparent when you read the sections of the bill. I imagine they could ration gas and oil in Alberta and remove rationing in other provinces which do not even produce the commodity. If they can do what they did to the LIP program, then they can manoeuvre as far as the energy program is concerned.

Let me give a few examples of the sections contained in the bill. Clause 15 gives the minister power over provincial rights to control all energy and fuel, even electric power. I wonder what the province of Quebec will say when they find that by clause 15 of this bill the government, through this board, can step in, take over electrical energy and the hydro plant of Quebec, direct how it will be operated, direct the price, direct the imports and exports, and direct and control the operation itself. If that is not an infringement of provincial rights, nothing is.

Let me refer to clause 17(4) and clause 18(4), at pages 11 and 12 of the bill. What do they say? Let me just show the House what the bill does say. Clause 17 deals with the regulation of imports and subsection (4) provides:

> In the event of a conflict between any regulation under this act and any provision of the National Energy Board Act or any regulation made thereunder, the regulation under this act prevails.

In other words, the National Energy Board, which was set up as a quasi-judicial body to make independent decisions on supply, to control supply, to control imports, to control exports, to give inventories of energy supplies from time to time, is having its jurisdiction taken away by this board whose only power lies under the direction of the general, the Minister of Energy, Mines and Resources.

What does clause 18 have to say? After all, we are debating this bill. It says:

(4) In the event of a conflict between any regulation under this Act and any provision of the National Energy Board Act or any regulation made thereunder, the regulation under this act prevails.

This section is dealing with regulating exports, obtaining an inventory and sizing up the situation as between imports and exports. When this bill is passed it will permit the minister to veto any decision of the National Energy Board, which as I say was set up as an independent board and has worked very well since it came into operation in 1962. It is interesting also to look at clause 21. Hon. members talk about civil rights. Clause 21, at page 14 of the bill, provides:

Where pursuant to a regulation under this Act any person is required to do or to omit to do anything contrary to the terms and conditions of any contract entered into by that person, the contract is modified to the extent necessary to enable compliance to be made with the requirements of the regulation.

In other words, any contracts made between corporations or people as far as natural gas, crude petroleum or other forms of energy are concerned can be altered or changed by the minister at will for his power lust. This is part of the bill we are asked to approve. The strongest provision comes on page 15. I often wonder, when I listen to some people, if they ever read the bills they are talking about. Clause 23 gives the minister this power. It provides:

Where in order to comply with any regulation under this act a person would be required to enter into any agreement, arrangement or course of action that might cause him to contravene the Combines Investigation Act, such person may apply to the board for an order exempting him from that act in respect of that particular agreement, arrangement or course of action.

In other words, this bill gives the minister the right to allow people to enter into contracts contrary to the Combines Investigation Act and do away with all competition. What will the result be? If that does not result in higher prices to the consumer, then no terms or conditions or any act would. As I see it, that is the effect of the bill.

I have spoken of some of the weaknesses of the bill as I see the situation. The Prime Minister spoke this afternoon, and one of the questions we have to analyse is his credibility and the credibility of the minister. Today, if I heard him aright, and hon. members can check his speech, he said that 50 per cent of the surtax would go back to the provinces. Not only have I at the committee level but also in this House of Commons questioned the minister and the Prime Minister about this, but I have been assured by the minister not only in the House but at the committee level that 100 per cent of the tax would go back to the producing province. I should like to refer to report No. 44 of the miscellaneous estimates committee where this question was asked by me, and later by the hon. member for York-Simcoe (Mr. Stevens). The hon. member asked:

Mr. Chairman, I was wondering if the minister could clarify a statement that he made earlier with respect to the $1.90 per barrel tax. Did I understand him correctly to say that either directly or indirectly the entire tax will go back either to the province or be used within the province where it originated?

MR. MACDONALD (ROSEDALE): Yes, sir.

So we were promised by the minister that 100 per cent of that tax would go back to Alberta or Saskatchewan where the crude petroleum is produced, passing through the Interprovincial pipeline into eastern Canada. Yet today the Prime Minister vetoed the statement of the Minister of Energy, Mines and Resources with reference to the return of that tax to the provinces.

Not only will this bill override provincial rights. Once you give the government this power they will certainly override provincial rights, particularly in a province that does not support the Liberal Party. This puts me in mind of Mackenzie King's slogan during the depression. He said, "There won't be one five-cent piece for any unemployed person in any province where there is a Conservative government". Those words came to haunt him in the 1930 election.

Therefore, it is now obvious that Canada's so-called energy crisis is one of absence of government leadership and responsibility in energy matters. This is becoming more apparent every day as the government continues on a course that seems to be not only lacking in solutions but in a clear understanding of what action has taken place. Canada this winter is faced with a major petroleum supply shortage in eastern Canada and the Maritimes. All of this is due to a lack of planning of our transportation facilities. I shall never tire of repeating that this pipeline should have been built and be in operation by now. There would not have been any shortage of fuel or gasoline in this country today if it had. We have the crude petroleum and natural gas, plus other energy commodities, to be totally self-sufficient, but the pipeline capacity is inadequate, as the government is now finding out, to carry the necessary extra crude petroleum.

● (2130)

If he means to build a pipeline, and he did not clarify that this afternoon, from Sarnia, that will only give Quebec another 50,000 barrels of crude petroleum a day. If he means to increase the capacity of the Interprovincial pipeline from Alberta through Saskatchewan to Sarnia in order to be able to supply the million barrels needed each day in eastern Canada, then of course he would have a project for which if he could get it off the tracing board, the Canadian consumers in that part of the country would have some appreciation. This government has sat idly by, failing to take any decision early enough to prevent a crisis here in Canada. In fact, I think they like the crisis.

I prepared some of these remarks before I heard the Prime Minister today. I ask what our policy should be on a short-term and long-term basis so Canada will not find itself in this position in the future. I am tired of saying there is no energy crisis in Canada, as we have a supply of natural gas and crude petroleum. What crisis there is is a government crisis as a result of procrastination and vacillation.

An hon. Member: It's a Macdonald crisis or a Trudeau crisis.

Mr. Woolliams: If this government had made a decision, we would be constructing the Montreal pipeline now, or at least the first extension from Sarnia to Montreal, and then enlarge the Interprovincial pipeline so as to carry the necessary capacity to guarantee sufficient crude petroleum from Alberta to the east. Why was there this delay? Why has this decision not been made since 1963

when the Liberal government was elected? Why has there been a delay since 1968 in the days of this man who was going to do great things? The only thing I recall him saying in 1968 on television, and I refer to this little playboy, was that he would make no promises to Canadians. Of the many great promises he has made since, that is the only one he has kept. He has done nothing.

Secondly, we should create a tax climate that will encourage capital, particularly Canadian risk capital, into investment in exploration development of the Athabasca tar sands and to find other fields as we have done in the past. I heard the Prime Minister say this afternoon that it is not likely there are any other fields in Alberta. If we had not drilled, searched for and provided a tax climate so there could be that kind of development, we would not have found the Leduc field in 1947 when the first well was blown in by the Imperial Oil Company.

We should put together immediately a new national oil policy after consultation with the provinces and make certain that any surtax, a mechanism used to keep the price of gas and oil down in Canada when under pressure from high world competition and prices, will be returned to the provinces where the resource exists and is developed. I think that is a fair premise. I am sure that if you had a surtax on steel for some reason, that money should go back to the province of Ontario, or the money in respect of iron ore should go back to the province of Quebec where it is mined.

Surely that is a reasonable policy and we should be able to consult with the provinces and work out the problems. This Prime Minister, this government and the minister—I am happy to see him here in the House—have run slipshod over all the premiers of the provinces and provincial representatives.

An hon. Member: No way.

Mr. Woolliams: The hon. member should go and talk to the premiers. We should begin immediately, and this should have taken place years ago, to negotiate with the United States in reference to a natural gas pipeline down the Mackenzie delta, through Alberta to the industrial centres of Canada and the United States. Why would this be necessary? I agree with the Prime Minister in this regard. I prepared some of this before I listened to what he had to say.

The economics of bringing natural gas from the Arctic is such that we have to combine our efforts with the United States, which could then bring down its natural gas from their areas. The natural gas from both areas would be transported down the same pipeline. Our natural gas could be used in Canada and theirs could be used in their own country. That combined effort would make this energy economic and at a price range the people of Canada could afford. It would be at a price at which industries could use the energy and compete with world markets. As a result of the procrastination and vacillation of this government in not doing this years ago, we find this development has not taken place. This has been a government of words and inaction.

I know that some people are frightened because there is some mystery about the foreign investments bill which will set up a screening process, but no such process should be used dictatorially by this government without consultation with the provinces that may be affected. I have talked to members from the Maritimes and I know that they need capital. Certain areas in western Canada need capital, but the needs may be entirely different than perhaps the needs in Ontario or in other parts of central Canada. Therefore, before the government uses this screening process there must be consultation with the provinces. Today we are self-sufficient in Canada, but if we have this kind of government which does everything to antagonize the development of the petroleum industry we will soon be in the position that other countries find themselves in, and have to rely on imports rather than on our own production.

We should now make certain that the Syncrude project, which is worth $800 million, guaranteeing 10,000 jobs and billions of barrels of crude petroleum for Canada in the future, goes ahead without frustration caused by scare tactics on the part of this government. The uncertainty and confusion in respect of government policy is frustrating and delaying this important project that promises a continued supply of energy for our industrial complexes and cheap fuel for our homes. This is an important project, but instead of the government providing incentives, it provides discouragements. The Premier of Alberta worked with a group for the development of the tar sands in order to guarantee a supply of crude petroleum not only in western Canada but here in eastern Canada.

The next thing I suggest is that we should return the National Energy Board to its proper function of being an independent board making decisions as to pipelines, security of supply, exports, imports, etc., and get government interference out of that board. In particular, the government must appoint men other than political heelers. I have read clauses of Bill C-236 that indicate this super-board the minister wants to set up will be able to override any decision of the Energy Board—and if that is not interference, nothing is.

The next question that came to my mind in considering this bill was why the future supply of petroleum and natural gas is so important to our well-being. May I set out now that according to recent technical papers, and this is material researched by an independent petroleum association, Canada is considered to have, at current rates of production, undiscovered reserves equivalent to 100 years' supply for oil needs and 250 years' supply for gas needs. In addition, and the Prime Minister touched on this today, the Alberta oil sands are estimated to contain 250 billion barrels of oil of which approximately 26.5 billion barrels are recoverable by current processes.

An hon. Member: He is reading again.

Mr. Woolliams: I am reading from my notes, and I might point out that I have done a lot of research on this matter because of its importance.

An hon. Member: Where do you get those figures?

Mr. Woolliams: The figures come from a report of the Canadian Petroleum Association, an independent petroleum group which hired technicians, geologists, to come up with these figures. While these potential reserves postulated by various geologists are large, they will only

become a reality by exploration, and only through risk exploration can Canada become assured of long-term supply. In undertaking this risk exploration it must first be recognized that compared to Middle East supplies or, in fact, any other reserves worldwide except the United States, Canadian oil and gas are high-cost in terms of finding, developing and transportation costs.

● (2140)

Wells in Venezuela produce as many as 10,000 barrels of crude per day. Our wells in Alberta, the best of them, produce about 100 to 200 barrels a day. It costs just as much to drill one of the wells in Alberta as it costs to drill wells in the Middle East or in Venezuela which produce 10,000 barrels a day. So the cost of our production is very high. Secondly, it must be recognized that these risk investments are generally of a fairly long-term nature in that there is a long lead time before an idea is transferred into reserves and possible return.

In central Canada it takes five to seven years to do the necessary geological, geophysical and drilling work required to develop a specific plan to start selling oil and gas. In the frontier area the lead time is even longer. Gas was found in Sable Island in 1967. There were close to 70 wells. Six years later this gas is still a considerable time from being produced. I heard in the House the other day, when the government was being questioned, that they were thinking of building a pipeline to get this gas into the Maritimes where it is needed. This should have been off the planning board a long time ago. The emergency is now; the winter is here; the people will be cold and will suffer now.

An hon. Member: You said there is no crisis.

Mr. Woolliams: There is a government crisis, but no shortage of supply. Gas was found at Drake Point in the Arctic in July, 1969, and it is unlikely that any gas will be marketed before the 1980s. The point I wish to make is that these long lead time periods require committing funds for a considerable period into the future, with little or no return. Each long-term commitment necessitates long-term planning and the careful evaluation of alternatives, particularly when the need for capital is so great.

All we have had from this government is short-term planning, which is not good enough. When they talk about the crisis, the crisis is because there is no transportation policy or encouragement in respect of a transportation policy. Therefore, we have a crisis now in Quebec and in the Maritimes. From the individual company's point of view, the exploration risk must be weighed against opportunities elsewhere. I could name many companies which have their head office in Calgary and which are not drilling in Alberta or becoming involved in the tar sands. They have gone to the North Sea because they get a better deal from the British.

The oil industry is a multinational industry because risk capital flows all over the world. That is why it takes a lot of capital to develop and find either oil or natural gas. The industry needs to work in a climate of relatively stable conditions. That is why I endorse the Energy Board. It cannot operate in a legislative vacuum such as it does under this government. It cannot operate under conditions where great uncertainties exist, or in circumstances where legislative or regulatory guarantees are unilaterally changed without regard to the guarantee. That is exactly what Bill C-236 will do. It will create a czar in the government which will be all powerful in respect of energy, and the board will have to carry out the orders of the great general. The industry cannot operate where legislative changes are made retroactively or where legislative changes are made quickly without allowing for a phase-in period to allow industry adjustments.

May I repeat that if the transportation facilities were adequate, Canada would be self-sufficient in energy supplies and the consumers this winter would not be frightened about the possibility of not being warm in their homes and in the hospitals. I heard that in one hospital, I believe it was in the province of Newfoundland, several deaths of babies occurred because of the cold—and this in a place like Canada!

Some hon. Members: Oh, oh!

Mr. Woolliams: That was on television. You may say it is nonsense. Until recently, Arab nations provided to eastern Canada 30 per cent of its crude oil needs. This amounted to approximately 300,000 barrels of crude oil a day. The government maintained that the Arabs were going to cut back 25 per cent of that supply, amounting to 75,000 barrels of crude oil a day. Now the government maintains the shortage will be not 75,000 barrels a day but 200,000 barrels a day. They maintain that this is due to the multinational oil companies having the power to argue and successfully allege that the contracts for supply of this crude petroleum can be upset due to impossibility of performance of supply contracts.

It is they that are on the side of the multinational corporations. They say they cannot do anything about it. They say they are helpless. This has been given the fancy term *force majeure*, a clause in the contract relieving these oil companies from fulfilling their contracts. If they are permitted to use this as an excuse, then oil shortages will be shared with Canada's traditional suppliers. For example, Venezuela would be forced to divert its oil to other countries. We could have taken on the great multinational oil corporations if we had pipelines built now, instead of having to ship oil by tanker down the Pacific coast and through the Panama Canal to prevent Quebec and the Maritimes from going cold this winter.

The minister says he found out only a short time ago that the oil companies were going to default on their obligations to Canada, while the president of Shell Canada claims that the minister's department has known for a long time that this action might be taken. Are our rights being honoured? Are the consumers of Canada being sabotaged by international corporations? We cannot obtain the answers from the government, except that the Minister of Energy, Mines and Resources has stated that the multinational corporations can shortchange Canada and do it legally.

I should like to ask the government, who governs Canada? For example, when the minister was asked on Thursday a week ago what shortages he was looking to in Ontario and British Columbia, he said he meant shortages of bunker fuel used in ships and in large factories.

The Acting Speaker (Mr. Boulanger): Order. I regret to interrupt the hon. member, but his time has expired.

Mr. Macdonald (Rosedale): Mr. Speaker, I wonder whether the House would give consent to the hon. member to continue for a few more minutes so that I could ask him a question.

The Acting Speaker (Mr. Boulanger): Is it agreed?

Some hon. Members: Agreed.

Mr. Macdonald (Rosedale): I should like to compliment the hon. member on his speech. It is a good speech. It is really in respect of the appointments that I wish to ask him a question. It is not a question of political hacks but, rather, of obtaining qualified people in the oil business who would be prepared to sacrifice better incomes in order to make such a contribution. I should like to ask the hon. member if he can suggest names of people both for this board and for the National Energy Board, because there is an industry place on this board and we would like to have on it people who would be prepared to give up much higher incomes in order to come down to Ottawa and do this work.

Mr. Woolliams: I think that would be easy to do. As the minister knows, the first chairman of the National Energy Board was a man who was involved for much of his life in the petroleum industry. He was chairman of the conservation board in Alberta and then finally became chairman of the National Energy Board. At the present time I do not know the new chairman, but I would say that if that board keeps its personnel so that it is allowed to act independently as it has in the past, it is safe. But under this act, as I read the section—I do not know whether the minister had stepped out at that time—the new board which is being set up, this super-board, can override any independent decision of the Energy Board.

If the people who are being set up on this board are not political appointments, I will be most surprised. It will be the biggest change that has happened since the Trudeau administration went in, because when one looks at the number of members who were defeated in the last election and sees the political plums they hold, one knows what kind of personnel this board will have.

● (2150)

Mr. Macdonald (Rosedale): Could I put another question to the hon. member? What I am concerned about with regard to the board is having his kind of fellow on the board and, indeed, on the National Energy Board. I do not think the hon. member should reply to this tonight. He might like to reply to me in private. I would like to see people from the oil industry on this board and on the National Energy Board. They could take a cut of $20,000, $30,000 or $40,000 a year, come down here and devote their time to public service. I would be very much obliged to the hon. member if he could give me the names of people among his friends in Calgary whom we could seriously consider.

Mr. Woolliams: Deputy ministers now get $60,000 a year. That is the increased salary which they got from this government. I do not think there are many executives in the Calgary oil petroleum industry getting $60,000 a year.

Some hon. Members: Oh, oh!

Mr. Woolliams: All right, my friends, name them. These ignoramuses should name them.

Mr. Macdonald (Rosedale): The problem is that you and I are wasting our time.

Mr. McRae: May I ask the hon. member a question?

The Acting Speaker (Mr. Boulanger): Is the hon. member rising for the purpose of asking a question?

Mr. McRae: Yes, Mr. Speaker.

The Acting Speaker (Mr. Boulanger): I recognize the hon. member as the next speaker to rise. Does the hon. member for Calgary North (Mr. Woolliams) agree to the question?

Mr. Woolliams: I do not mind if they question me all night, because I would like to help the government with some answers which they need to have.

Mr. Macdonald (Rosedale): Mr. Speaker, I rise on a question of privilege.

The Acting Speaker (Mr. Boulanger): The minister is also anxious to ask a question. I will recognize the hon. member for Fort William (Mr. McRae) first, followed by the minister.

Mr. McRae: I was confused by a few things that the hon. member said. He spoke about the tar sands in some detail and then he spoke about the high exploration cost. Was he referring to the high exploration cost so far as the tar sands are concerned—we know where they are—or was he talking about ordinary crude?

Mr. Woolliams: I can certainly answer these questions. Of course we know where the tar sands are. I was referring to the development of a new process. You want to be careful, you will burst a blood vessel, my boy. Take it easy. I do not want to be personal. The hon. member asked me a question and I am prepared to answer it if he would only learn to listen.

It is estimated that to produce a barrel of crude from the tar sands today would cost $10 a barrel of crude petroleum, and no profit can be made on that. With reference to drilling, at one time you could drill a well in Alberta for $500,000. In the last ten years it has cost $1.5 million. You know what the costs are of steel, labour, and so on. Everything has gone up under this government. That is why the cost is so high.

Mr. Macdonald (Rosedale): I rise on a question of privilege. I just want to say that it is a great pleasure to hear from the hon. member for Calgary North (Mr. Woolliams) on these questions. He remains an asset to the House in terms of his revelations regarding the oil industry and I only regret that we have not had more time to hear him. In fact, I think we should give him the remaining 3½ to four minutes this evening so that he can com-

plete his remarks, because I am sure that with his knowledge of the industry he has not done justice to the subject.

The Acting Speaker (Mr. Boulanger): The hon. member does not seem too anxious to continue, so I will recognize the hon. member for Fort William.

Some hon. Members: Continue.

Mr. Woolliams: I do not want to be selfish, Mr. Speaker.

Some hon. Members: Oh, oh!

The Acting Speaker (Mr. Boulanger): I think this is definitely out of order now. I recognized the hon. member for Fort William for the purpose of making his comments to the House. Perhaps he would like to start his speech now.

Mr. McRae: Thank you, Mr. Speaker.

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Speaker, I rise on a point of order.

The Acting Speaker (Mr. Boulanger): Is the hon. member rising on a point of order?

Mr. Fortin: Mr. Speaker, I thought that after we had heard two spokesmen for each party, a member of the Social Credit Party of Canada could have been recognized. My colleague from Compton (Mr. Latulippe) is ready to speak. In my opinion, he could say himself that it is 10 o'clock and continue tomorrow.

The Acting Speaker (Mr. Boulanger): Order, please. I have indeed watched the hon. member for a few minutes. He had previously asked to be recognized or suggested his name to the Chair, but at no time did the hon. member rising on a point of order or the hon. member beside him show that they wished to speak. I therefore recognized the hon. member that I noticed.

Mr. Fortin: I rise on a question of privilege, Mr. Speaker. We may perhaps be too far from the Chair, but I should respectfully point out that I rose twice to be recognized. My colleague from Compton (Mr. Latulippe) rose just before the hon. member whom you recognized. Furthermore, I do not accept what you have just said, because it is neither relevant nor gracious for the House.

The Acting Speaker (Mr. Boulanger): Order, please. Nonetheless, I shall recognize once more the hon. member for Fort William.

[*English*]

Mr. Paul E. McRae (Fort William): Mr. Speaker, I should like to comment on some of the remarks made by hon. members in the opposition, and also discuss what I consider to be the three major ingredients of a comprehensive Canadian energy policy. But I see that it is now ten o'clock and I believe we should call in ten o'clock. We can continue the debate at our next sitting.

Mr. Deputy Speaker: Order, please. The hon. member suggests that it is ten o'clock.

Adjournment Debate

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

EXTERNAL AFFAIRS—SUGGESTED INVITATION TO SAUDIAN ARABIAN AND ALGERIAN OIL MINISTERS TO VISIT CANADA

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, on Monday I asked the Secretary of State for External Affairs (Mr. Sharp) to give consideration to inviting Sheik Yamani, oil minister of Saudi Arabia, to come to Ottawa. I noted that the Saudi minister and his Algerian counterpart were in the United States after completing visits to western Europe.

In the whole confused story of our energy problem there is at least one aspect that is clear. We are not in meaningful communication with great portions of the Arab world, especially the major oil producers. One day we have announcements of actions by Saudi Arabia. The next day we are told that not Saudi Arabia but Abu Dhabi was involved. There is no clearcut picture of Canada's status in reference to oil coming from the Portland pipeline. We have been told that all was well, and well understood. I heard Sheik Yamani on television a few days ago indicate that that aspect would need looking into.

A leading oil man declares that the Minister of Energy, Mines and Resources (Mr. Macdonald) was advised that Saudi Arabia had Canada on the embargo list. The minister denied this but was unable to indicate how much oil had been shipped from Saudi Arabia to Canada in the last 30 days. Indeed, the whole record of the minister's handling of the present problem is so inept as to be frightening. On Tuesday, the Come-By-Chance announcement was an "ace in the hole". On Wednesday, it was something considerably less. On an issue of such seriousness, with profound ramifications, economic, constitutional and international, the people of this country should not be placed in such jeopardy as to have their destinies reside in a man whose incapacity has been so painfully proven over many years in so many public assignments.

I hoped the Secretary of State for External Affairs would follow my suggestion and arrange that Sheik Yamani be invited to Ottawa so that some information and clarity might be obtained. I would like to know if the Sheik was invited. As long ago as last spring I urged, in the external affairs committee, the necessity of opening full-fledged diplomatic missions in the oil states of the Arab world. With the vast areas of Saudi Arabia, Kuwait and the Gulf states we have either no diplomatic contact or contact of the most tenuous kind. Missions in Cairo, Beirut, and Tel Aviv scarcely open the line of communication with oil states. Iraq has a most highly qualified ambassador in Ottawa, but we seem not able to open a mission in Baghdad.

Although the problems and burdens likely to fall upon the ordinary Canadian citizen, especially in the Atlantic region, are of the utmost importance, we must not lose sight of the fact that the current Canadian problem about

oil, whatever its dimensions, cannot be considered today in isolation from the highly explosive Middle East political and military situation.

Little is gained by denouncing the Arab states, whose newly proven unity has been most effective, as practitioners of blackmail. The use of economic sanctions has an ancient history. Long ago it was used by combatants and opponents. In recent years I have heard Canadian ministers point with pious pride to our non-trade with Rhodesia. Then we think of the Trading with the Enemy Act of the United States and the moral satisfaction of those Canadians who dilate upon the sinfulness of buying California grapes.

● (2200)

There is no law, international or otherwise, which decrees that the Arabs must sell their oil indiscriminately all over the world. I must regret that they have taken any steps to inhibit in any degree their sales to my country, but I do not deny them the right to select their customers in the international marketplace.

In reference to the over-all political situation, Mr. Speaker, I think the Canadian people have a right to know just where we stand with the Arab world. Have we reasons for quarrelling with these people? Why is Canada in a category different from that of Britain, France, Belgium and other European countries? What view do we have on the Middle East situation differing from these countries? They recognize Israel, and ipso facto believe in its existence. Does Canada believe that the lands occupied by Israel after the UN decision of the forties and the 1967 war are to be permanently alienated from the Arab states? Is this the reason why Canada is on the neutral list and our NATO allies in Europe, with two exceptions, are on the friendly list? This is a very important and significant question.

I think that we should know what is the stand of the government on this most volatile and very grave portentous situation. The reasons for our being in a category different from Britain and France should be made clear to the people of Canada who may suffer grievously. All of these countries supported UN resolution 242, as did we. Wherein have we differed since? For what reason are we on less than friendly terms with the Arab world, with whom we have had no conflicts or quarrels so far as I know, and whose progress toward a peaceful, prosperous existence we should welcome?

I would welcome some replies from the distinguished parliamentary secretary for whom I have the highest regard, and indeed I may have the honour of getting a reply from the Minister of Energy, Mines and Resources who is famous for presenting the worst possible situations. With his record, I would say he is the best possible man to tell us about another worst possible situation.

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I am pleased to have this opportunity to reply to the hon. member for Hillsborough (Mr. Macquarrie) who is generally well regarded in this House, although not for any particular intellectual qualifications. I think he is generally regarded as being a rather well meaning, but very shallow and intellectually lightweight person. Still it is certainly a pleasure to reply to him. I may also say the most outstanding thing about the hon. member is his sideburns, in respect of which no other member of the House can claim precedence. He has, undoubtedly, the most outstanding pair of sideburns in the House.

[Mr. Macquarrie.]

I was interested in his reference to Sheik Yamani, and that gave me greater pleasure in rising to speak tonight because I had the most recent opportunity of any member of the House to speak with the sheik, who was a classmate of mine at Harvard law school. The sheik made it very clear to me at the time, and I have since vouchsafed it to this House, that Canada is on no embargo list so far as his government is concerned, and indeed the suggestions to that effect by the hon. member for Hillsborough and other badly informed persons like the hon. member are, of course, without foundation.

I welcome the statement of the sheik that in fact he had the highest regard for our country and that he did not share the impression which the hon. member for Hillsborough sought to circulate this evening, that Canada is poorly regarded in the Arab world. Indeed, Canada is well regarded, and so far as the sheik is concerned, he said he would check this rumour, created by an international petroleum corporation as to the way in which it would have the Arab peoples view us.

I would say, Mr. Speaker, that it is indeed in the interests of Canada and Canadians to establish good relations with the Arab peoples and this has been one of the objectives of our foreign policy for many years. This has been a difficult relationship in terms of both the Arab and Israeli communities, and this is why Canadians above all have sought to play a role that would not aggravate either side of the controversy. Quite to the contrary, Canadians want to play a constructive role so that these two peoples, arising from such close ethnic backgrounds, with so many ties of history, can come together and establish a lasting and permanent peace on the basis of mutual co-operation and confidence in the Middle East.

The hon. member referred to many of the hard fought debates in the United Nations General Assembly on the question of the ceasefire lines, on resolution 242 and on other matters. I would say, Mr. Speaker, in this regard that the important question for Canadians to face, even though Canadians may at the moment be somewhat concerned about oil supplies, about the lack of oil, or extent of deprivation from which they suffer or with which they may be threatened, is the question of the importance of establishing in the Middle East community an effective role for Canadians to play in trying to bring those two communities together.

This has been the role of the government of Canada, dating back, if I may say so, to the days of my former leader whom the hon. member for Hillsborough was prepared to castigate in the past, the Right Hon. Lester B. Pearson. The work of that great Canadian in the Middle East was recognized. It was known that he wanted to try and bring about peace between those two great and historic peoples. This is the role for Canada. This is the role this government will try to discharge, Mr. Speaker.

EXTERNAL AFFAIRS—PROTECTION OF CANADIAN VISITORS TO UNITED STATES AGAINST BEING STRANDED IF GAS RATIONING INTRODUCED

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, I rise to speak tonight because of my failure last Monday to persuade the Secretary of State for External Affairs (Mr. Sharp) to even acknowledge his responsibility for protecting the well-being of Canadian citizens who may soon be stranded in the United States if gasoline rationing is invoked in that country. *Hansard* records my questions and the minister's evasions and blandishments in the following way, at page 8343:

MR. PERRIN BEATTY (WELLINGTON-GREY-DUFFERIN-WATERLOO): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. It arises from the possibility of gasoline rationing in the United States. Has the minister consulted with his American counterparts to get an agreement from the Americans to ensure that the interests of Canadians abroad will be protected so they will not be stranded there if gasoline rationing is introduced in that country?

HON. MITCHELL SHARP (SECRETARY OF STATE FOR EXTERNAL AFFAIRS): Mr. Speaker, I would not think that Canadians who wish to travel in the United States would be exempted from those kinds of measures. I should think they would want to comply.

MR. BEATTY (WELLINGTON-GREY-DUFFERIN-WATERLOO): What specific measures will the minister be taking on behalf of the Canadian government to protect the interests of Canadian nationals travelling abroad who find themselves trapped there? Is the minister not concerned about the interests of Canadian?

MR. SHARP: Yes, Mr. Speaker, we are concerned. I think we can look after the interests of Canadians in this regard. However, I do not think we should create the impression that we should be free when Americans are subject to rationing.

What a remarkable statement for a minister of the Crown to make—that he did not feel Canadians trapped in the United States as a result of American rationing would want any special treatment if it were necessary to get them home to their families. I cannot help but be reminded, when I read the comments of the Secretary of State for External Affairs, of Winston Churchill's description of Clement Attlee as "a sheep in sheep's clothing".

This year, tens of thousands of Canadians will be visiting the United States and will be taking with them millions of tourist dollars which will be a great asset to the American economy. The only thing they ask in return from the Americans is that they be treated in a fair and decent way, and that they not be left stranded hundreds of miles from their homes and families. I think their request is not unreasonable. Yet, the minister refuses even to talk to the Americans to request that the rights of Canadians be respected. Although he intimates that the government can do something for stranted Canadians, he refuses to say what.

This is the second time since the beginning of the energy crisis that this minister has demonstrated to Canadians that you will find more backbone in a bowl of jello than you will find in his office. It was not all that long ago that we saw on nationwide television the rather pathetic spectacle of the Secretary of State for External Affairs begging the ambassadors of the Arab sheikhs not to blackmail this country with their oil. "We like the Israelis" he said, "but we also like the Arabs too. We want to be everybody's friend and we know that everybody will want to be our friends too."

That performance, Mr. Speaker, did not fill Canadians with pride. They were not proud to see their government jumping through Arab hoops in order to be ensured that our oil supply is not cut. In the end, Canada has still been subject to the Arab cutback in production. It is countries like Holland and the United States, which refused to be blackmailed away from support of Israel, which have reason for pride. Yet, unlike Canada, both those countries are highly dependent on oil from the Middle East for the health of their respective economies. This country, which is one of the few major nations in the world able to claim self-sufficiency in oil, refuses even to make a protest over the hostile and aggressive actions of the Arabs against us.

It appears, Mr. Speaker, that this coalition government will continue in office for some months. However, as long as this minister retains his portfolio, we will continue to pay for his timidity with the honour and the rights of Canadians.

• (2210)

[*Translation*]

Mr. Pierre De Bané (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, first of all, to my mind, the hon. member who just spoke and the one who preceded him, the hon. member for Hillsborough (Mr. Macquarrie) both proved how much discord there is in the Progressive Conservative Party. One can hardly imagine speeches that differ as much as the two we have just heard from two members of the same party.

It seems to me the hon. member should know that Canada is neither pro-Israel, nor pro-Arab; that it wants to remain neutral and help solve the conflict. I feel that doing what the hon. member has just done, by playing one clan against the other, one country against the other, can only achieve results that are diametrically opposed to those he himself or the Canadian people would achieve, that is peace in that part of the world. I would be angry with myself for uttering such provocative remarks as he has come out with.

This being so, I would like to say that the oil shortage in the United States is increasingly serious and that Canadians who are planning to go in that country should know that posters have already been set up on American highways warning drivers of the gas shortage.

Unfortunately we cannot do much for the Canadian people who are refused gas at American gas stations. We have asked our embassy in Washington to see whether there was a policy favouring American clients at the expense of Canadian clients. Our Canadian embassy has advised us that for the moment there was no discriminatory policy at the federal level cr in the various states. This was confirmed by the American Automobile Association.

[*English*]

Motion agreed to and the House adjourned at 10:15 p.m.

HOUSE OF COMMONS

Friday, December 7, 1973

The House met at 11 a.m.

[*Translation*]

PRIVILEGE

MR. LEBLANC (LAURIER)—CHARGES RESPECTING CONDUCT AS CHAIRMAN OF COMMITTEE ON MISCELLANEOUS ESTIMATES

Mr. Fernand-E. Leblanc (Laurier): Mr. Speaker, I rise on a question of privilege because I feel that some hon. members have questioned my integrity on two occasions: The member for St. John's East (Mr. McGrath) on Tuesday December 4 and the member for Calgary North (Mr. Woolliams) on Thursday December 6. I also wish to point out that such an attack had also been made against me as chairman of the Standing Committee on Miscellaneous Estimates by the member for Brandon-Souris (Mr. Dinsdale) on Monday, March 15, 1971.

It should be pointed out that those three members are not regular members of the committee which I chair and consequently are unaware of the rules established by that committee.

Hon. members will agree with me that these three members of Her Majesty's Loyal Opposition have shown political pettiness and niggardliness in their vicious, violent, scathing, low, sectarian, false, erroneous, malicious, discriminatory, detrimental, pernicious and misleading attack. I can think of other qualificatives, Mr. Speaker, but of course I would not dare use them in the House because I know you would find them out of order. I do not want to follow the bad example set recently in this House by the hon. member for Gander-Twillingate (Mr. Lundrigan).

There are three charges laid against me: first, refusal to recognize hon. members of the official opposition; second, irregular use of an illegal chronometer; third, favouritism toward government members to the detriment of those of Her Majesty's Loyal Opposition.

I admit, Mr. Speaker, that on Tuesday, December 4, you gave me the opportunity to explain myself. It seems however that these explanations are not sufficient since the hon. member for Calgary North played another dirty trick on Thursday, December 6.

Mr. Speaker, I appreciate and respect the decisions made by Your Honour in each case. However, in order that I may settle once and for all, for my colleagues, the public and my constituents, this question which has been dragging on since 1971, if you rule that this is a prima facie question of privilege requiring a motion, I am ready to suggest that this question be discussed before the Standing Committee on Privileges and Elections, as the hon. member for St. John's East and myself have already suggested.

Mr. Speaker: The hon. member for Laurier (Mr. Leblanc) has given notice to the Chair of his intention to rise on a question of privilege concerning the circumstances he has mentioned. I remind the hon. member that his notice reached the Chair a bit late.

Still he could have risen after the hour of notice, that is in a few minutes. However, I thought that it would be easier to try and settle the matter immediately. The hon. member for Laurier has referred to the fact that this question was raised a few days ago by another member who suggested that there was a question of privilege which should be referred to the Committee on Privileges and Elections. Now the hon. member is suggesting that the matter be studied by another committee of the House. The Chair at that time ruled that there did not seem to be a prima facie question of privilege which should be studied by a committee, and I do not see how I could now change this ruling. The hon. member has referred to certain incidents which occurred in a committee. It has been suggested repeatedly that committee deliberations should not be discussed by the House except in the form of a committee report. I regret, like all hon. members, the difficulties which may come up occasionally, similar to those the hon. member has alluded to, but I see no point in having the deliberations of a particular committee looked into by another one. That, in essence, is the ruling I gave the day before yesterday, I believe, and I see nothing in the circumstances mentioned by the hon. member for Laurier to justify any other decision today.

ROUTINE PROCEEDINGS

[*English*]

BUSINESS OF THE HOUSE

PROPOSAL FOR PASSAGE OF CERTAIN BILLS

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, I shall try again today to make some progress with the business of the House. We had a meeting of the House leaders, as suggested yesterday, and I believe there is a basis for proceeding to clear out of the way a number of important bills.

As I understand the consensus reached, we will deal with all stages of the Parole Act and of the residential mortgage bill without debate. We will also give second reading to the parks bill and, having achieved all that, we would give passage to the Canada Pension Plan Bill No. 2—

An hon. Member: Would you try for No. 1?

Mr. MacEachen: —and the Family Allowances Act. If the hon. member tempts me I will put in CPP No. 1.

Mr. Tom Bell (Saint John-Lancaster): May I, not only on behalf of the Official Opposition but on behalf of the only opposition left in this House—

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

● (1110)

Mr. Bell: Mr. Speaker, we agree with a House order as outlined. We now have the deletion of the third reading of the parks bill, which bothered us yesterday. We are pleased to honour the commitment we made.

Mr. Speaker: The hon. member for Winnipeg North Centre.

Some hon. Members: Oh, oh!

Mr. Nowlan: You have already spoken. One speaker for each party.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I rise to say a word on behalf of the influential opposition.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Knowles (Winnipeg North Centre): In other words, on behalf of the party in this House that is making parliament work.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Nowlan: You are straight out of Charles Dickens.

Mr. Knowles (Winnipeg North Centre): I am sorry that my friends of the Official Opposition, the members of the oil lobby, are so distressed this morning. May I say what I rose to say, namely, that the package the government House leader has reported to Your Honour is one that all four party House leaders agreed to this morning. There might have been added one qualifying word. Where the minister said "without debate" he could have said "without further debate", because these measures have been debated at length at various stages. But the proposals suggested by the minister have our support.

[*Translation*]

Mr. Gilles Caouette (Charlevoix): Mr. Speaker, despite the vagaries of the hon. member from the Progressive Conservative Party, the only efficient opposition party in the House, that is the Social Credit Party of Canada, is here to work. Whatever that hon. member may think, the agreement of the Social Crediters was needed for unanimous consent. We were pleased to give it this morning.

[*English*]

Mr. MacEachen: Mr. Speaker, may I thank the House for its co-operation and suggest that we might deal with this package of legislation when Government Orders are called before we deal with the debate on the oil bill.

Mr. Speaker: Is that agreed?

Some hon. Members: Agreed.

* * *

ADMINISTRATION OF JUSTICE

TABLING OF PAPER, "THE CRIMINAL IN CANADIAN SOCIETY—A PERSPECTIVE ON CORRECTIONS"

Hon. Warren Allmand (Solicitor General): Mr. Speaker, I would like to table copies in English and French of a paper entitled "The Criminal in Canadian Society—A Perspective on Corrections" prepared in contemplation of the federal-provincial conference on corrections to be held at ministerial level in Ottawa next week.

* * *

ATOMIC ENERGY

ANNOUNCEMENT OF SALE OF CANDU NUCLEAR POWER STATION TO REPUBLIC OF KOREA AND BUILDING OF HEAVY WATER PLANT IN QUEBEC

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I would like to advise the House that Atomic Energy of Canada Limited has received from the Korea Electric Company Limited, the national electric utility of the Republic of Korea, a letter of intent to purchase a 600 megawatt CANDU nuclear power station, together with an option for another. This is the second time this year that another country has opted in favour of the Canadian nuclear power system, featuring heavy water moderator, natural uranium fuel and pressure tube reactor. In March the Argentine Atomic Energy Commission chose for Argentina's next nuclear power station a 600 megawatt CANDU offered by AECL and an Italian partner, Italimpianti. Contract negotiations for the Argentine project are in the final stages and are expected to be completed around the end of the year.

Acting on the letter of intent, a team of AECL engineers will go to Seoul this weekend for technical discussions relative to the Korean content of the plant. Another team will follow in January to complete specifications and the scope of supply and to set parameters for pricing the project. The aim is to complete the agreement by March.

I would also remind hon. members of the offer which has been made to the province of New Brunswick, mentioned by the Prime Minister (Mr. Trudeau) in his statement yesterday, of federal support for a CANDU nuclear power station in that province. As part of the government's general policy of providing financial assistance to the installation of the first commercial CANDU nuclear plant in each province, the government will also be prepared to extend similar financial assistance to the province of Manitoba just as soon as the provincial utility decides to proceed with such an installation.

The growing acceptance of the CANDU nuclear reactor system both at home and abroad has led to a requirement

for a further investment in heavy water production facilities, a question which has been kept before the House by the hon. member for St. Boniface (Mr. Guay).

Some hon. Members: Hear, hear!

Mr. Macdonald (Rosedale): I would like to announce, therefore, that the government will finance the construction of a new heavy water production plant of 800 tons per year capacity in the province of Quebec near the site of the Gentilly reactor. Once built the new facility should provide the assurance of adequate heavy water supplies both at home and abroad for the following several years.

However, projections indicate that the CANDU nuclear industry will continue to grow with even more heavy water needed in future. The government has decided that when the production of an additional federally financed heavy water plant is required in the next few years to support the nuclear program, such plant should be located at an appropriate site in either Manitoba or Saskatchewan.

Some hon. Members: Hear, hear!

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, as perhaps one of the greatest experts on this subject in the House of Commons I know I would be expected by the hon. member for St. Boniface (Mr. Guay) to say a word or two.

Some hon. Members: Oh, oh!

Mr. Stanfield: I should like to begin by congratulating the minister first of all on receiving the applause of his colleagues today after they pulled the rug out from under him yesterday.

Some hon. Members: Oh, oh!

Mr. Stanfield: I should like to congratulate quite sincerely the Atomic Energy Commission and wish them every success with these two prospective sales which I hope are completed satisfactorily. It will be interesting in due course for the House to be told the terms upon which the sales will be financed. However, I do know something about the dedication of the people involved in promoting the CANDU project in Canada, the way they have strived to make this project a success and the way they have worked to promote sales abroad. I wish them every success in this regard.

● (1120)

I think it is pretty clear that in the coming years Canada will have to depend a great deal on the development of atomic power. Obviously there will be a growing role for the CANDU system within our country and there will of course, be an increased requirement for heavy water to be manufactured in Canada.

One thing we note in this connection is a change in the approach of the government. The initial method was to interest private companies in the building of heavy water plants, the first one being at Glace Bay and the second at Port Hawkesbury. Now the trend seems to be away from that toward the government building these plants directly or through the Atomic Energy Commission. It will be interesting to have an explanation some time of this change and whether it is an indication that private companies like Canadian General Electric and others who in bygone years evinced a great interest in building these heavy water plants have lost their interest or whether the government or the Atomic Energy Commission has decided directly it is in the public interest that these plants be built and owned by the government of Canada. It will be interesting to learn why this change in policy has taken place.

Finally, may I also say, in view of the interest the hon. member for St. Boniface (Mr. Guay) has shown in the matter, that I am pleased to see reference made to the possibility of a heavy water plant being built in either Saskatchewan or Manitoba. I shall not take sides, of course, as between Saskatchewan and Manitoba but simply express the hope that before very long the hon. member for St. Boniface will have a heavy water plant of his own to boast about.

Mr. Doug Rowland (Selkirk): Mr. Speaker, I cannot claim the expertise in this subject the Leader of the Opposition (Mr. Stanfield) can, for which I thank God. I am interested to note that at the time this announcement is made the Minister of National Defence (Mr. Richardson) is absent from the House. According to newspaper rumours, he indicated that if the next plant was not constructed in the western part of the country he might tender his resignation. I am wondering whether that is the occasion for his absence.

On behalf of our party may I say this announcement of additional sales of the CANDU reactor is most welcome. I think the government officials involved in negotiating the sales deserve to be congratulated most sincerely. I welcome also the reference in the minister's announcement to the fact that when it becomes necessary to build a fourth heavy water plant it will be located in the western part of the country in either Manitoba or Saskatchewan. This is a welcome announcement and a necessary step. It is important that all parts of the country participate to a great extent in the development of this technology.

I suggest to the minister that, given the current success in the sales of the CANDU reactor, perhaps it is now time for the government to demonstrate even further confidence in the technology developed by our scientists by taking the plunge and going into production of these reactors with the assumption that we can reduce the relatively high initial cost of these reactors through economies of scale that would be involved in a sort of production line run and that by reducing those costs the potential for external sales of the reactor would increase. If increased foreign sales should not materialize, there is great need for such reactors in the future in this country and their production would not be wasted in any way.

Again I congratulate the government and the officials involved on making these sales and on having developed a technology which is now finding worldwide acceptance and is making Canada one of the leaders in a new area of technology.

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, having heard yesterday the Prime Minister state the government's energy policy, and having listened today to the

announcement by the Minister of Energy, Mines and Resources (Mr. Macdonald), I must say that, once again, this seems to be a mini-speech from the throne, inasmuch as this policy statement seems in keeping with the expectations of Canadians and parliamentarians.

We have problems, I know, and the Canadian people are counting on their representatives in the House to find solutions, not 20 years from now, but at this very moment, so that they may stop living in anxiety. Are we really going to run short of energy in one area or another. We must stop thinking that we have in Canada natural resources that we are unable to develop and that we must rely on others.

I have been interested for quite a long time in the matter of heavy water production in Canada. Attempts were made by the federal government, the provincial governments, and even by the Leader of the Opposition (Mr. Stanfield), when he was premier of Nova Scotia. If we are to rely on information obtained from scientists, it must be admitted that they recognize today that the failure of the Glace Bay project was due to the poor quality of the water that prevented the end from being achieved.

Today, Atomic Energy of Canada Limited has conducted extensive research in this area. I am aware of this because I have always kept in touch with this agency to make sure that they were really working in earnest and to find out whether they were going to recommend to the government to set up a new plant in a suitable location where the climate and the quality of the water would allow a large production at the lowest possible cost, thus enabling nuclear plants to operate at full capacity.

I have always been disappointed, Mr. Speaker, that it was decided to build nuclear plants without a secure supply of heavy water to operate these plants at full capacity.

I have nothing against Russia, but I remember very well that the Minister of Energy, Mines and Resources, to a question I asked him in this House, replied that the slowdown at the Gentilly nuclear plant was due to a shortage of heavy water and the inability of Russia to supply more. Because of this answer, I have kept urging the minister and the government that more research be conducted with a view to sitting up a heavy water plant in Canada which could produce more of it in order to allow our nuclear plants to operate at full capacity.

I kept insisting, Mr. Speaker, that this plant be built in the Montmagny area, in the county of Bellechasse, and as recently as yesterday, I talked with the mayor of Montmagny, Dr. Gaétan Gauthier, to whom I pay tribute because he made representations and worked sensibly with his council members, along with his committee, in order to secure a heavy water plant in the Montmagny area.

Today, I must admit that the decision made by the cabinet was a sound one in the light of the information given to me by Atomic Energy of Canada Limited. At any rate, I am glad that this plant is located in the province of Quebec. I am a Canadian but I am also a Quebecker. I read in the minister's statement that the government is considering the installation of another plant in a not too distant future in another area of Canada. I think, Mr. Speaker, that this is the proper procedure in order to bring Canadians closes together instead of dividing them and to enable Canada to benefit fully from all our forms of energy, so that we may work together to solve problems and meet the needs of all Canadians.

Mr. Speaker, I realize that you are anxious that I complete my remarks. I will conclude right away but, in any case, I hope that the Minister of Energy, Mines, and Resources will continue to show great energy and that this plant will operate as soon as possible, so that we may be self-sufficient and produce all the energy we can in Canada.

Mr. Speaker: Order, please.

[Mr. Lambert (Bellechasse).]

ORAL QUESTION PERIOD

[*English*]

● (1130)

ENERGY

CANADIAN CRUDE OIL—REASON FOR EXTENSION OF PRICE FREEZE—JUSTIFICATION FOR HIGHER PRICES PAID BY EASTERN CANADIANS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I would like to direct a question to the Minister of Energy, Mines and Resources. Previously the minister had indicated that the price freeze on Canadian crude would terminate at the end of January and the Prime Minister had said on national television that the price freeze on Canadian crude in its present form would end in January. I would like to ask the minister what happened. What changed the policy between the time of the Prime Minister's statement on November 22 and yesterday?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, the hon. gentleman will have been aware of widespread disagreement on the question of the pricing of Canadian produced oil in Canadian markets, both within this House and, indeed, on the part of a number of provincial governments. It seemed to us appropriate, in light of the forthcoming first ministers' conference, that this is the kind of question that should be focused on nationally and on which we should seek to get some national agreement. On that basis it seemed reasonable to postpone the date for future increases until we have some agreement with regard to the current position and also with regard to a pricing mechanism for the future, to be discussed within the framework of a first ministers' conference.

Mr. Stanfield: In view of the benefit of the freeze on Canadian crude to consumers of gasoline, home heating oil and other petroleum products throughout most of the country, is there any reason why the government of Canada, through the minister or the Prime Minister, in its beneficent way could not provide some price shelter also for the people of the Atlantic provinces and the people of Quebec who are now paying very much higher prices, particularly for home heating oil? Is there any justification for the minister and the government continuing the

existence of these two sorts of Canadians? Is there any justification the minister can give for continuation of a policy which imposes the highest prices on those Canadians with the lowest personal incomes?

Mr. Macdonald (Rosedale): Mr. Speaker, the Prime Minister did make some reference to certain ameliorating actions the government had taken with regard to those consumers in the eastern Canadian market who need assistance the most. This proposal of the Leader of the Opposition for cross-subsidization of eastern consumers by the western producing interests is an important question to be considered at the federal-provincial conference. Unfortunately I cannot announce anything today in that regard.

Mr. Stanfield: Mr. Speaker, I am sure the minister did not mean to twist what I said. I am not talking about cross-subsidization. I want to make it very clear that I am not asking western producers to subsidize eastern consumers. I am asking the government of Canada to provide an equal hand for all Canadians. In view of the Prime Minister having indicated in response to a question from the hon. member for York South that before the year's end legislation would be introduced to indicate the way in which prices will be determined after the freeze, would the minister tell the House whether that legislation is now prepared, whether it will be presented to the House before the end of the year, and what kind of mechanism is intended?

Mr. Hees: A quick conference is necessary.

Mr. Macdonald (Rosedale): I am sorry, Mr. Speaker. I am not sure what legislation the hon. member is referring to.

Mr. Hees: Why don't you listen instead of talking, Don?

Mr. Guay (St. Boniface): Oh, oh!

Mr. Stanfield: Mr. Speaker, I would think the hon. member for St. Boniface could be a little quieter now that he has some hope of getting a heavy water plant.

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

Mr. Fraser: Here comes the heavy humour plant.

Mr. Speaker: Order, please. I will recognize the hon. member for St. Boniface, but I remind hon. members that we are still on the very first question and we now have a point of order. Certainly we are not moving as quickly as we ought to try to move. As I say, the hon. member for St. Boniface has a point of order, after which we will try to move on a little more quickly with the question period.

• (1140)

Mr. Guay (St. Boniface): Mr. Speaker, I only wanted to make the suggestion, in view of the fact the Leader of the Opposition had trouble making his question clear to the Minister of Energy, Mines and Resources, that possibly his confrere who spoke on behalf of the opposition yesterday might be able to do it for him.

Mr. Stanfield: Mr. Speaker, in light of the Prime Minister's statement in the House on November 22 with regard to the pricing process of Canadian crude following termination of the freeze in which he said, "we will have to introduce legislation certainly before the year's end to indicate the way in which these prices will be determined", may I ask the minister whether this legislation has been prepared, when will it be presented to the House, and what kind of mechanism is intended?

Mr. Macdonald (Rosedale): Mr. Speaker, legislation clearly will not be introduced before the federal-provincial conference. It is specifically for the purpose of talking about questions like the pricing problem that the Prime Minister will be meeting with the other first ministers. On that basis I would think the appropriate time for legislative change would be after the federal-provincial conference when we have achieved a consensus.

Mr. Speaker: Order, please. It appears that a number of members are seeking supplementaries on this first question. We will start with the hon. member for Northumberland-Durham and then go to the hon. member for Yukon.

CANADIAN CRUDE OIL—REQUEST FOR CLARIFICATION OF WHEN PRICE FREEZE WILL END

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, at the risk of pointing out a further zig-zag in policy I will merely ask the minister this question. On the matter of the termination of the price freeze there are a lot of misinterpretations of the very vague language of the Prime Minister yesterday when he used the phrases "heating season" and "the end of winter". I should like to ask the Minister of Energy, Mines and Resources if he can possibly give us his interpretation of those phrases? What date has the government got in mind for now lifting the freeze?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I think the reference to the end of the heating season is probably as accurate as it is possible to be. I think this is a question that should be discussed at the federal-provincial conference. Very obviously it will be at the end of the fourth or perhaps the fifth month next year when the weather improves.

Mr. Nielsen: Not where I come from!

CANADIAN CRUDE OIL—REQUEST FOR ASSURANCE EXTENDED PRICE FREEZE WILL APPLY REGARDLESS OF POSITION OF ALBERTA AND OIL COMPANIES

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I have a supplementary question. In view of the Prime Minister's statement yesterday that there is neither need nor justification for changes in the price of domestic heating oil during the present heating season and that the government will undertake discussions with the government of Alberta and the oil companies to secure their agreement to achieve this goal, would the minister state in the House, without reservation, that the government will impose that freeze regardless of the predictable position

that will be taken by the oil companies and their ally, the premier of Alberta?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I will not say that categorically. I would seek, first, to get their support. I hope we will have the support of the province of Alberta and the oil companies in this regard. Of course, if that support is refused we will have to consider our position and I will then advise the House.

DOMESTIC OIL TO WHICH LONG-TERM PRICE INCREASES WILL APPLY

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I have a further supplementary, again on the question of price in the longer term. In view of the Prime Minister's statement that we must in the long term allow the price of domestic oil to float upward in order to ensure the development of future resources, would the minister tell us whether price increases would apply to the conventional reserves of about ten billion barrels or was the Prime Minister speaking only of the higher cost oil from the tar sands?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, that is one of the questions in the choice of a pricing system, whether we might have a multi-level pricing system in our market. I think that will be discussed more fully at the federal-provincial conference.

OIL EXPORT CHARGE AFTER FEBRUARY 1 NEXT—REQUEST FOR ASSURANCE NO PORTION WILL BE RETURNED TO COMPANIES

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I have a further supplementary to clarify another statement made by the Prime Minister yesterday regarding the disposition of the export charge as it will be called after February the first. Can the minister state without reservation that no portion of that charge will be returned to the multinational oil companies?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, it would be the intention to bring it into the public sector. Discussions, of course, will continue with the province of Alberta with regard to the possible sharing of the export charge. If there were a decision that some part of it should go to Alberta, it would then be for that province to determine where it would go. At the federal level it would be the intention to take it into the public treasury.

[*Translation*]

CONSULTATION BY MINISTER WITH OIL COMPANIES TO PREVENT UNJUSTIFIED PRICE INCREASES

Mr. Speaker: Does the hon. member for Lotbinière wish to ask a supplementary question?

Mr. André Fortin (Lotbinière): Mr. Speaker, the right hon. Prime Minister announced yesterday that the price freeze would not be applied in eastern Canada.

[Mr. Nystrom.]

I wish to ask the hon. Minister of Energy, Mines and Resources if he had discussions or contacts of some sort with, among others, the Exxon corporation, which supplies eastern Canada, in order that the people of that region do not suffer from an exaggerated price increase in oil products.

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I had no such contacts.

Mr. Fortin: Mr. Speaker, can the hon. minister say whether he intends to discuss with provincial premiers or with his counterparts the development of a policy or guideline which would protect the eastern Canada population against an exaggerated increase? Has he specific measures to suggest or is it only a general discussion?

Mr. Macdonald (Rosedale): Mr. Speaker, this question is on the agenda of the federal-provincial conference.

[*English*]

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a supplementary question for the Acting Prime Minister. As the marriage was consummated yesterday afternoon, is it the intention to call the new party the "Liberal New Democrats" or has the hon. member for York South insisted that it be called "NDP Liberals"?

Mr. Sharp: You can do better than that.

CRUDE OIL—EFFECT OF PRICE FREEZE ON SYNCRUDE PROJECT—PRICE LEVEL NECESSARY TO ENABLE DEVELOPMENT

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, my supplementary question is along the lines of a question asked by the hon. member for Yorkton-Melville. The Prime Minister said yesterday that "in short, we must in the long run allow the price of domestically produced crude oil to rise toward a level high enough to ensure development of the Alberta oil sands." Does that mean there will be no development of the Alberta sands until the price freeze goes off? When he added, "but not one bit higher", how high did he mean, $10 a barrel which the economists are talking about now to develop this project?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, we would anticipate that the Syncrude project would be going ahead. So the answer to the hon. gentleman's question is that this will not delay action in that area. With regard to the appropriate level of price, that obviously is a matter that will have to be discussed at the federal-provincial conference particularly with relation to the expected cost of synthetic oil developments in the coming years.

SUGGESTED TAX CONCESSIONS TO REDUCE PRICE OF GASOLINE AND HEATING OIL TO CONSUMERS

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, may I make this suggestion to the Minister of Finance, and I put it as a question. In light of the fact the Prime Minister has made the statement that the price of crude petroleum must go up, has the Minister of Finance given any consideration and, if not, will he give consideration to

tax concessions so as to reduce the consumer price for gasoline and heating fuel?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I interpret that suggestion as a suggestion.

Mr. Speaker: Order, please. Hon. members will appreciate that we are still on the first question. The Chair will recognize the hon. member for Yukon, who was on his feet when we adjourned yesterday, on a supplementary and then recognize the hon. member for Winnipeg North Centre.

REQUEST FOR REPRESENTATION OF YUKON AND NORTHWEST TERRITORIES AT FIRST MINISTERS' CONFERENCE

Mr. Eric Nielsen (Yukon): Mr. Speaker, the supplementary I intended to ask yesterday had to do with milk but my supplementary today has to do with the oil situation. The minister has mentioned the federal-provincial conference in January where these problems are going to be discussed and particularly the lifting of the price freeze at the end of the heating season. Can he assure the northern residents of Yukon and the Northwest Territories that they are going to have representation at that conference inasmuch as the heating season is somewhat longer for them than for the rest of the country?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, it is a first ministers' conference and in that respect I am not exactly certain how we accommodate them, but I can assure the hon. gentleman that the interests of the two territories will be adequately represented.

Mr. Hellyer: Will the freeze stay on until the frost comes out of the ground?

HIGHER HOME HEATING COSTS—REQUEST FOR STATEMENT ON GOVERNMENT MEASURES TO ASSIST PEOPLE UNDER CERTAIN STATUTES

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of National Health and Welfare. It arises from the Prime Minister's reference yesterday afternoon to higher home heating costs. Yesterday the Prime Minister referred not only to the Canada Assistance Plan but also in an oblique way to the old age security, the guaranteed income supplement and family allowances. Is the minister prepared to make a statement as to what definite ways the government has in mind for assisting people with higher heating costs under these pieces of legislation?

● (1150)

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker—

Mr. Hees: Give him the same answer you gave him at caucus last Wednesday.

Mr. Lalonde: Mr. Speaker, I wonder whether the noise from the hon. member for Prince Edward-Hastings is over.

Mr. Hees: Give him the same answer you gave him at caucus.

Mr. Speaker: Order, please. Perhaps we should try to move a little more efficiently. It seems that the minister heard the question asked by the member for Winnipeg North Centre and perhaps he could attempt to reply to it now.

Mr. Lalonde: Mr. Speaker, the hon. member for Prince Edward-Hastings was answering for me and I had difficulty understanding what he was saying. I wish to say to the hon. member that old age pensions will be increased in January according to the escalation formula. The figures released Tuesday, show $108 for the basic pension and $184 when combined with the supplement for a single person starting January 1. This will represent another increase in old age security and the guaranteed income supplement. With regard to aid under the Canada Assistance Plan, I have written to my colleagues and have already received a reply from Prince Edward Island indicating that they will increase their payments under the Canada Assistance Plan by 10 per cent. I have approved the increase and confirmed that the federal government will share in a flat increase of 10 per cent in benefits. I would also like to remind hon. members of a bill passed by the House last week, the Federal-Provincial Fiscal Arrangements Act—

Mr. Speaker: Order, please.

Mr. Lalonde: —which has given to the provinces another $190 million—

Mr. Speaker: Order, please.

Mr. Knowles (Winnipeg North Centre): In view of the fact that after the Prime Minister said all that yesterday afternoon, he said, and I quote his words, "something more may well be required"—

Mr. Bell: How much more do you want?

Mr. Knowles (Winnipeg North Centre): —will the Minister of National Health and Welfare make a statement before the Christmas recess as to what that something more is going to be?

Mr. Lalonde: Mr. Speaker, with regard to something more, I might say that Newfoundland is receiving $24.1 million more, Prince Edward Island, $4.6 million—

Mr. Speaker: Order, please.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. I appeal to hon. members to assist the Chair in getting the question period moving just a little more quickly. As hon. members know, we are still on the first round of questioning. At this pace, I am not sure whether we will go much farther. I will now recognize the hon. member for Egmont.

Oral Questions

OIL—EFFECT OF EXTENDED PRICE FREEZE ON DOMESTIC CRUDE ON PRICES IN QUEBEC AND ATLANTIC CANADA THIS WINTER

Mr. David MacDonald (Egmont): Mr. Speaker, my question is to the Minister of Energy, Mines and Resources. As the Prime Minister's statement yesterday afternoon did not really clarify the situation with regard to the need for a two-Canada oil policy, particularly the application of the freeze with respect to eastern Canada, will the minister advise whether the price freeze that is to continue in effect for the rest of the winter season will have any bearing in Quebec and Atlantic Canada where prices have already risen since September by 20 per cent and are close to 40 per cent over the level of prices in western Canada?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, the intent would be to seek continued agreement with regard to the freeze on the basis that we are seeking to hold prices down except where the cost of offshore crude feedstock necessitates increases.

Mr. MacDonald (Egmont): In view of the fact, referred to a moment ago by the hon. member for Winnipeg North Centre, that the Prime Minister said something more may be required but no discussion will take place until January and presumably there will be no action until after that time, what mechanism will be in effect to deal with these offshore companies so that the increasing disparity that exists between eastern and western Canada will not be allowed to become even worse?

Mr. Macdonald (Rosedale): As I have already indicated, Mr. Speaker, we will follow the same procedure we have followed until this point. With regard to action to be taken, as the Minister of National Health and Welfare has pointed out there has been a substantial transfer of financial resources to those particular provinces, and we would think they would be in an excellent position to take action with regard to these commodities in their own jurisdiction.

EXTENSION OF PIPELINE TO MONTREAL—CONTINUATION FARTHER EAST AS REQUIRED—REQUEST FOR CLARIFICATION

Mr. David MacDonald (Egmont): In his statement yesterday the Prime Minister indicated that in addition to building the Montreal pipeline it would be extended as required to points farther east. What did the Prime Minister mean by that reference? What determination will be made by the minister with respect to building this pipeline, and how soon will there be some announcement with regard to an extension to these eastern points?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, one question to be considered at least in the shorter run is the modification of the Portland pipeline. As the hon. member may know, there are a number of discussions current with regard to the extension of additional pipeline connections farther east, either from the St. Lawrence or Lorneville. These discussions, among other things, will include the ability to make the line reversible so that in times of crisis feedstock could be moved back and forth.

[Mr. Speaker.]

Mr. Speaker: Order, please. I will recognize the hon. member for a further supplementary, but we should try to have fewer than three supplementaries to each question.

Mr. MacDonald (Egmont): As the minister has referred to the Lorneville situation in particular, and as there has been anticipation for some months in that part of the province of New Brunswick respecting the building of that capacity, does this mean the minister's department will accelerate its decision in this regard instead of holding up the project?

Mr. Macdonald (Rosedale): Mr. Speaker, we have not been holding up the project. There has been an extensive examination of the factors involved, particularly the economic factors, in the different pipeline possibilities. As the hon. member may know, there are at least three of them: the lower St. Lawrence, Lorneville and Canso. There is obviously a problem of choice involved as to which is the best in the over-all Canadian interest.

• (1200)

[*Translation*]

CONSTRUCTION OF HEAVY WATER PLANT IN QUEBEC—REQUEST THAT REPORT TO CABINET BE MADE PUBLIC—USE OF BANK OF CANADA TO FINANCE

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I would like to ask a question of the hon. Minister of Energy, Mines and Resources.

Could the minister inform the House if the report filed with the cabinet by Atomic Energy of Canada Limited will be published, or whether it is considered as a confidential report? Moreover, could he inform us when the building of this plant will start and when is the plant expected to be in operation?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I do not know precisely to which report the hon. member is referring. The heavy water plant will be in operation, I think, within about four years.

Mr. Lambert (Bellechasse): I would like to ask a supplementary to the Minister of Energy, Mines and Resources, Mr. Speaker.

The report to which I refer—and I think my question is quite clear about it—was brought in after the study undertaken by the Atomic Energy of Canada Limited. This report was certainly submitted to the cabinet so that the latter may rule wisely and decide about the location of a heavy water plant.

Mr. Macdonald (Rosedale): Mr. Speaker, the answer is no. Such report will not be made public.

Mr. Lambert (Bellechasse): Mr. Speaker, I thank you for your patience but as this matter is most important, I shall be brief. In view of the federal government's announcement regarding the building of such a plant, could the minister tell us whether the government will

have recourse to the Bank of Canada to finance this construction so that Canadians will not—

Some hon. Members: Oh no! Not again!

Mr. Lambert (Bellechasse): Mr. Speaker, I am hurt by such remarks whenever I utter the words "Bank of Canada". It is the bank of all Canadians and everybody seems to be insulted. I regret that very much. It is a Canadian institution and we should have the right to talk about it in this House—

Some hon. Members: Hear, hear!

Mr. Lambert (Bellechasse): I ask my question very seriously, Mr. Speaker. I am never joking.

Mr. Speaker: Would the hon. member ask his question because we are going to be short of time.

Mr. Lambert (Bellechasse): Mr. Speaker, I would like to know whether the government intends to use the services of the Bank of Canada to finance that project so that Canadians will not have to carry unnecessary interests and pay for four plants to get only one at the end.

Mr. Macdonald (Rosedale): Mr. Speaker, the government intends to use normal sources of financing to that end.

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[*English*]

GRAIN

SUGGESTED APPOINTMENT OF BOXCAR CONTROLLER TO FACILITATE MOVEMENT—GOVERNMENT POSITION

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I turn from oil to wheat and direct a question to the minister reporting for the Wheat Board. Has the government given reconsideration to the appointment of a boxcar controller with appropriate powers. The legislation would be passed very quickly by the House because during the last eight or nine days the backlog has increased and the Wheat Board has been losing contracts. Some have been lost completely and others have been deferred as a result of the failure to make available the necessary boxcars, which the railways naturally will use for the carriage of other commodities on which a greater profit can be realized. Would the minister, in these circumstances, not be willing to bring before the House legislation to do something to reduce the backlog of 75 million bushels of wheat at the present time, get the wheat moving and thereby enable the Wheat Board to fulfil its contracts?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, some weeks ago the railways gave the Wheat Board figures as to the number of cars which could be put into the movement of grain and the railways have in fact been keeping very close to that number of cars. There is, of course, great pressure upon the railways from those who wish to move many other products, and the effort of the railways is to serve all customers as well as possible. I am sure my colleague, the Minister of Transport, would look seriously at the question of the appointment of a controller, or some other device, if he felt that any unfair attitude was being shown as between various products. But I think it is a little unfair for members from the prairie region to say that wheat only should move, as it would be for members from British Columbia to say that lumber only should move. I think we should appreciate that an effort must be made to serve all products as effectively as possible, although sometimes a difficult judgment has to be exercised.

Mr. Diefenbaker: The conversion of the minister from being a representative for Saskatchewan will be interesting to the farmers of that province. I ask him whether or not the government will give consideration—the responsibility is his because he is looking after grain—to giving a controller the power to allocate cars between the various claims by producers of commodities. Let him not give an evasive answer. The fact, please.

Mr. Lang: As far as cars available for grain are concerned, a very effective block shipping system was set up several years ago along with coordinators at the terminals, measures which were never put into effect while the right hon. gentleman was prime minister. I am happy to tell the right hon. gentleman that my supporters in Saskatchewan find I can represent them and the people of Canada at the same time, something which he never managed to accomplish.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Diefenbaker: The exhilaration being displayed opposite would indicate a source other than heavy water. I am glad to have that admission from the minister. It has been my view that he has forsaken the west. He now admits it.

Some hon. Members: Oh, oh!

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ENERGY

OIL—ROLE OF TECHNICAL ADVISORY COMMITTEE IN POLICY CHANGES ANNOUNCED BY PRIME MINISTER

Mr. Jim Balfour (Regina East): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. Were the policy changes announced by the Prime Minister yesterday based in whole or in part on recommendations from the technical advisory committee to the minister? If so, to what extent?

Mr. Hees: No. They were based on the recommendations of the New Democratic Party.

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): The changes announced were of a more long-term nature, not with regard to emergency interruptions of supply with which the technical advisory committee has been concerned. As the hon. member knows, the terms of reference of that committee are to deal with the

crisis situation which might be faced this winter in the event of the interruption of supplies to eastern Canada.

Mr. Balfour: Did the technical advisory committee approve the extension of the price freeze?

Mr. Macdonald (Rosedale): I have really answered that question already. The committee is concerned with the threatened interruption of supplies to eastern Canada.

OIL—REASON FOR SEVEN YEAR DELAY IN MAKING CANADA SELF-SUFFICIENT

Mr. Bill Kempling (Halton-Wentworth): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources. In view of industry figures that our present oil production is 300,000 barrels a day above our consumption, can the minister explain why the government now feels it needs seven years to make Canada self-sufficient in oil?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): If the hon. gentleman will re-read the statement, he will know there is no intention to cease exports to the United States during this period. The construction of plants to extract oil from the tar sands could well require very extensive investment over a considerable period of time before self-sufficiency is realized.

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PENITENTIARIES

PRINCE ALBERT—SUGGESTED INVESTIGATION OF WHAT CONSTITUTES "NORMAL CONDITIONS"—INABILITY OF COMMITTEE TO VISIT CERTAIN AREA

Mr. Frank Howard (Skeena): Mr. Speaker, I should like to direct a question to the Solicitor General arising out of his comment a few weeks ago that the situation at the Saskatchewan Penitentiary at Prince Albert was getting back to normal. Did his statement take account of the fact that inmates who are in segregation and dissociation are denied the right to make telephone calls to anyone and that this right has been suspended indefinitely? Can he explain why some of these inmates have been kept in the hole, in solitary, in one instance for more than 200 days? Does this represent a situation which is back to normalcy?

Hon. Warren Allmand (Solicitor General): I would have to look into the individual cases. I know that some inmates are kept in segregation for a long time because they still present behavioural problems to the penitentiary. But I will look into the cases and get the names and find out what is wrong.

Mr. Howard: Would the minister also look at that section of the penitentiary in which these particular inmates are kept and determine whether or not this was the area of the penitentiary to which no key could be found, as a result of which the penitentiary subcommittee, when it visited Prince Albert, could not get in to see what was going on?

[Mr. Macdonald (Rosedale).]

Mr. Allmand: I will do that, Mr. Speaker, and I might have our recently appointed ombudsman look into that question.

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NATIONAL PARKS

REQUEST FOR FINANCIAL ASSISTANCE TO RESIDENTS APPEALING LEASE RENTALS

Mr. Joe Clark (Rocky Mountain): Mr. Speaker, in the absence of the Minister of Indian Affairs and Northern Development and his parliamentary secretary, I shall direct my question to the Minister of Justice. Since federal law provides that the only way in which residents of the town sites in national parks can appeal lease rentals is through the Federal Court, will the government extend to those persons the same treatment as was extended to the native people at James Bay by financing their test appeal whose purpose is to clarify federal law? Can the minister give us an affirmative answer to this question before December 15 which is the deadline set by his officials?

Hon. Otto E. Lang (Minister of Justice): I shall be glad to look into the matter and discuss it with my colleague.

* * *

IMMIGRATION

POSSIBLE SUBJECTING OF PERSONS GRANTED LANDED STATUS TO FURTHER PROCESSING

Mr. Bill Frank (Middlesex): Mr. Speaker, in the absence of the Minister of Manpower and Immigration I should like to direct a question to his parliamentary secretary. When applicants for admission to Canada are granted unconditional landed status by the Immigration Appeal Board as provided by section 15 of the Immigration Appeal Board Act, should this not finish the matter as far as applicants are concerned, or are their applications subject to further processing by immigration officers?

Mr. Mark MacGuigan (Parliamentary Secretary to Minister of Manpower and Immigration): I thank the hon. member for having given me notice of his question. The normal practice of the department is to have the person concerned medically examined before he is landed. Should the hon. member be aware of a problem in any particular case I would be glad if he would bring it to our attention.

* * *

ENERGY

REASON FOR NOT EXTENDING SHARING OF EXPORT TAX WITH PROVINCES BEYOND THE FREEZE PERIOD

Mr. Gordon Ritchie (Dauphin): I have a question for the Minister of Finance, Mr. Speaker. Can the minister tell the House on what basis the government decision was reached not to extend the 50-50 sharing of the oil export

tax with the four western producing provinces beyond the freeze period?

● (1210)

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I think my colleague has already replied to that question by saying that this is a matter to be discussed with the provinces in January.

NUCLEAR REACTORS AND HEAVY WATER PLANTS—DATE OF EXPANSION IN WESTERN CANADA—POSSIBLE INCREASE IN RESEARCH AND DEVELOPMENT FUNDS

Mr. Jake Epp (Provencher): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources. In light of the Prime Minister's statement in the House yesterday, and in view of the difficulties we are presently facing in respect of more conventional hydraulic generating stations and the need for nuclear research and development, could the minister make a statement as to the time frame he is looking at in regard to the possible expansion of heavy water plant sites and nuclear reactors in western Canada?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, as I indicated in my statement, it seems that the earliest nuclear reactor in western Canada will be at such time as the Manitoba utility decides that it should bring a nuclear reactor on stream for its purposes. There has been some discussion in British Columbia, as the hon. gentleman may know, with regard to the possibility of a nuclear reactor to meet the power needs of Vancouver Island, but I think it is fair to say that that discussion to the moment has been inconclusive.

With regard to additional heavy water plants, this depends to a degree on the rate of sale of the CANDU system in other nations. Atomic Energy of Canada Ltd. has been active in its export program, and it will be a combination of additional nuclear plants for export and for Canada which will determine the time frame within which the next one will be brought on. Judging by this year's rate, that should be at a fairly early date.

Mr. Epp: I should like to commend the minister for the statement he made and also with respect to sales. The lack of confidence that has been evident in places such as the Whiteshell nuclear research station, I believe, will be rectified to a great extent. In light of the expanded acceptance of the CANDU reactor, I should like to ask the minister whether he has in mind a widespread expansion of research and development funds for nuclear research in our present installations.

Mr. Macdonald (Rosedale): Mr. Speaker, I should like to thank the hon. gentleman for his kind remarks. I think it is fair to say that because of its active export program AECL has been concentrating its attention on marketing the existing reactor. It does have two modifications which are currently under study. As to a specific program to increase research, I do not think that at the moment they have any proposal in regard to Whiteshell, though obviously that is a site that they would want to concentrate their efforts upon when additional research does come along.

Oral Questions

PETROLEUM—REFERENCE TO MINISTER'S STATEMENTS CONCERNING ALBERTA MARKETING BOARD AND LIFTING OF PRICE FREEZE

Mr. Peter C. Bawden (Calgary South): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources having to do with the minister's insistence in the past that he will always stick to the written record. The minister on November 14 in the miscellaneous estimates committee was asked about his position if the Alberta government, by way of royalty or a marketing board, raised its prices to world prices for petroleum products and he said "Yes, indeed, that would certainly reduce, if not eliminate, the export tax". When asked if that would be acceptable to him the minister said it would certainly be acceptable. Would the minister say now whether he will still stick by that statement?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, in light of the proposal to hold a meeting of first ministers, among our requests to Alberta would be one that it not change the current policy but discuss it at this conference.

Mr. Speaker: We have just about reached the end of the question period. The hon. member for Calgary South might ask a supplementary and then I will see the hon. member for Selkirk.

Mr. Bawden: The Minister of Energy, Mines and Resources on November 14, in response to a question whether the government was irrevocably committed to lifting the freeze on crude prices, said yes, that was the policy as announced. In view of the uncertainty that has been created in the provinces and for the Canadian people and the fact that Canadians cannot trust his answers, will he say whether this will change in the future?

Mr. Speaker: The hon. member for Esquimalt-Saanich.

* * *

EXTERNAL AFFAIRS

INQUIRY INTO LEAKED DOCUMENT—REQUEST FOR PROGRESS REPORT

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, my question is addressed to the Secretary of State for External Affairs and refers to the statement he made last week about disclosure to a member of this House of confidential information contained in a document. On the assumption that the long established procedures referred to by the minister in his statement to the House last Thursday include suspension, followed by an inquiry, possibly dismissal and the right of appeal, can the minister tell the House how far these procedures have now gone? Specifically, can he tell us whether the person charged with the leaks has at least been suspended from the public service, as is required—

Mr. Speaker: Order, please. Perhaps the hon. member might allow the minister to reply to the first part of the question. It seems to me that a question as long as this one takes a little too much time away from other hon. members with questions to ask. I assume that the hon. member

has now asked his question and the minister might be allowed to reply.

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, the investigation is continuing. I was in touch with the officers who are in charge and they are pursuing their inquiries in accordance with the procedures set down. Of course, no one has been charged. The investigation is continuing.

ALLEGED DENIAL OF GASOLINE TO CANADIAN MOTORISTS IN UNITED STATES—POSSIBLE RECIPROCAL ARRANGEMENT

Mr. Doug Rowland (Selkirk): Mr. Speaker, my question is for the Secretary of State for External Affairs. Last week I drew to the attention of the Minister of Energy, Mines and Resources the possibility that American service stations were refusing to sell gasoline to Canadian automobile drivers in the United States. The minister indicated he would ask the Department of External Affairs to investigate the matter. Would the minister inform the House if he has now looked into these allegations, whether there is any truth to them and, if there is, what action is being contemplated to avoid distress to Canadians driving in the United States?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, we did make inquiries. First, we determined that there is no government policy, whether at the federal or state level, which would discriminate against Canadians. We also inquired of the American Automobile Association and they said they had no such policy. Of course, individual service stations, if they are short of supplies, may have to decide to whom they will sell their supplies, but as far as we know there is no discrimination against Canadians as such.

Mr. Rowland: Mr. Speaker, I have a related matter concerning a problem anticipated at some Canadian border points during weekends when American service stations are not even serving their own nationals and American nationals cross the border to fill their tanks in Canada. Is any consideration being given by the government of Canada to entering into discussions with the government of the United States to try to regulate these two related problems?

Mr. Sharp: Mr. Speaker, as far as Canada is concerned we have no policy of discriminating against Americans or other foreigners. The hon. member will have noticed that last weekend, which I think was the first on which American service stations were not open, there was no exceptional demand for gasoline in Canada and we hope this will continue to be the situation. If, however, the situation changes I can assure the hon. member that we will pursue the matter.

[Mr. Speaker.]

ENERGY

EXTENSION OF OIL PIPELINE TO MONTREAL—DISCUSSIONS ON AVAILABILITY OF STEEL FROM HAMILTON MILLS

Mr. Sean O'Sullivan (Hamilton-Wentworth): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources and has to do with the long awaited extension of the oil pipeline. Can the minister advise what specific steps have been taken or definite discussions had, if any, to ensure adequate supplies of steel from the great city of Hamilton?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, as the Prime Minister indicated yesterday, we have been in discussion with the pipeline company which, in turn, has determined the availability of steel from Stelco—Hamilton produced steel. The Canadian Commercial Corporation will be authorized to go ahead to assure the availability of steel for the start of the pipeline.

* * *

[*Translation*]

AGRICULTURE

OVERPRODUCTION OF CERTAIN FOOD PRODUCTS—REQUEST THAT FARMERS BE COMPENSATED

Mr. Roland Godin (Portneuf): Mr. Speaker, I would like to put a question to the hon. Minister of Finance.

As the hon. Minister of Finance is aware of the shortage of some food products in Canada and as he urged all farmers to increase their production, could he tell us if he is considering partial repayment to the farmers who have been penalized in recent years because of overproduction of foods we are short of today?

* * *

ENERGY

PROPOSED HEAVY WATER PLANT AT GENTILLY—NUMBER OF EMPLOYEES REQUIRED TO OPERATE

Mr. Florian Côté (Richelieu): Mr. Speaker, I have a question for the hon. Minister of Energy, Mines and Resources.

On behalf of my constituents, I wish to thank him for his decision to build a nuclear plant in Gentilly.

Can the minister tell us how many employees will be required for its operation?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker—

Mr. Speaker: Order. I doubt that such a question is in order. The Chair gives the floor to the hon. member for South Shore.

● (1220)

[*English*]

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I wish to direct my question to the Acting Prime Minister. I am seeking a very important and necessary clarification of

part of the Prime Minister's speech appearing in yesterday's *Hansard* at page 8481:

The market in the east for Canadian oil going through the pipeline must be certain. It must not disappear if international oil suddenly and temporarily drops in price.

I should like to ask the Acting Prime Minister whether this is a promise or a threat, and if the Prime Minister is going to disappear will the Acting Prime Minister assure the House that it will be up the pipe?

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. The Chair will recognize the hon. member for Prince George-Peace River and then call orders of the day.

* * *

FINANCE

SUGGESTED REMOVAL OF RESTRICTIONS ON IMPORTATION OF RAILWAY CARS

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, my question is supplementary to one asked earlier by the right hon. member for Prince Albert and has to do with the shortage of rail cars. In light of the disastrous effect the shortage of rail cars has in various western provinces in respect of various industries, I should like to ask the Minister of Finance whether he has had any discussions with the minister responsible for the Wheat Board and the Minister of Transport regarding the possibility of removing the very heavy import restrictions on equipment of this nature coming into Canada?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, we have been consulting on that and other matters affecting the movement of rolling stock in the country. Orders of the day.

Mr. Lalonde: Mr. Speaker, I should like to rise on a question of privilege in relation to an answer I gave the hon. member for Winnipeg North Centre a few minutes ago. I may have inadvertently misled the House. I believe I referred to $190 million in increased equalization during the course of the current year. I have now made some quick calculations. I had already started to say that Newfoundland would receive $24.1 million, P.E.I., $4.6 million, Nova Scotia, $22.4 million, New Brunswick, $20.5 million—

Some hon. Members: Order!

Mr. Lalonde: —Quebec, $72.2 million, Manitoba, $10 million and Saskatchewan, $20.9 million, for a total of $175 million, not $190 million.

Some hon. Members: Order!

[*Translation*]

Mr. Speaker: Order, please. The hon. parliamentary secretary is rising on a point of order.

Parole Act

Mr. Pierre De Bané (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, I am rising on a point of order.

For the last few months I have been privately complaining at least 20 times that the copy of *Hansard* which is left in my desk is in the other official language, which is not my mother tongue, and no improvement has been made since. Mr. Speaker, I am wondering whether it would be possible for the House proceedings to be printed the same way as the committee proceedings where both versions are in the same copy. Since it is under your chairmanship that the statutes have been published in both official languages within the same volume, would it be possible to have the House proceedings in both versions also in the same volume so as to avoid those repeated mistakes which are occurring in spite of our private complaints?

GOVERNMENT ORDERS

[*English*]

PAROLE ACT

APPOINTMENT OF ADDITIONAL AD HOC MEMBERS TO NATIONAL PAROLE BOARD

The House resumed, from Tuesday, December 4, consideration of Bill C-191, to amend the Parole Act, as reported (with an amendment) from the Standing Committee on Justice and Legal Affairs; and Motions Nos. 1 and 2 (Mr. Howard).

Mr. Speaker: My understanding is that the question is to be put on the two motions which were under consideration. Is the House ready for the question?

Some hon. Members: Agreed.

Mr. Speaker: The question is on Motion No. 1. All those in favour will please say yea.

Some hon. Members: Yea.

Mr. Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Speaker: In my opinion the nays have it.

Some hon. Members: On division.

Mr. Speaker: I declare the motion lost on division.

Motion No. 1 (Mr. Howard), negatived on division.

Mr. Speaker: The question is now on Motion No. 2. All those in favour will please say yea.

Some hon. Members: Yea.

Mr. Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Speaker: In my opinion the nays have it.

National Parks Act

Mr. Knowles (Winnipeg North Centre): On division.

Mr. Speaker: I declare the motion lost on division.

Motion No. 2 (Mr. Howard), negatived on division.

Hon. Marc Lalonde (Minister of National Health and Welfare) moved that Bill C-191, to amend the Parole Act be concurred in.

Motion agreed to.

Mr. Lalonde moved that the bill be read the third time and do pass.

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

* * *

RESIDENTIAL MORTGAGE FINANCING BILL

ESTABLISHMENT OF CORPORATION, RECOGNITION OF SPECIALIZED MORTGAGE INVESTMENT COMPANIES UNDER LOAN COMPANIES ACT AND TAX TREATMENT

Hon. Ron Basford (Minister of State for Urban Affairs) moved that Bill C-135, to provide additional financing mechanisms and institutions for the residential mortgage market in Canada, as reported (with amendments) from the Standing Committee on Finance, Trade and Economic Affairs, be concurred in.

Motion agreed to.

Mr. Basford moved that the bill be read the third time and do pass.

Mr. Speaker: Is it the pleasure of the House to adopt the said motion? All those in favour will please say yea.

Some hon. Members: Yea.

Mr. Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Speaker: In my opinion the yeas have it.

Some hon. Members: On division.

Mr. Speaker: I declare the motion carried on division.

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

* * *

NATIONAL PARKS ACT

AMENDMENT DELINEATING GOVERNMENT'S POWERS IN DISPOSING OF PUBLIC LANDS

The House resumed, from Monday, November 26, consideration of the motion of Mr. Chrétien that Bill S-4, to amend the National Parks Act, be read the second time and referred to the Standing Committee on Indian Affairs and Northern Development.

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

[Mr. Speaker.]

Motion agreed to, bill read the second time and referred to the Standing Committee on Indian Affairs and Northern Development.

* * *

● (1230)

CANADA PENSION PLAN (No. 2)

AMENDMENTS RESPECTING ANNUAL INCREASES AND LEVEL OF INCOME ON WHICH CONTRIBUTIONS PAID

Hon. Marc Lalonde (Minister of National Health and Welfare) moved that Bill C-224, to amend the Canada Pension Plan (No. 2), as reported (without amendment) from the Standing Committee on Health, Welfare and Social Affairs, be concurred in.

Motion agreed to.

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

Some hon. Members: Now.

Mr. Lalonde moved that the bill be read the third time and do pass.

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

* * *

[*Translation*]

FAMILY ALLOWANCES

PROVISION FOR PAYMENT OF FAMILY ALLOWANCES AND SPECIAL ALLOWANCES

Hon. Marc Lalonde (Minister of National Health and Welfare) moved that Bill C-211, to provide for the payment of family allowances in respect of children to supplement the income of Canadian families and for the payment of special allowances to provide for the care and maintenance of other children, and to amend the Income Tax Act in consequence thereof, as reported (with amendments) from the Standing Committee on Health, Welfare and Social Affairs, be concurred in.

Motion agreed to.

[*English*]

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

Some hon. Members: Now.

Mr. Lalonde moved that the bill be read the third time and do pass.

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

ROUTINE PROCEEDINGS

[*English*]

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Speaker: Is the hon. member for Winnipeg North Centre rising on a point of order?

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order. Perhaps the government House leader might like to get back to his seat. Since the Thursday question was not asked yesterday, I wonder if the House would be interested in knowing what of the few remaining items we shall deal with next week and in what order?

Mr. MacEachen: Mr. Speaker, we will continue with the debate on the oil supplies bill today and if not completed will continue with it on Tuesday. Following that I should like to take Canada Pension Plan bill No. 1.

Mr. McGrath: Mr. Speaker, I rise on a different point of order. I wonder if the Secretary of State for External Affairs (Mr. Sharp) would like to ask the House to revert to motions to make a brief statement.

Mr. Sharp: Mr. Speaker, I had informed the hon. gentleman who made this suggestion that Mr. Serjeant is not being prosecuted in Tanzania and I expect his imminent discharge. The hon. member for St. John's East had raised the question with me and as a result of the action of the Canadian government Mr. Serjeant's case has been disposed of.

GOVERNMENT ORDERS

[*English*]

ENERGY SUPPLIES EMERGENCY ACT

MEASURE TO PROVIDE FOR ALLOCATION BOARD, MANDATORY ALLOCATION OF SUPPLIES AND RATIONING OF CONTROLLED PRODUCTS

The House resumed, from Thursday, December 6, consideration of the motion of Mr. Macdonald (Rosedale) that Bill C-236 to provide a means to conserve the supplies of petroleum products within Canada during periods of national emergency caused by shortages or market disturbances affecting the national security and welfare and the economic stability of Canada and to amend the National Energy Board Act, be read the second time and referred to the Standing Committee on National Resources and Public Works.

Mr. Speaker: I believe yesterday the hon. member for Fort William (Mr. McRae) had the floor.

Mr. Paul E. McRae (Fort William): Mr. Speaker, I should like to resume this debate and congratulate the Prime Minister (Mr. Trudeau) for his excellent outline of a national energy policy for all Canadians, Canadians from every part of this nation. This policy contrasts with the no-policy of the Conservatives, although I must say that the hon. member for Prince Edward-Hastings (Mr. Hees) attempted to give his view of what the policy should be from the point of view of the board room and was certainly reinforced last evening by the hon. member for Calgary North (Mr. Woolliams) in this respect. Somehow, I just cannot believe this is the prevailing view of the whole party, but who knows? I feel that the New Democratic Party has taken too much upon itself in saying that this is its policy. I should like to show that for nearly a year the Canadian petroleum corporation, or as some of us call it the "Oil-Can" had been on the drawing boards and was actually being considered. A very good document was produced in the month of June which refers to most, if not all, the things mentioned by the Prime Minister last night.

This policy is the policy of the Liberal Party and the Liberal Government and we support it to a man. If hon. members will consult *Hansard* for October 25, they will see that four speakers on the government side—each of us, including the minister—talked about federal involvement in the tar sands. Clearly, we were very concerned that the approach to the tar sands was the approach taken by a commission of the Alberta government, not some group from New York. These are our policies. We stand behind them but welcome the support of the NDP in this respect.

There are three major elements involved in the Prime Minister's speech and involved in a national energy policy. The first has to be an adequate and secure supply of oil and energy. The second has to be a much greater degree of Canadian control. The third is a single fair price adequate to ensure a secure supply. The Prime Minister discussed these elements last night in general. I should like to deal in some detail with certain of them. Let us deal first with the matter of an adequate and secure supply for all Canadians, both in the short-run and in the long-run.

This bill is designed to assist in securing that supply and making sure that all Canadians do not go short and that no one in Canada suffers. The minister has suggested in respect of the short-run that if there is a shortage of 10 per cent a voluntary program would be effective. He outlined suggestions along that line. If the shortage in the east should go up to 25 per cent, then there would be mandatory allotments and beyond 25 per cent there would be rationing. These short-run possibilities are all covered in this bill. It is however the long-run situation which concerns me most. I should like to deal with the long-run supply situation for a few minutes.

According to the Canadian Geological Survey, CGS, in 1972 Canada was considered to have 134 billion barrels of ultimately recoverable conventional crude oil, that is excluding the tar sands or shales. But by 1973, even though we had only used about half a billion barrels, the CGS estimate had gone down to 99 billion. I am only taking a guess, although I have had some consultations and discussions, that by the beginning of this year the figure will be closer to somewhere between 60 billion and 70 billion barrels. So that in the course of two years we have used roughly one billion barrels, the estimated ultimately recoverable quantity has dwindled from about 134 billion to something between 60 billion and 70 billion barrels, about half of what it was before.

• (1240)

We must also consider that when we refer to this figure of 60 billion to 70 billion barrels we are talking about the oil that is available from the western basin, about 15 billion barrels, and about half of that has already been recovered. We can, therefore, reduce this estimated figure of ultimately recoverable oil outside of Alberta to somewhere in the area of 50 billion barrels, not including, as I said before, the tar sands or any shales that may be available. This is conventional crude. The Prime Minister indicated in his speech yesterday, and this was indicated also in the discussions we have had with petroleum geologists, that the bulk of this 50 billion barrels that is still to be recovered comes from very difficult frontier areas.

There have been very disappointing results in terms of exploration discoveries in the past year or two, which brings us to the conclusion that if we are to continue growth we will have to develop the tar sands. By the early 1980's, it is expected we will need something in the neighbourhood of two million barrels of oil a day ourselves, which will be close to three quarters of a billion barrels a year. Therefore, if we arrive at this point in the early 1980's or by the mid 1980's, what we will have to develop are the tar sands. According to the figures that I have seen from CGS, we have in the neighbourhood of 60 billion to 70 billion barrels of accessible mining type tar sands, and quantities that will vary from 200 million to 600 million barrels of so-called "in situ" sands which have to be extracted in a different fashion. The problem with the mining is that the capital investment is very high. It is estimated that to bring out the two million barrels from the tar sands—and it appears likely that Alberta crude will run out in 1980-1985—we will need an investment of about $30 billion.

It is not just a matter of investment but also a matter of time, how fast you can set up a plant. The industry claims that each plant will take a year and a half. If you peruse a study that was carried out by a government appointed committee of some 40 or 50 senior civil servants in the Alberta government—this was not an outside committee but an interdepartmental committee which produced a very fine document—you will find that we may need up to four years to set up one of these plants. So, we do have a serious problem.

I must say that last night I was very disappointed when I heard the statement made by the Hon. Eric Kierans over the CBC which was totally in error. Perhaps all hon. members on the other side were not here during the whole speech of the Prime Minister or may not have heard parts of it because of the enthusiasm of members on this side for the Prime Minister and for his speech, but I would like to repeat what was said twice by the Prime Minister. At one point Mr. Kierans indicated that $40 million was a ridiculous amount of money to cover the cost of the exploration of the tar sands. Certainly, it is a ridiculous amount of money for exploration, but the tar sands need not be explored, they are not like another oil area. We know where the oil in the tar sands is. Mind you, you may want to take samples, but you know where it is. That amount of money is not for exploration. This $40 million is for research, and in that sense it may even be more than necessary. My feeling is that if necessary more will be added. It is the research into the in situ tar sands so that the oil may be extracted by methods which are not known to the oil industry that require research. That is what the $40 million is for.

[Mr. McRae.]

I should like to read a short excerpt from the Prime Minister's comments to make sure that everyone has heard what the Prime Minister said. He said:

> It will assist and participate in the research and development work necessary to develop an in situ technology for the production of the vast amounts of oil from the oil sands which cannot be extracted by presently known methods. To this particular end, it will invest approximately $40 million over the next five years in co-operation with the province of Alberta and private firms. Should the province of Alberta prefer some other arrangements for carrying on this project, such as an independent Canada-Alberta institute, the government would be quite prepared to discuss it with them.

I like this concept and I think the people of Alberta will like it. The government will be prepared to discuss it with them. The Leader of the Opposition (Mr. Stanfield) then questioned the $40 million, and the Prime Minister said:

> No. It is $40 million for research.

I think that the CBC and Mr. Kierans should be corrected. It should be pointed out to them that they made a very serious error in commenting on the Prime Minister's statement relative to this policy.

I have dealt at some length with the shortfall, and I have expressed my concern regarding what will happen in the future when there might be greater energy shortages. This contrasts greatly with the attitude of the other parties in the House which do not appear to be concerned about the long-term supply. I am not referring only to the debate in the last two or three days or in the last two or three months. Since we have been here as a parliament we have been listening to the Conservative Party saying that there is unlimited oil, there is no shortage; let us not worry about it.

During the committee meetings, this is the kind of thing we heard. So, I feel that not enough attention has been given to this problem. What is the solution? Of course, we have to find alternate supplies and we have to depend on some world supplies. We have to find other methods of achieving energy sufficiency. But I think the most important area that we have to consider seriously is conservation, and now I would like to deal for a moment with the subject of conservation. We have mentioned short-term conservation, both voluntary and mandatory, such as turning off lights and measures of this kind. This is part of conservation but a serious look at conservation must include other ingredients. It may even include a substantial change in our lifestyle. Possibly we can expect that type of thing in the not too distant future. It certainly means that we have to rationalize things like our transportation system. It does not make sense to have an airplane flying from Toronto to Montreal using six times the fuel per passenger mile that a railway uses. It means that our railways have to develop fast, rapid transportation.

• (1250)

We should also take another look at Pickering airport. In discussions with the President of the CNR he has convinced me that the $400 million to $800 million involved in that project could establish rapid rail trans-

portation between Toronto and Ottawa and Ottawa and Montreal.

Mr. Crouse: What about STOL?

Mr. McRae: We should examine it also. This is part of the problem connected with the over-all transportation system. I am told there is a factor of four to one in the use of fuel by trucks per ton mile as compared with railways. We must also examine the question of private transportation versus public transportation. If there were not so many private cars on our streets there would be more buses, and the buses would move faster. These are some of the things I think of when I refer to life style.

There is another problem that has to be solved and conservation seems to be the answer. If, by using a magic wand, we could solve all our energy problems tomorrow we would still create a whole series of other problems. Cheap energy means that we use up our resources at a much faster rate, in turn creating other problems. Therefore, the establishment of a conservation board is one of those elements that are important in terms of secure and adequate supply of energy.

The other ingredient of a secure and adequate supply of energy is the delivery system. We must have a secure delivery system. Here, I must admit that this is perhaps the only element of policy that I have seen coming from the Conservative party. Apparently it made this suggestion a part of its policy in 1969, but it was dealt with only in a very "iffy" way during the 1972 election. There seems to be no argument on this matter. If the phrase "secure energy supply" is to mean anything, it means our energy supply will only be secure if the pipeline to be built is built entirely within the boundaries of Canada.

Some hon. Members: Hear, hear!

Mr. McRae: I would advocate that the pipeline be built in three stages. The first stage would start at St. Ignace, about 30 miles from Sault Ste. Marie, where the oil line now runs, and go from Sault Ste. Marie to Montreal. I understand that the distance between St. Ignace and Montreal is somewhat shorter than the distance between Sarnia and Montreal. The cost for tunnelling and laying the line might be slightly higher, but securing the right of way would be relatively simple as most of the land is held by the Crown.

The second and third stages could almost be built simultaneously, although there should be discussion as to which should come first. The second stage would be to run that line from Gretna, Manitoba to Thunder Bay and around Lake Superior to the Sault. In that way we would have a secure line from Manitoba, at the point at which oil now leaves by pipeline to flow through the United States, to Montreal. I think that is absolutely essential in terms of secure energy deliveries.

The third stage, which could be started soon, would be the extension of the line from Montreal to assure a secure supply to the Maritime provinces. This portion of the line would be reversible, so that oil could flow in both directions, and should be built to accommodate other products besides oil. In short, our delivery policy should be such that eventually Canada will have a completely Canadian delivery system stretching from coast to coast.

The second element of a national energy policy which the Prime Minister dealt with, and which I think is absolutely essential, is the quick reversal of the present ownership situation. We must get away from 80 per cent or 90 per cent American ownership to a position which is the reverse of that. The quickest way for this to be done—

An hon. Member: There are no Alberta members present.

Mr. McRae: I am sorry about that. The quickest way for this to be done would be through the Canadian petroleum corporation announced by the Prime Minister yesterday. I am sorry the Alberta members are not here. They should be interested because I think the Canadian petroleum corporation offers a great opportunity for the people of Alberta. The Prime Minister indicated this yesterday, and I would like to say a little more about it today. It offers an opportunity for the independent Canadian producers. These are the people I would like to see supported. Here, I speak of the Canadian producers who are actually exploring, and the Canadian companies which are doing the drilling.

The Canadian petroleum corporation must also assure supplies to independent Canadian retailers, who are now being forced out of business because they cannot get oil from the multinational corporations. It is extremely important that we, as a government, undertake to support these small independents in every way we can. The Canadian petroleum corporation can give that support. Mr. Speaker, I would like to continue after we resume.

Mr. Speaker: Order. It being one o'clock I do now leave the chair.

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Mr. McRae: Mr. Speaker, before we recessed for lunch I was talking about three elements of a national energy policy that the Prime Minister so eloquently laid out yesterday, namely the adequate secure supply, adequate Canadian control and ownership and a single fair price adequate to maintain this supply.

I should like to go back for a moment to a point that has to do with the notion of Canadian control and ownership and the Canadian Petroleum Corporation or "Oil-Can" or whatever it will be called, and to stress the importance that this company will have in its dealings with the Canadian independents. I think this is a group that could very well be in some trouble in terms of price and other factors. One of the important elements in our policy has to be that we will make sure that we support these independents, that we will support the people who are doing the exploration and we will support the people who are doing the drilling, the Canadian companies in that business. We should also make sure that supplies get to the small

retailer. It is possible that 200 or 300 of them may go out of business in the next six months in Montreal alone if they do not get supplies. It is these people we want to support, to make sure they get supplies and are allowed to remain in a legitimate business even though small. The small business interests will benefit from the Canadian petroleum corporation.

The third element in the policy is the price. I think that we must have, first, a single price, a fair price and a price that is adequate to meet the demands of our supply needs. The single price is the first thing I mention and when I say single price I believe, Mr. Speaker, that there should be one single price across Canada for oil, excluding transportation costs. Perhaps some day if we rationalize our transportation we can include that in our price. At this point, I think we should have a single price; the people from the east and from the west, Alberta and British Columbia, should be paying that single price. It may be that a producing province, in order to equate this with internal problems or to give the people in the province a fair deal, will want a return in some fashion of some portion of the price. I have heard the Premier of Alberta say this is the sort of thing they may want to do, but there has to be a single price across the country.

Point No. 2, Mr. Speaker, is that the price has to be fair. This is the point upon which there is a great deal of concern. The price that is arrived at has to be justified. There is no justification for someone who can produce 100,000 barrels of oil at $3 per barrel being given $6 per barrel for it. There cannot be a windfall effect and this is one thing we must understand, that there should be no rip-off. The price has to be justified. On the other hand, there have to be ways of inducing people to explore and put money into the tar sands and so on. The NDP feels that they are the only ones concerned about a price freeze, but they must remember that on September 5 it was this party which imposed that price freeze.

There are all kinds of things that we can do about pricing, and all kinds of ways to avoid this windfall type of pricing. My own suggestion, and one that I feel strongly about, is that a national marketing board, separate from a Canadian petroleum corporation, should be established. I think it should be separate in the same way that I think it is wise to have the CBC separate from the CRTC. I do not think the regulatory body or marketing board should be governing the corporation that is operating the business. I think a national marketing board is a good way of achieving a single price. It is also a good way of avoiding a rip-off. A national marketing board could buy $3 oil or $4 oil—I guess there is no $3 oil left—it could buy $6 oil and it could buy from offshore. It could commit itself to buying so many hundred thousand barrels a day from the tar sands at $8 or $9 a barrel and it could commit itself to buying offshore and northern frontier oil at $9, $10 or $12 a barrel. In other words, you can have a mix of prices, each price justified by the fact that we need the oil and are meeting costs with a reasonable profit to the people producing the oil. The final price can be a single price which is an amalgam of all these prices. It would be fair and no one would be ripped-off. This objective can be achieved by a national marketing board.

[Mr. McRae.]

• (1410)

I understand that a national marketing board is one of the alternatives available to us. I hope the government takes a very careful look at this possibility. I realize it will not be easy to put such a board into effect. It will be necessary to deal with the province of Alberta which has proposed its own marketing board. Any dealings of this kind must be based on co-operation.

There is no doubt there is concern in Alberta about the rest of Canada. Albertans have a very important resource, and they need some quid pro quo in order to make this kind of deal possible. I suggested a quid pro quo in speeches I made in October and November. It is very seldom we agree, but my suggestion was similar to the one made by the hon. member for Calgary North (Mr. Woolliams) that the quid pro quo might be within the transportation policy.

The Toronto area, the golden horseshoe, is in a position of overgrowth. The mayor of Toronto is visiting places like Thunder Bay, saying that Toronto has had enough growth and suggesting that we take some of it. One of the ingredients of a national policy for redistributing growth must be some kind of equity in the freight rate structure. This must be designed to redistribute the growth.

Alberta has two major industries, oil and ranching and all the smaller industries that flow from them. It could use some diversification. An important quid pro quo could be this transportation policy. There is a great deal of merit in a national marketing board. It can effect a single price, ensure there will be no rip-off, and ensure adequate money will be available for further development and exploration.

In conclusion, I wish to review the points I have made. Our national energy policy must achieve certain things. There must be an adequate and secure supply. There must be enough exploration. Most important, we must develop the tar sands as rapidly as possible. We must have a very active conservation program. There must be a Canadian national pipeline which will eventually stretch from coast to coast. Our energy supplies, particularly oil and gas, should be controlled by Canadians. The vehicle for this will be the national petroleum corporation which must support the industry, including the independents. We must have a single fair price to ensure adequate supplies of oil in the future. With these ingredients, which were announced in the policy statement yesterday, Canadians can be assured that our energy policy is in safe hands and moving in the right direction.

[*Translation*]

Mr. Henry Latulippe (Compton): Mr. Speaker, I am happy to say a few words on such an important bill.

Mr. Speaker, this bill asks such great things of Canadians that it is imperative that we should consider it seriously and take whatever measures are indicated to meet the needs of Canada for oil products and ensure the developments provided for in the bill.

• (1420)

In considering this bill, Mr. Speaker, I ask myself the following question: Why did the government wait so long before introducing legislation to set up an energy supplies

allocation board responsible for the distribution of our resources according to the needs of the various Canadian regions? It seems to me the government should have shown more foresight before waking up in the very middle of a crisis. It should have been easy to foresee in view of the Arab-Israeli war. But the government was blind.

It was easy to see that things were going well between those two countries. Since the U.S.A. supply Israel with armaments, and Canada is supposed to be one of their accomplices, it was obvious we would eventually have difficulties with regard to our gas and other oil supplies.

This bill causes us to look at the situation not only in Canada but throughout the world. Few people foresee an end to the present acute world-wide oil crisis. And the conflicting news going round on the matter further add to the existing confusion.

In many countries of western Europe, all car traffic is prohibited on Sundays, especially in West Germany, Italy, Switzerland, the Netherlands and Belgium. Great Britain, Finland, Norway and Poland announced further energy conservation measures. According to the latest news, Mr. Speaker, France and Great Britain will be spared an additional 5 per cent cutback in oil supplies that Arab countries intend to apply this month against all countries who oppose their policy in the Middle East.

In the United States, President Nixon announced further restrictive measures prohibiting gas stations from staying open from 9 p.m. on Saturday until midnight on Sunday. Companies will have to reduce their deliveries of liquid fuel to individuals by 15 per cent, to business concerns by 25 per cent and to industries by 10 per cent. Supplies of aircraft fuel have be reduced by 5 per cent and again to 15 per cent starting next month.

Mr. Speaker, as you see, we are in great difficulty and it is high time for us Canadians to take the required steps, inasmuch as it is materially possible and feasible to extend the pipeline and to ensure the development of our natural or oil resources. Supplies from Alberta barely meet Quebec needs.

It has been recalled that we import about 25 per cent of our oil from Near East countries. Moreover, it must be noted that most of our supplies come through the Portland-Montreal pipeline. Saudi Arabia and Abu Dhabi may stop providing Montreal refineries with oil carried by the Portland pipeline.

The 25 per cent cutback in Arabian production may result in a 20 per cent decrease in world supplies. Eastern Canada would then feel directly the effects of such a cutback as well as of a world shortage.

Granting, Mr. Speaker, that work volume is comparable to that of previous years, we must anticipate a possible shortage for next year. Because of a possible worsening of the Quebec situation, it is our duty to take the necessary measures to ensure the provision of essential services and also to advocate voluntary consumer restrictions.

With regards to the federal project of extending the pipeline from Sarnia to Montreal, no decision should be made before further meetings between the federal and Quebec governments.

As far as I am concerned, Mr. Speaker, I regret that Quebec did not see farther than its nose and that it prevented the extension of the Sarnia-Montreal pipeline, in order to promote the building of a deep-sea harbour to import foreign oil instead of encouraging Canadian oil companies.

Mr. Speaker, I blame Quebec's childish policies. If we are short of oil in Quebec and were taken by surprise, the fault lies with the province. The Quebec government persisted in wanting the federal government to build a deep-sea port to get foreign oil, while it would have been preferable to extend that pipeline to Montreal.

Today, we say that if there is a Borden line, the fault lies with Quebec. Quebec could have been provided with a Canadian service that would have been able to provide sufficient supplies to meet the needs of the eastern provinces. In order to develop our resources and sell our oil at reasonable prices, the time had come to take the necessary steps and provide for the financing of that project with Canadian capital and at low interest rates since it is to serve public interest.

We also believe, Mr. Speaker, that the government should issue the development permits it usually grants to companies developing Canadian resources in order to keep certain controls so as to meet with whatever situation might arise. However we regret to see that this legislation is limited to the creation of machinery, without specifying political and economic frameworks, without creating any financing agency, since in those great projects, the "dance of millions" will start, and that will increase the price of money as well as building and production costs. In all their speeches, not one of the previous speakers mentioned finance. Yet, this field is the most important. It is the first one for which we should make arrangements for easy term financing of such gigantic projects.

• (1430)

Mr. Speaker, the important thing is not the price freeze, but the freeze on interest rates. Interest rates are now excessively high and if we go ahead with these big projects we shall have to pay these high interest rates, which will increase construction costs and the cost of living of all citizens.

The Prime Minister (Mr. Trudeau) stated yesterday that he would propose measures to cope with that. Since family allowances and old age security pensions are geared to the cost of living increase, the latter will therefore continue to increase to unequaled heights. If the cost of living goes up again, Mr. Speaker, how will the Canadian people survive? How will they pay all those taxes and the excessive interests on money? How can we make both ends meet if we undertake to build what must be built and ensure urgent and essential developments in our country? We should also devise technical means to finance all those projects at very low interest costs, that is the administration costs.

Moreover, the Prime Minister stated yesterday that he would only have to ask the steel makers to produce at cost price. Why does he not ask those who control money and credit to also supply credit at cost price? Because as a good many others he is tied by the neck, a servant of financial magnates. He is not one of those who want to give back to the state what belongs to the state.

Mr. Speaker, the state must be independent, and the way we are acting now, we are far from being independent. We depend on foreign capital, on those who make capital out of nothing. If we want to develop our natural resources, we will have to ask permission of these servants of financial interests, as if they owned our natural resources.

Everybody says that these natural resources belong to us, that all we have to do is develop them, but in order to do that the Minister of Finance (Mr. Turner), the Prime Minister and the government will have to kneel in front of big finance to ask permission to develop these natural resources. It will be necessary to take the assets of all Canadians, the assets of all new developments and to credit them to this sacrosanct finance.

There, Mr. Speaker, is where we stand. This is how we should work in a logical way. This is where we should put all our activities in order to build what we ought to, make Canadians benefit from their resources and not take them away from them by doing what we do now. Instead of developing our resources for Canadians, we develop them for a few financiers, to their profit at the expense of Canadians. We commit Canadians to pay a tribute for generations and these developments will never be theirs. They will always be the property of those who finance them.

If we want a sovereign government, Mr. Speaker, the time has come, with respect to the great developments that are essential, to assume our financial sovereignty, put it to the test and at the disposal of the Canadian public. The time has come for us to use it to develop our resources and satisfy the needs of Canadians, so that they will secure and, above all, retain the ownership of their assets and property.

Mr. Speaker, in order to bring about the necessary developments, namely, the sharing of Canadian resources with the Canadian people, thereby providing them with the bare necessities of life, we shall have to get even deeper into debt while paying tribute to high finance. Mr. Speaker, we shall be enslaved even more than we are now, because the Canadian debt is astronomical and the interest on the federal debt alone exceeds $3 billion. This debt is huge and unbearable. If we increase the public debt even more through these developments, we will increase interests as well. We will therefore increase taxpayers' interests and taxes to such an extent that they will be compelled to go bankrupt.

The previous speaker said a moment ago that independent companies were going bankrupt, but when this pipeline is built under the present system, all Canada will go under. Mr. Speaker, everything will go into the hands of big financial institutions that exploit to the utmost the economy of countries, in particular that of Canadians.

Mr. Speaker, I say that this government has carried out a short-range policy and I will prove it in a few moments. As a matter of fact, a large percentage of Canadians have been kept unemployed for several years. Therefore, we could have carried out the developments that were necessary for Canada and provided some work for these people instead of paying them unemployment insurance benefits, instead of taking from those who work in order to give to those who do not work. This is what we could have done.

But the government, with their short-range policy, have always blocked everything. We are always blocked by finance. A lot of projects should have been undertaken but were not because the necessary funds were not available and we were afraid of getting further into debt.

Our financial institutions are there to serve us and had they done just that instead of catering to the few big financial institutions that we know, we might have distributed our resources to the benefit of Canadians and put at their disposal the wealth that exists everywhere in Canada. We will never lack oil or energy products since we are able to develop them. There is plenty of energy and oil products in Canada, but in order to develop them, Mr. Speaker, we have to get into debt for generations to come. Such development should be possible without getting into debt.

New developments require new credit and it should be issued without interest. Mr. Speaker, we could give back our national heritage to the Canadian people, we could leave them their assets instead of merely changing their owners. To hand over undevelopped natural resources in return for credit to finance them is as bad, Mr. Speaker, as giving the neighbour's house to the State or to somebody else.

In order to carry on the necessary developments, Mr. Speaker, namely to distribute Canadian resources to Canadians and look after the bare necessities of life, we will have to go into debt forever.

• (1440)

Under our current system we have all the necessary facilities to give Canadians a sound economy and develop all those major resources and mainly our oil resources. We have all the necessary facilities for their transportation and development. We also have, if we want to take the time to think about it, all the necessary facilities to finance those enterprises without creating new mortgages on old mortgages.

Thus the administration cost would decrease as the debt is amortized and Canadians would become owners instead of have-nots. Under the current system one must be an accomplice and a parasite to give our natural resources to foreigners for developing them. They are being mortaged and in addition to that perhaps we will have to pay them ten times within ten years.

I would like to say a few words about the speech made yesterday by the Prime Minister (Mr. Trudeau) as reported in today's *Le Devoir*. I will only quote one excerpt. The Prime Minister stated:

> This is why the government has decided to invest $40 million within five years in a research and development project of the Alberta oil sands; this is also why it is prepared to make equity investments in the corporations which will exploit those oil sands as well as in those which will do the same in the Arctic and offshore through the new national petroleum company.

The new national petroleum company has no financial facilities. And to finance it the government will have to find money somewhere. The Prime Minister stated that the government will buy shares in those corporations and financial developments. To buy shares it will need money, and the Prime Minister will do as usual: he will try to sell phares on Canadian market to suck up all the savings of

the taxpayers and hand them over to the state that could find other sources of financing.

When the state takes all the available savings, there is nothing left to set up industries, and promote the economic development of Canadians. All government levels, provincial as well as federal and municipal, take hold of the people's savings and invest them on the long term in projects like those that have just been mentioned, while Canadians are without money. No one can invest except the Industrial Development Bank that gouges Canadians, industrials and businessmen by lending them money at exorbitant rates.

Mr. Speaker, the quotation continues as follows:

Among the five main points of the new national oil policy, which is explained elsewhere in detail, the construction of a pipeline to Montreal is perhaps the least spectacular measure, as this decision was announced three months ago; but, according to Mr. Trudeau, it is "by far the single most urgent step towards the achievement of our national goals".

Mr. Speaker, we all agree on that point. This pipeline should have been built long ago. But we know that what is most important is to find the money to build it. If we do not do so, we will build it to the expense of Canadians, and we will involve into debt not only the present generation but generations, to come, and we have no right to do that.

I go on quoting:

Without a pipeline, said the Prime Minister, eastern Canada will never be certain that it can meet its requirements should overseas supply be interrupted.

Moreover, without a pipeline the government is unable to guarantee a market in Canada for Canadian oil at a level sufficient to ensure the development of the oil sands and other Canadian sources of supply.

We all know, Mr. Speaker, that this will require once again billions of dollars, and those billions, we will not find in the pocket of a beggar, when there is only about $4½ billion in legal money in circulation. According to figures of the Bank of Canada, there are about $4½ billion in legal money in circulation. Are we going to pay off all our debts with $4½ billion, when the federal debt amounts to almost $48 billion? Federal, provincial and everybody's debts in Canada exceed $130 billion. We have $4½ billion to pay them off. Are we going, with $4½ billion, to pay for developments that amount to $5, $6, $7 or $8 billion? No figures are available in this regard. These are figures that I submit to the House, but I am quite sure that it will amount to about $10 billion. Only $4½ billion in legal money in circulation. Therefore, we will have to issue new credits. Those new credits will be issued through debts, mortgages, repayments. We will have to repay perhaps three or four times more than we received.

This is the assumption, Mr. Speaker. Governments should open their eyes instead of laughing at what we are doing and what we are suggesting. Instead of laughing at the suggestions we made, the implementation of which we long called for, they should keep their eyes and their ears open and try to understand once and for all that it is impossible to develop a country by running it deeper and deeper into debt and by always paying back double or triple the amounts received. It cannot and will not always work. It can work for some time but not always. I keep on quoting:

Even though the extension of the price freeze west of the Ottawa Valley until the end of winter smells of political opportunism, the overall position of the Trudeau government on the long term price system effective for the oil industry stays unchanged. Evidently, Mr. Trudeau now agrees with the NDP that for the moment higher prices for Canadian oil would neither be necessary nor justified. On the other hand, he threatens that "this undisputable fact" and "this unpleasant truth" that the era of plentiful and cheap energy has gone.

We want to prevent prices from going up but the problem will not be solved by freezing prices. Prices are frozen and then, as in the United States, they have to be unfrozen, otherwise industries close down. In order to prevent their closing down, prices have to be unfrozen.

What we need, Mr. Speaker, is to adjust prices to the purchasing power. Consequently, prices must be lowered instead of frozen. The economic method we advocate contains a price adjustment mechanism which would also reduce the cost of production and the cost of finance which would allow for cheap production for all Canadians and allow them to live decently in their country which is bursting with wealth. Finally, it would allow for the distribution of that wealth because it belongs to Canadians. It does not belong to a few financiers who never lifted a shovel and never will and who use only their pen to print figures and lend that accounting to the state or large corporations who will be developing the energy we will need to keep Canada operating. This is a banker's pen run country.

The government must take control of that pen and force financiers to issue new credits for new developments at administrative cost. Then, Mr. Speaker, we will be doing something for this country. We can develop everything that is physically possible and normally good to develop. We will never be able to do it otherwise, certainly not by continuing to increase debts, mortgages, the cost of living and setting up a kind of economy where life becomes impossible, governments rip off individuals to pump money in the pockets of high finance. Mr. Speaker, we will have to put an end to this one day.

[*English*]

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, debating Bill C-236 on Friday afternoon seems a bit of an anticlimax, having decided which way the vote will go next Monday. I really cannot help but think, in respect of this emergency act, that the government could be accused of using a sledge-hammer to kill a fly. The government has not proven the energy crisis in Canada is severe enough to justify this far-reaching intervention in the rights of the private sector, retailers, wholesalers or of the provinces at the present time. The government has not justified the need for these sweeping powers to deal with the present situation in Canada. We should not be stampeded into giving up all rights as individuals merely to deal with the problem, although it is important, because the net result may well be worse than the problem itself. We have just dealt with the foreign investment bill, and many considered it of little significance, by which the government is going to effectively divest most areas of Canada of what little local control they have.

Before this bill is passed, there should be an intensive inquiry into Canada's energy crisis to determine the true extent of it. We have been told time and time again that

this energy crisis is a crisis of transportation and distribution rather than of production. In the short-run, this is undoubtedly true, but there are many more serious portents in respect of the long-run. I do not think the Prime Minister (Mr. Trudeau) dealt with them adequately yesterday.

We have heard criticisms from the NDP that the decision of the Conservative Diefenbaker government was instrumental in creating the oil shortage by instituting the Ottawa Valley line and not continuing the pipeline to Montreal. Without the creation of the Ottawa Valley line, there would have been no market for western oil except what the United States took, and the western oil industry would not have been developed. There are those who suggest that this policy cost Ontario dearly, an estimated $500 million in ten years. But perhaps to put it in proper perspective, I should remind hon. members that the consumers of Canada will benefit to the extent of $150 million in this year alone by the discounting of wheat and feed grains to the western producers for the benefit of consumers who are mostly in eastern Ontario.

● (1450)

We have heard so many conflicting statements, Mr. Speaker, as to what is the real or expected shortage of supplies that we are entitled to hear from the government exactly what its assessment of the situation is. If there is to be a serious shortage in the Maritimes and Montreal, let the government present its findings and analysis if it has any.

Now, what about the possibility of resumption of supplies of offshore oil. It certainly seems likely that the Arab oil blackmail will be unable to last indefinitely, but it certainly and probably will last for this winter. In assessing the Middle East situation we must realize that Syria and Egypt, the Arab Republic, are now in a very weak position and that the strength of the Arab world has shifted to the monarchies. Jordan hardly joined in the fighting. Certainly, the Arab kings are fearful for their monarchies and really fear the Arab Republics more than they do Israel. They are also aware that they might lose the U.S. market permanently. Indeed, it seems likely that the Arab oil boycott has already set in motion the measures necessary to allow considerable independence from the Arab demands.

We need to know in the short run, what is the situation this bill is designed to cope with; we want to know what powers the government will have and what the objectives are. Can the allocations board be criticized for its lack of independence? There are thousands of products that can be affected by the decisions of the board. No one will oppose a reasonable amount of allocation and regulation if necessary, but the dimensions of the immediate crisis must be made clear.

Mr. Speaker, turning to the longer-term crisis, there are those who suggest that this may well be a turning point in the lifestyle of the people of this continent. The conservationists have made the accusation that the Americans, with 8 per cent of the world's population, are using 33 per cent of the world's energy. Somehow or other, many Canadians accuse the Americans of this, but they forget that we Canadians are in the same position. They forget also that we are part of the North American continent, and that we cannot escape the fact that if there is a lifestyle change in the United States there will be one for us. Already the stock markets are reacting by the most drastic fall since the great depression and are still on their way down. With about 40 per cent of the North American economy tied to the automobile industry, any drastic change is bound to severely affect our economy.

[Mr. Ritchie.]

There are those who suggest that by keeping the price of fuel oils far below world prices we could somehow insulate ourselves from the world prices and still have a prosperous economy. There are those who suggest that by somehow preventing the export of energy, we could have a very cheap supply and could isolate ourselves from the North American economy. Mr. Speaker, surely it is impossible to do this on any more than a short-term basis without doing serious damage to our own energy resources. Keeping the price of oil and gas so low, when it is such a valuable commodity, can only increase the drain on the rather limited supply of cheap oil and gas that is available to our country.

It has always been interesting to me that when a rural family had to accept welfare for some reason, the first thing that the welfare officer did was to have them throw out the woodstove and replace it with an oil burner, on the basis that the family was deprived. Rationing by price is certainly one of the most effective methods of reducing consumption of these very valuable commodities of oil and gas and, if we are seriously concerned about the preservation of these very important commodities, we should allow rationing by price.

If we are concerned about sudden drastic increases causing hardship, we could look at the staging of prices and financial support for the disadvantaged groups. After all, we are doing just this with regard to food. There has been a drastic increase in the price of food, but no one has suggested that we should have a price freeze on food because it is recognized that we need these price increases if we are to have food on the table. Indeed, there are those who suggest that precious oil and gas commodities should not be burned in stoves but should be reserved for the use of the plastic industries and for production of the many products that have enriched the lives of the people of the world. If nothing else, this debate should focus attention on some areas in which our energy needs can be debated.

There is one aspect of this bill, and an aspect of the export tax, that is very disturbing to anyone who thinks seriously of the prospects of Canadian unity. The implementation of the export tax without consultation with the government of Alberta, on a non-renewable resource, is one of the greatest attacks on a region and a province that has been made in this country. First of all, this tax, which may or may not be justified, could not be implemented in the provinces of Ontario and Quebec without their consultation. This is a serious manifestation of what the government of Canada is willing to do in the periphery areas at any time it suits it, on the basis of so-called national interest. It also happens that the government of Alberta is a Conservative government, and therefore this administration felt completely free to inflict any punishment it wished on the people of Alberta. Similarly, under the provisions of this bill the government can

extract from the provinces all their resources and thus deprive them of a reason to exist. This situation cannot help but strengthen the feeling that, for western Canada at least, there is not much in the Canadian confederation for them. The government has given the excuse that the oil companies were making windfall profits and therefore the tax was necessary.

Mr. Speaker, in a Finance Committee meeting the Minister of Finance (Mr. Turner) suggested that out of every dollar of this tax, about 22 cents would have been returned to the producing province and that of the balance, almost 40 cents would have gone to the federal government in corporation tax. Even if the whole dollar were used by the oil companies as profit, with no re-investment, 40 cents would have been returned to the dividend holder but, so if he were a Canadian he would have paid a third, on the average, to the federal treasury.

If companies are making windfall profits, there are many other ways in which they can be taxed. Canada has only ten years supply of conventional crude at the current rate of usage. The rate of discovery in Canada has been disappointingly low, and there has been a net drop in reserves. In the province of British Columbia, under an NDP government, the number of wells drilled in 1973 compared to 1972, dropped from 190 to 138, with Saskatchewan staying almost the same, and only Alberta showing a 50 per cent increase. In recent committee meetings it was pointed out that last year the industry found only 75 million barrels of oil, and the equivalent in gas, for an expenditure of $385 million, which amounts to a rate increase of $5 a barrel.

● (1500)

The Canadian Society of Petroleum Geologists estimates that although our potential reserves amount to 60 billion barrels, significant quantities of oil can only come from one area, namely Newfoundland and Labrador, at $5 to $6 a barrel. It is also pointed out that the 3 million or 4 million barrels of oil that geologists claim lie undiscovered in western Canada either do not exist or represent very high-cost oil. This leaves the tar sands of Alberta and Saskatchewan as the prime sources of Canadian energy requirements. But all indications are that the tar sands oil will be expensive and that it will cost at least $6 a barrel before it could be exploited. Clearly, the price could be much higher.

The development of the tar sands by Syncrude, which holds rights on eight square miles out of the 30,000 square miles of tar sands, will cost upward of $1 billion which will be invested in processes that are not yet completely proven. This is hard to see as a sell-out to multinational corporations, particularly when the Alberta government has begun indexing, which will provide the people of Alberta with a stake in the profit and will ultimately benefit the people of Canada through the transfer of payments.

Almost certainly, the development of the Alberta tar sands will provide Canadians with expensive energy because the project is work-intensive and the costs will rise as the general wage level rises. Furthermore, the project will be competitive with similar projects in the large conventional oilfields around the world, such as the one in Alaska and the one in the North Sea where four wells have a proved potential of two billion barrels of oil, and taking into account the Colorado shale sands and coal gasification it is almost certain that Canadians will have to pay a high price for energy if we must rely on the Athabasca tar sands.

The announcement of the Prime Minister (Mr. Trudeau) yesterday that, in effect, Canada will have to rely on the tar sands as the major source of energy requires a great deal of thought and consideration. All the authorities suggest that the development of the tar sands is an expensive proposition. If it is to be made economic, this fact will have to be recognized by the federal and the provincial governments. Oil from the tar sands will not be cheap oil, and if these governments attempt to ignore the fact it will not be possible to proceed with the development of the resource. It seems certain that significant changes will have to be made in the tax on conventional crude oil, and rather than obtaining more government revenue from the tar sands development lower taxes will have to be applied if the cost of the tar sands project is to be low enough to produce oil at a price competitive with other conventional fuels.

In the eagerness to abolish the export tax it has been forgotten that oil prices are set on the international market and that the price of crude has risen partially in relation to the devaluation of the American dollar. It is certainly analogous to the price of wheat, which has risen from $2 to $5.50 based largely on the devaluation of the American dollar.

I do not see how a widespread differential in oil price on either side of the U.S. Canada border can exist. We would have to curtail or virtually prohibit the entry of American cars into Canada. This would disrupt our tourist trade and it would certainly disrupt the historic pattern of trade between the two countries. Unless we wish to retreat within our borders and cut off the movement of goods and people across the border, we cannot have an effective two-price system. The Americans are attempting to ration their energy through rising prices, and this eventually creates a much better balance even if it has serious effects on certain segments of the economy.

There is another aspect of the oil situation that we should consider carefully. For generations the Maritimes and Quebec have benefited from cheap offshore oil. Almost certainly the historic trend in the development of oil will return when the situation normalizes. The Arab nations will continue to provide a large pool of conventional oil to the world because, whether we like it or not, the world will use the resources collectively.

In Canada we have a dual situation in view of the fact that Quebec represents a relatively independent segment of our nation. For hundreds of years, the French community in the world has been on good terms with the Arab world, as is evidenced by the fact that unlike the situation of the Netherlands and West Germany, France is now enjoying almost normal trade relations because of its exemption from the Arab oil embargo. It has been reported that a similar offer has been made to the province of Quebec and that they may expect sympathetic treatment from the Arabs. Why do we not use this advantage to broaden our contacts with the Arab countries and take

advantage of the special possibilities that exist in this regard?

Yesterday the Prime Minister suggested that Canada would be glad to invest in a Mackenzie Valley pipeline to carry Alaskan and Canadian gas to the south. Investment agents are now advising that the purchase of Mackenzie delta stocks in such companies as Imperial, Shell and Numac are not very attractive because, in the view of many, the chances of success of the Canadian Arctic Gas system are not great. It is believed by many that the Trans-Alaska pipeline will be the carrier bringing North Slope gas to the U.S. market.

The so-called LNG technology is not new; it has been in operation for ten years. It is pointed out that the major disadvantage of the El Paso project, for Canadians, is that it is a U.S. project within the control of the United States. The events of the last six months have made the Americans distrustful of the suppliers of energy. It is widely stated in Washington that the recent pronouncements from Ottawa have caused Washington to be dubious of the sincerity of their northern friends. Some time ago it seemed that the Canadian Arctic Gas group was in a position of advantage, but even they admit that El Paso is a competitive project and that cost will be secondary to security. The Trans-Alaska gas line route is shorter and the Alaskan Indian claims have been settled, while the Canadian Indian claims have not. It is generally agreed that a treaty will have to be drawn up between Canada and the U.S. and that such a treaty is not possible at present in Canada. A study of the merits of the two projects indicates that the Trans-Alaska pipeline would bring great benefits to Alaska and would give it a chance to build a petrochemical complex for the provision of energy to the Pacific rim countries.

If the El Paso project is adopted, it is likely that the Canadian project could not be proceeded with as the amount of gas found in the delta is not sufficient to warrant the construction of a pipeline at this stage. Furthermore, even if the pipeline were to be built some time in the future to fill Canadian needs, the price of gas would have to be much higher than has been foreseen. The major reason for not building the pipeline, in the eyes of the Americans, is national security and their desire to see their project wrapped in the American flag. So that if Canadians feel they should go ahead with the construction of the Mackenzie Valley gas pipeline, a great deal of effort will have to be made at the diplomatic level to bring this about.

It is too bad that the Mackenzie Valley pipeline has not been built, because according to the evidence which was brought forward in the committee the Mackenzie Valley basin is one of the areas where oil exists in small quantities. Without a pipeline to tap it, it does not seem that it will be worthy of development for a good many years yet.

● (1510)

Yesterday the Prime Minister announced a national petroleum company. It is difficult to foresee what will be its role. I took it from the Prime Minister's words that he sees it as an exploration company. But I point out that in the area of conventional exploration, where wild-catting is prevalent, government companies operate the poorest and private companies operate the best. Manitoba has a government-sponsored mining company which is trying to find new mines. It has spent a considerable sum of money and is now being criticized because it has not yet found anything. So far as the tar sands are concerned, these are already discovered. The Alberta government has a stranglehold on production from them, and the profits from the oil sands will eventually become available to all Canadians.

The crux of the problem will be the extent to which Ottawa attempts to control and exploit western Canadian resources for the national good. If this is applied to all resources, eventually we will end up with a unitary state. The complete centralization at Ottawa of all resources would not be good for Canadian unity. If oil resources should be centralized at Ottawa, then a good argument can be made for having all the resources of all the provinces centralized in a similar manner. In a country of so many regions such as ours, this would place a great strain on confederation.

It has been suggested that a single national marketing agency would be valuable in the energy field. The Canadian Wheat Board is an example of a single national marketing agency. It has been very successful in selling grain abroad at as high a price as possible for the Canadian farmers, but when it comes to setting the price of grain within the country it runs into problems. Should it set the price in favour of the producers, or in favour of the consumers? Generally speaking, those with the largest political clout will win out.

The hon. member for Fort William (Mr. McRae), who spoke earlier this afternoon, said that the proposed Canadian petroleum corporation would help small, independent petroleum producers. I suggest that small businesses find it very difficult to get along with government and government agencies. Large industries, in contract, have a lot of back-up and management and are able to deal with government on a much better basis. The Canadian petroleum corporation, far from increasing the input of small companies, will reduce their input in favour of the much larger companies.

[*Translation*]

Mr. Marcel Lessard (Lac-Saint-Jean): Mr. Speaker, having worked for 25 years in the private sector, I sometimes happen to feel philosophical misgivings when we have to debate bills involving a much more intense activity from the government in the economic affairs of this nation.

When we will have to consider and to evaluate the interests involved and the general good of the Canadian people, I think we will have to offset any inclination we may have towards free enterprise and set our sights on the importance of protecting the Canadian people as a whole. That more or less sums up the problem put to us today in this debate and without hesitating, I must state that, on the issue of energy and oil, I stand left of center. Mr. Speaker, in the face of the insecurity we know here in the area of energy, I do not hesitate to take position in favour of marked and direct action on the part of the federal government in the area of energy in general and oil in particular.

Mr. Speaker, that is why Bill C-236, which for all practical purposes aims at giving the federal government extensive powers to administer the supply and distribution of oil in Canada during one year, is a bill we will have to support precisely because it aims at protecting the interests of Canadians as a whole.

● (1520)

I am pleased that this government has deemed necessary to restrict the duration of the bill, since it will expire in a year. If necessary, Parliament may approve an extension of the powers provided in the bill now under consideration.

As a result of the restriction applied under that legislation, I am ready to trust the cabinet as well as the agencies it will establish to cope with the present emergency.

Having said that, I woulk like to review the situation and add a few facts omitted by previous speakers. Canada is producing at the present time some two million barrels of oil per day. Of that amount, about 50 per cent is exported to the United States, while the other 50 per cent is used in Canada from Vancouver to Ottawa.

But in earlier years, the rest of Canada had to depend on offshore supplies. Going back some years, we realize that we began developing energy in Canada in 1947. Prior to that, Canada had been dependent on U.S. imports for western Canada and on Arab imports for eastern Canada.

Until 1947, Mr. Speaker, for all practical purposes, we were not producing a barrel of oil in Canada. It is only in 1947 that we started to develop the resources discovered in Alberta. In the following years, that industry was developed but it was in competition with a very sound and expanding industry in the United States which was competing with the new Canadian industry.

Then in 1961, the Canadian government took a first step and by creating a protected Canadian market for the western industry allowed that industry to develop.

That brings me to discuss the position of the province of Quebec on that issue. Some people wonder what is the position of Quebec in the present crisis, especially on the proposals put forward by both sides.

In the past, as I said, the province of Quebec has always depended on offshore supplies. That has always been true and with a few exceptions, it is still true today. The international market was operating and Montreal was supplied with fuel mostly by tankers, at least during the shipping period. There was also the pipeline which is still in use from Portland to Montreal that served to ensure the supply to a certain extent after the shipping season.

That system worked out quite well through the years but now the market has developed, the demand has increased and the oil shipped from Portland is not enough, especially when the supply may be stopped at Portland.

In 1961, when the Canadian government decided to set the Borden line, it was a sound decision, Mr. Speaker, but yet, at that time, that measure was to a certain extent contrary to the interests of Quebec because the refining industry in Quebec, particularly in Montreal, supplied the Toronto and all the Ontario market, since the tankers were not using the St. Lawrence Seaway to reach the United States and the Great Lakes with a sufficient amount of oil.

Over that period Montreal has been able to benefit from the Ontario market and when that decision was taken in 1961, it had a negative effect on the Montreal industry. We from the east and from Quebec in particular accepted it because this was a fair Canadian policy aimed at protecting and allowing the growth of a required Canadian industry.

In Montreal, we experienced for a number of years a freeze on our oil industry which did not grow until 1970, that is nine years later when we witnessed a growth in the field of refining for the province of Quebec.

To a certain extent, therefore, by agreeing to this policy we contributed to rationing at the development level. Obviously we did keep on benefiting from a price which was advantageous for us in the east, in Quebec and in the Maritimes. That was in the national interest, Mr. Speaker, and we had to provide a Canadian market for Alberta oil in order that the operation could become profitable.

What would now seem to be the problem is the fact that the Canadian government has duties and responsibilities toward all Canadians and it cannot escape them without attracting well deserved criticism.

Therefore it had to take some precautions in the face of such a serious situation and this is the purpose of the bill before us. Moreover, the government should set up a long term energy policy as indicated Thursday afternoon by the Prime Minister to the great satisfaction of all Canadians.

However the establishment of such an overall Canadian energy policy compared to the former one which was partial should not be set up for the second time while ignoring the priority interests of the provinces and mainly of Quebec in this field. The appropriate negotiations will take place between the federal government and the provinces. I hope that all avenues will be explored to ensure adequate supply to the eastern provinces while allowing industrial expansion on their territory.

It is wise to consider two particular points. For the safety of our supplies we must build a pipeline for the transportation of western oil. It is desirable, if possible, that this pipeline be totally located on Canadian soil and be reversible. Here is why: There is currently a crisis, a tension, a war and parleys in the Middle East. Discoveries are made throughout the world, new oil resources are found. A very important one was announced recently in northern Great Britain.

Obviously, the Arabs will be interested in participating in the oil market and in selling their oil at the highest cost possible but they will face competition. The prices will probably settle at a much more normal level than the current prices and will be probably higher than before. But this would enable Canadians if we are still in a position to import from offshore, to save our resources for future generations. Even if we have to ensure safe supplies to all Canadians from Halifax to Vancouver, we have no right to sacrifice at the same time the interests of future generations.

While it is possible and economically feasible to adopt a Canadian energy policy, particularly for oil, to ensure a Canadian market capable of supporting the efficient de-

velopment of the Canadian oil industry and the Athabaska sands, we must at the same time consider seriously the possibility of keeping our market open to crude oil imports, so that we might benefit from the situation when prices are lower while being sparing of whatever Canadian resources we have.

That is the attitude we must adopt as responsible political men. We must not be shortsighted and say: "We must be self-sufficient, as soon as possible," all other possibilities open to us of getting our supplies at reasonable cost, with reasonable guarantees, from sources other than Canadian.

That is why the bill as introduced, as well as the statement the Prime Minister read to the House yesterday, please me greatly. As a matter of fact, in his speech, the right hon. Prime Minister, as reported on page 8478 of *Hansard,* says precisely, and I quote:

● (1530)

In moving towards its objective, the government will also wish to maintain a reliable capacity for some continuing export of oil to the United States . . .

—on the one hand—

. . . and a market in Canada for reliable foreign suppliers of oil to us.

I believe one should insist on that last part of the Prime Minister's statement so as to allow for the most objective negotiations possible with the Canadian provinces, with the province of Quebec, with the Maritime provinces that invested money and are entitled, if possible, to rely as they have done until now on supplies from the Arab countries, from Venezuela or from any source outside Canada in the coming years.

I would have liked to deal a little longer with the problem as a whole, but there is a detail in the bill that concerns me in a special way and obviously concerns the Quebec people. In Quebec, we are self-sufficient as far as electric energy is concerned. We are more than self-sufficient, we export that energy and have been exporting it for many years; Quebec's hydroelectric system is connected to that of the neighbouring province, Ontario, and billions of kilowatts are delivered by us every year to that province. That same system is connected to the American northeast system. Thus, there is a sort of arrangement and exchange between the systems of those three parts of this continent. The province of Quebec has always been an important source of hydroelectric energy and we have been able, as far as possible, to place it at the disposal of our neighbours the United States and our sister province of Ontario. Of course, we shall continue to do so as far as possible. The province of Quebec still has a large hydroelectric potential to develop; this is already being done and the province is considering even greater projects. I think that as Canadians it is in our interest to encourage the province to make those developments because we will all benefit from it.

But I would like to sound a note of warning to all provinces: the federal government should not take advantage of the situation to assume a right which it does not need. This applies to Alberta as well as to the province of Quebec. I am pleased to find restrictions in the legislation before us, particularly the one year limit, because otherwise I would not accept it as a Quebecker. Some of my colleagues are in the same position. As members representing various areas of Canada we all are in the same position. Then we should not agree to place it under federal control unless there is a completely new understanding and distribution of powers and responsibilities between both government levels.

So I make that reservation on that basis and I think we should be careful regarding what we intend to do because it might have very serious effects in the years to come. Having made that reservation, Mr. Speaker, I wish to say that in the last few weeks the government of Quebec did not seem to have any real policy.

It was thought that Quebec was not aware of the problems it would encounter. Maybe the Quebec leaders did not want to make any big statement which would frighten the population by pointing out the seriousness of the situation, but if you study the statements made during the last week, and particularly if you discuss with certain Quebec politicians, you will realize that these responsible people have nevertheless assembled highly valuable information on the energy situation in general, and in Quebec in particular, and on the choices facing the province.

Some very fundamental questions are being asked by our friends, the Quebec members. A policy has been developed. Yesterday, we outlined the new energy policy. These are the principles established yesterday. There are still many things to do. Such principles have to be analyzed and machinery has to be set up if they are to work out. It is not sufficient to lay down principles. Mechanisms are needed and have to function under the best possible agreement.

In concluding, I therefore urge all my colleagues to deal with this problem with an open mind, to repress the feelings which we may all have at times when such important issues are at stake. I can assure the House that as a Quebec member, just as much as my colleagues from Alberta who are representing the interests of that province, I am concerned with that problem and I would not want my province to suffer from a federal ruling any more, I think, than our Alberta colleagues would. On the other hand, I am sure that our colleagues from Alberta, like us from Quebec, wish that with good co-operation from provincial governments the best energy policy possible be set up, with regard to the present situation which is urgent, but especially, with regard to Canada's medium and short term needs. Since Providence has endowed Canada with a very advantageous situation in the energy field, if we manage to agree and to set up an objective policy which would be good for all Canadians, we will succeed, Mr. Speaker, in creating here a fantastic economic development. When we consider the difficulties of the European countries, those of our southern neighbour, those of Japan, and when we consider also Canada's long term energy potential, if, through co-operation, we succeed in establishing a policy for a rational development of our energy resources, we will be able to give Canada an important industrial expansion since energy is essential to industrial development. It so happens that Canada is the only country which now has these abundant energy resources, qualified specialists, a population eager to work and responsible governments. Thus, Mr. Speaker, I am

sure that, together, we are going to find solutions along those lines.

[*English*]

Mr. David MacDonald (Egmont): Mr. Speaker, I do not usually participate in debates respecting oil policy and oil development in this country, but I do not feel embarrassed or bashful about entering this debate. It seems that from the Prime Minister (Mr. Trudeau) down, there are people who rank in the amateur category with respect to the development of an oil policy for this country. I would indicate to the Minister of National Health and Welfare (Mr. Lalonde) and others in the House this afternoon that not to participate in this debate would be a great disservice to the people I represent in Prince Edward Island, as well as to all those who live in Quebec and the rest of eastern Canada. Quite frankly, if there is any single aspect of the government's policy to date that disturbs me, it has to do with the almost total neglect of the situation that exists in eastern Canada in respect of the need for petroleum. I am not only disturbed, but perplexed.

Mr. Lang: How about nuclear energy?

Mr. MacDonald (Egmont): The minister may be concerned about nuclear energy, but unless he is ready to raise such a plant in the next few weeks he is living in an atmosphere that is very far removed from the situation that exists in this country. I do not want to daydream: I want to deal with some of the realities that exist today, will exist next week and in months to come. While it is true we are here to frame laws and establish guidelines for orderly and progressive development of this country in the long term, we have a primary responsibility to deal with problems of an immediate nature that concern the citizens of Canada. Surely all of us, as politicians, must realize this.

As I said a moment ago, I am not only disturbed but perplexed that the Prime Minister of this country, who at the present time leads a substantial bloc of members who represent his home province of Quebec, could ignore the situation that exists in that province. As the hon. member who just spoke suggested, it could be that the government of Quebec has not been overly informed or aware of the problems with regard to petroleum shortages and costs that exist in that province. I am sure that in the coming weeks both the government of Quebec and the government of Canada will be increasingly aware of the extent of the impact this problem will have on Quebec and the four Atlantic provinces.

I make no apology this afternoon for spending all my time on the petroleum situation in eastern Canada. I must admit I was a little flummoxed when watching the national news last night on television. The Prime Minster's statement made here yesterday afternoon was reported as though it was the second coming. It was described in euphoric terms as being a sort of solution to all the problems we face in what has been described as an energy crisis in the past few months.

After going on for a few minutes about what the Prime Minister said, the chief newscaster, Lloyd Robertson, said in his concluding remarks that one has to admit that not very much was really clarified in the Prime Minister's statement and there were really more questions raised than answered. After he had made a few remarks in similar vein, one began wondering what all the excitement was about. Perhaps it was difficult for the CBC, in its wisdom, to deal with it in a more objective and dispassionate way. After all, there was a drama associated with the build-up that took place this week. There was an obvious expectation that my friends to the left might not support the government in a motion of confidence next Monday. I say "left" in a physical sense because they are moving substantially to my right and have been doing so for the past few months. They created some sense of drama over the fact they might not support the government. There was never any doubt in my mind.

Mr. Lalonde: They are to the right of the Liberals.

Mr. MacDonald (Egmont): I would say that both the Liberals and the NDP are trying to get on the right of each other. Whether they can achieve that remains to be seen. There was no surprise whatsoever.

Mr. Lang: Why do you look so sad?

Mr. MacDonald (Egmont): I can see the Minister of Justice (Mr. Lang) is not observant. If he had watched me yesterday afternoon, I did not look sad; in fact, I was smiling to myself after noting how cheaply the people to my left can be bought. I wondered what all the excitement was about. I thought of some analogies, but I will not use them this afternoon. It was all too obvious how easily my friends in the New Democratic Party—I think they are my friends and I hope they will continue to be my friends—would jump through the hoops that were raised for them to go through. The hoops that were raised could only be described as "now you see them, now you don't."

● (1540)

From the moment the Prime Minister mouthed the words "continued price freeze" and "national petroleum corporation"—and, I predict, in the days and weeks to come—we will have been increasingly in the dark or, to make a very bad pun, in the cold about what in fact the government plans to do on either of these two fronts. If my friends to the left have any illusions about this, I hope they will try to dispel them as early as possible because I do not want them to continue to dwell in this kind of ignorance.

Mr. Knowles (Winnipeg North Centre): Tell us what you would do.

Mr. MacDonald (Egmont): I will get there. Be patient, my friend. One of the primary concerns, as I understand it, of the New Democratic Party has been the advocacy of a national petroleum company. I might say to hon. members in my own party that this is not some kind of flamingly radical idea; we have heard just this week of great oil discoveries in the North Sea shared in by the Coal Board of Great Britain which is a Crown corporation. The conventions of British Petroleum and other companies have obviously introduced certain supportive elements in the world of national and international oil exploration and development. Anyway, it is a touchstone for my friends in

the NDP so the Prime Minister included it in his speech, as we knew he would, and he said:

One of the instruments of the new national oil policy—

We shall have to find various gradations of "new", Mr. Speaker, because this is this week's new; a week ago there was a "new," and there was a "new" in September and whenever you want to start the chain of newness. But a new national oil policy is the establishment of a national petroleum company. Just to make certain the point was made and that my friends on the left heard it clearly, he explained the nature of this company. He said it would undertake exploration, it would assist and participate in the research and development work necessary—

Mr. Woolliams: All for $40 million!

Mr. MacDonald (Egmont): He went on to suggest just how serious it was by saying that he was going to spend a massive amount of money, something like $40 million—not in a year, because this is a thrifty Prime Minister, but over the next five years.

Mr. Lalonde: On a question of privilege, Mr. Speaker, I am afraid the hon. member is unwittingly attacking the privileges of this House, and particularly the rights of the Prime Minister (Mr. Trudeau) by attributing to him a statement he did not make. I refer the hon. member to the record in *Hansard*. I am afraid the hon. member has been listening to the CBC rather than to the Prime Minister in the House. I noticed that the CBC spent the evening making exactly the same mistake as the hon. member has been making, and as his leader almost made yesterday. The Prime Minister put it quite clearly that the $40 million in question was not for the purposes of the national oil corporation but for the purposes of research into the technology of the tar sands. Attributing this as the budget of the national oil corporation is a distortion of the Prime Minister's statement.

[*Translation*]

The Acting Speaker (Mr. Boulanger): I think the hon. minister will agree that this is a matter or point of discussion. He may perhaps have a chance to speak to that later when he will have the floor.

[*English*]

Mr. MacDonald (Egmont): I certainly share with you, sir, the hope that the Minister of National Health and Welfare will expound this information to us on the nature of this subject later in the debate. But just so he will not be in the dark, I have an official copy of the text used yesterday by the Prime Minister, and if the minister would like to come over here and consult it, he can.

An hon. Member: Did you write the speech, Marc?

Mr. MacDonald (Egmont): I think this is one speech he would like to be dissociated from. As I say, the magnificent sum of $40 million is to be expended by the corporation over the next five years in co-operation with the province of Alberta and private firms. Even a colleague and fellow countryman of the minister was quick to respond last night. I am sure many of us heard Mr. Kierans when he said this was peanuts.

Mr. Lalonde: He was misled by the CBC, too.

[Mr. MacDonald (Egmont).]

Mr. MacDonald (Egmont): He said it was a drop in the bucket, that it would not even be enough to administer the bureaucracy in Ottawa. I could also say it would not be much more than the monthly sum presently being taken by the government in export tax at its present level against exports of petroleum from this country. Who is this government trying to fool? The only thing of which we can be sure is that they have fooled 30 or so members to my left at least long enough to carry them through the Christmas season.

Mr. Baker: It sounds as though they have fooled the Minister of National Health and Welfare, too.

Mr. MacDonald (Egmont): I want to take this opportunity to enlighten my friends to the left. The Prime Minister was trying to tell them how this corporation would operate in terms of developing, assisting and such things. Then he went on to say—this is why I suggest my friends on the left have been bought at a very cheap price indeed—"It is not, however, intended in any way to displace the private sector."

Mr. Woolliams: What a joke.

Mr. MacDonald (Egmont): Nor, continued the Prime Minister, was it intended to discourage investment by foreign companies, which would continue to be welcome. I am looking forward to hearing the hon. member for Winnipeg North Centre (Mr. Knowles) or the hon. member for Comox-Alberni (Mr. Barnett) tell us how much they enjoyed that statement as part of their policy, and how much they will continue to support it.

Mr. Baker: The socialist birthright sold for a mess of potage.

Mr. MacDonald (Egmont): To paraphrase another statesman, never have so few been bought with so little. Nevertheless, I want to return to the essence of my speech this afternoon.

Mr. Knowles (Winnipeg North Centre): Is there an essence?

An hon. Member: Yes, vanilla.

Mr. MacDonald (Egmont): It is the degree to which the Prime Minister ignored in his statement the increasing problem in eastern Canada both in terms of petroleum supply and costs. As my leader put it so well again today in questions to the Minister of Energy, Mines and Resources (Mr. Macdonald), we in the five eastern provinces, which have traditionally experienced the lowest per capita income and in many cases the highest living costs, must now suffer the highest oil heating and gasoline costs in the country. As I mentioned in my question to the minister earlier today, since September our costs have gone up in the eastern provinces by some 20 per cent or more and now stand between 35 per cent and 40 per cent higher than in parts of western Canada.

Mr. Thomas (Moncton): They are going to increase your old age pensions.

Mr. MacDonald (Egmont): That's right. I am going to deal with that a little later on. This is the situation with which we are faced. I pressed the minister today because the Prime Minister deliberately did not say whether any action would be taken by the government to maintain a freeze on prices in eastern Canada. I asked the minister whether the government was planning any further action to deal with this very serious situation, and the minister simply replied that the government would seek to hold the price down except where the cost of offshore crude necessitated an increase.

All this means is that the government will continue to do nothing with respect to the deteriorating situation in eastern Canada. I cannot for the life of me understand how the Prime Minister, with so many members from Quebec in his own caucus, together with a sprinkling of members from the four Atlantic provinces, could deal in such a superficial and totally ineffective way with the increasing energy costs and the prospective energy shortages in eastern Canada.

Mr. Baker: Backbenchers abdicating their responsibility.

Mr. MacDonald (Egmont): It was one thing to make remarks about the sort of half-hearted and ineffective steps which might be taken either by the Minister of National Health and Welfare or by some other mechanism which might be developed out of the federal-provincial conference in January, but it was quite another thing totally to ignore the basic question concerning the threatened interruption of supply.

● (1550)

We have been seeing a kind of ritual dance in the past few days on the question whether we will or we will not have a shortage of petroleum supplies in eastern Canada. The Minister of Energy, Mines and Resources cannot seem to get his figures straight for very many days in a row. In one instance he talks of a daily shortfall of 75,000 barrels; then in a few days' time he starts talking about a shortfall of 200,000 barrels a day.

Then there is no clear picture as to the way in which the government may try to make up this shortfall. Suddenly, really almost as a surprise to the minister it would seem, we have Mr. Shaheen telling us that the new refinery at Come-By-Chance which is just coming into operation will make up a substantial portion of that shortfall. To this the minister says it is not possible, that the refinery would not be in operation, at least in those terms, for another month or so.

So who knows, Mr. Speaker, what new chapter in this drama the minister will unfold in the days to come? One thing is clear, however: the Prime Minister opened no new chapters and gave us no new information on this subject yesterday when he announced his so-called new national oil policy. If it was a new national oil policy, it was one which suddenly separated Quebec and all of eastern Canada. I find it passing strange—

An hon. Member: That is what you did back in 1961.

Mr. MacDonald (Egmont): Mr. Speaker, we have a lot of prospective speakers on the other side and I look forward to hearing them; I am sure they will be given the opportunity to speak.

Mr. Corbin: Call home and see what your people think of it.

Mr. MacDonald (Egmont): I also go home from time to time, which is more than the hon. member opposite does. From the statement of the Prime Minister yesterday, a Prime Minister who has been a consistent avocate of a "one Canada" policy, we have a new kind of Ottawa Valley line, a new kind of "two Canada" oil policy. He spoke of an oil policy that would be controlled by some new kind of petroleum company. He said he would carry on the freeze for the rest of the winter—and you pick the date, Mr. Speaker, when winter will end. We will continue to ship our oil resources, when possible, to the Unites States. But when he comes to eastern Canada, his oil policy gets into the vaguest possible terms. He has now tagged on to the Montreal pipeline the concept of a pipeline "when it becomes necessary". When I asked the Minister of Energy, Mines and Resources today when this might be, he really was not able to say. I agree that it does not make sense—

Mr. Corbin: You don't make sense. Who in hell will believe you back in the Maritimes?

Mr. MacDonald (Egmont): A great deal more people will believe me, because I talk about the situation as it is down there, compared with the hon. member and his colleagues who have ignored it altogether. However, if the hon. member wants to speak, I hope he will have the opportunity. I suspect that his party will be only too pleased to welcome his remarks, as they have in the past. When he has listened a little more, he may at least feel concerned about the problems in the Maritimes, which is more than seems to be the case now.

Mr. Corbin: Your time is almost up.

Mr. MacDonald (Egmont): I want to tell my hon. friend from New Brunswick, in case he does not know, that we are facing a serious situation. I do not think I have heard him express any concern over it, but perhaps after I have told him that in his home province—

Mr. Corbin: You have seen action from this government.

Mr. Crouse: Even your own whip laughs at that statement.

Mr. MacDonald (Egmont): Mr. Speaker, if this is action with respect to eastern Canada, I would hate to see inaction. In the hon. member's home province of New Brunswick the people were paying for home heating fuel last September, 27.3 cents in Saint John and 29.6 cents in Fredericton. This month, December, in the city of Saint John they are paying 33.2 cents, an increase of 5.9 cents in about 3½ months. That is action for you; that is performance, Mr. Speaker. In the city of Fredericton the price has gone from 29.6 cents to 35.5 cents, an increase of 5.9 cents. If that is the kind of action for which this hon. member is taking credit on behalf of the government, I hope he will

make a trip home and explain and justify this action to the people he represents here in parliament.

Some hon. Members: Hear, hear!

Mr. MacDonald (Egmont): At the present time, Mr. Speaker, there are people both in his province and in mine who during this winter pay $25 to $30 a month more to heat their homes. If the hon. member regards that as good action, I hope he will stand up and defend it.

Mr. Corbin: It's not true.

Mr. MacDonald (Egmont): The hon. member says it is not true. He does not want to believe it is true. I wish I did not have to stand here and say it is true. This is why we want to see action taken by the government that will make it not true; but so far there has not even been evidence of an awareness of, or concern about, the problem on the part of this government.

It is bad enough for the eastern provinces to face higher home heating costs, but to a greater or lesser degree the people of eastern Canada are also faced with increasing electricity costs. In my home province of Prince Edward Island, in addition to the 20 per cent or more increase in home heating fuel which took place in December, we will pay 25 to 30 per cent more for electricity, since electricity in Prince Edward Island is thermal generating. I will go into this and other facets later on, Mr. Speaker, when we return to this debate on the first of next week.

Mr. Deputy Speaker: Perhaps this is a good point to recognize that it is four o'clock p.m. The House will therefore proceed to the consideration of private members' business as listed on today's order paper, namely, notices of motions, public bills, private bills.

The understanding of the Chair, which perhaps can be confirmed now, is that the notice of motion to be proceeded with is No. 37, in the name of the hon. member for St. Paul's (Mr. Atkey). If I am correct in this understanding, I will proceed immediately to put it.

Some hon. Members: Agreed.

PRIVATE MEMBERS' MOTIONS

[*English*]

HISTORIC SITES

SUGGESTED GOVERNMENT INVESTIGATION OF FEASIBILITY OF NATIONWIDE PROGRAM FOR PRESERVATION OF HISTORIC SITES AND BUILDINGS

Mr. Ron Atkey (St. Paul's) moved:

That, in the opinion of this House, the government should investigate the feasibility of a nationwide program for the preservation of historic buildings and sites of architectural merit and integrity through financial assistance to municipalities, historical societies and other non-profit organizations for the acquisition, restoration and maintenance of such buildings and sites to be occupied in a manner consistent with original public or private use, but to be open to the public at regular periods.

[Mr. MacDonald (Egmont).]

He said: Mr. Speaker, it is with great pleasure that I move this motion urging a new approach to the preservation of historic buildings and sites. Canada has a rich heritage. It has often been said that to understand a people, to understand a country, one has to understand its history. This is also true if the people of a country as large and diverse as Canada are to understand each other.

It is difficult to understand a country's history without appreciating the actual buildings that the people of earlier generations lived in, their homes, their shops, their places of work, all of which formed part of their character and identity. The carved doors, the old wainscoting, the pine furniture, the fancy brickwork, the iron fences, the stained glass windows—all of these items found in historic buildings tell us something about our forefathers and provide us with that important feeling of continuity with the past.

Canadians know a little more about themselves when they are able to experience historic buildings and sites as part of their daily lives, either at work or in their residential neighbourhoods. For these reasons, I believe the federal government must give a higher priority to the preservation of historic buildings and sites than has been the case to date.

The new approach which I am suggesting would involve much greater participation by private individuals, municipalities, historical societies and other non-profit organizations, not only in terms of money which they might contribute but in the role they might play in the acquisition, restoration, ownership and maintenance of such buildings.

● (1600)

Briefly put, I believe that we should break away from the notion that only government is capable of acting as proprietary trustee for our important historic buildings and sites. Private individuals and organizations are also capable of acting as trustees of our history under certain conditions, yet the present policy of the federal government is to virtually exclude such persons or organizations from participating in federal funding while at the same time maintaining an ownership role. In other words, the general thrust of existing federal programs so far has been based on government ownership. In my view this is not sufficient because it will not permit preservation of a sufficient number of worth-while buildings. My motion today seeks to provide a program which would shift some of the preservation effort and responsibility to the private sector. Since everything today needs a title, I would call it a program for "participation in preservation".

I would not want my remarks today construed as a deprecation of some of the fine work done by the National Historic Parks and Sites Branch of the Department of Indian Affairs and Northern Development. The important restorations of such historic sites as the Fortress of Louisburg in Cape Breton, Fort Lennox in Quebec, the Niagara Historic Frontier and Fort George in Ontario, Lower Fort Garry in Manitoba, Rocky Mountain House in Alberta, and Fort Langley in British Columbia have served not only to preserve these sites but to illustrate events in Canadian history to all those who visit these places.

But these types of projects, important as they are, claim the lion's share of the federal budget in this field. They are all grandiose, government-owned and operated projects, reflecting largely military sites or buildings which may create the mistaken impression of Canada as a bellicose nation with a history consisting largely of military events. Also, most of these sites are of significance only to the Anglophone and Francophone groups of this country. Most of the places of historical value to the heritage of the so-called "third group" Canadians have been virtually ignored.

The only site representative of the non-French or non-Anglo aspects of our history which has been considered worthy of full-scale commemoration is the Batoche Rectory in Saskatchewan, the headquarters of the Métis during the great northwest rebellion of 1885 at Duck Lake. The neglect of the contribution of such groups as the Italians, Ukrainians, Jews, Scandinavians and Germans to our heritage not only misrepresents our history but also exacerbates the sense of exclusion felt by these people.

More important, however, these types of projects claim millions of dollars in capital and operating expenses, leaving little if any financial support for smaller buildings which may not be of national historical importance yet which are worthy of preservation to a particular community or neighbourhood. Admittedly, the National Historic Sites Branch does have a limited program under which it can enter into co-operative arrangements with historical societies or municipalities. However, the branch takes on only two or three of these projects each year, and usually to the extent of paying 50 per cent of the cost of acquisition and restoration. The amount of money spent is a mere drop in the bucket compared with the money spent on national historic sites.

For example, in the last fiscal year, 1972-73, the money spent on co-operative agreements was only $87,416, which is only .59 per cent of the total capital and operating expenditures of close to $15 million on national historic sites. In the previous year the amount was only $79,000, or .63 per cent of the total expenditure. That is not to say the branch's program of co-operative arrangement is incapable of accommodating the type of program I have in mind. For example, one of the co-operative agreements involves the restoration of the Grange House in my home city of Toronto. The branch contributed $50,000 to the project owned and operated by the Art Gallery of Ontario which raised close to $600,000 from private sources to complete what is an excellent example of Toronto's early history. Federal participation of this sort happens all too rarely, only two or three times a year throughout the country, an appallingly weak effort. To fit the concept advanced in my motion, the branch's program would have to be expanded a hundredfold, and in certain cases permit participation of private individuals in return for a commitment to maintain and periodically make accessible to the public.

I could suggest any number of historic buildings that could qualify for such a program, buildings which might be irretrievably lost unless action is soon taken. Indeed, one of the excellent initiatives taken by the Historic Sites Branch in 1962 was to establish a Canadian inventory of historic building. This three-phased, ten-year program was the first comprehensive architectural history in the world created for a computerized information system. So far the plan has resulted in the recording of the exteriors of over 106,000 buildings across Canada, and the eventual goal is the full restoration of about 700 of those buildings of exceptional significance or architectural merit.

I am proud of the fact that close to 5,000 of those buildings either entered or about to be entered in the computer system are located in an area of my constituency known as the Annex. Several years ago the Annex ratepayers' association, which this year celebrated its fiftieth anniversary, organized a group of volunteers to undertake the task of photographing and recording the details of the many buildings there constructed prior to 1910 and found to be of architectural merit, and in some cases owned by a famous Canadian. Assistance was provided by the Historic Sites Branch through the supplying of proper forms and reimbursement for film. One of the buildings included in the Annex inventory was the residence on Admiral Road of the late Right Hon. Lester B. Pearson when he was a member of the faculty at the University of Toronto. There is another residence on Walmer Road which housed the late Vincent Massey when he was the dean of Victoria College.

Another group of historic houses in the Annex is found in the Huron-Madison area. There is a particular group of nine houses, five of which were constructed prior to 1895 and the remainder before 1905, which last year were threatened with demolition, to be replaced by a high-rise apartment building. At the instigation of the Annex ratepayers' association, the Toronto city council formed a committee, to which I was named, which conducted detailed studies. This committee eventually recommended that a non-profit community corporation be formed to acquire the property now owned by the city for purposes of combined residential-commercial use in an historic setting. The corporation is now formed and anxiously awaiting CMHC approval of mortgage funding under conditions that will permit about 25 per cent of the historic property to be put to commercial use in order to make the project economically viable. This is a clear example where a federal program of the flexible type which I have proposed would ensure the preservation of these buildings as a supplement to CMHC funding. Alternatively, the CMHC might adopt more flexible guidelines to permit its financing policies to take into account the significant historical element which is a part of this project.

Another building in the Annex worthy of preservation is St. Paul's-Avenue Road United Church, constructed in 1887. It is almost the last visual link with the nineteenth century on that part of Avenue Road, and in only three generations' time it will be older than any building north of the parliament buildings in the entire city of Toronto. The church, because of financial difficulties and a declining congregation, was almost forced to sell out to a development corporation which wanted to erect a high-rise office tower on the site. Fortunately, the officers of the church first sought the advice of the Avenue-Bay-Cottingham residents' association and the Annex ratepayers' association, which resulted in the formation of a joint committee and later a non-profit corporation called the St. Paul's Centre Foundation which is now seeking financial assistance in order to lease the church for 30 years for community purposes.

Specifically, the sanctuary of the church boasts the best concert acoustics in Toronto, apart from Massey Hall, and could be easily converted into a first-class hall for the presentation of concerts, plays, recitals, and meetings. Other rooms of the church are ideal for workrooms, classrooms, a drop-in centre and senior citizens' facilities. The church would continue to have facilities for Sunday morning worship and an office for its minister. Again, this is the sort of building which provides a comfortable link with the past for residents of the area and the thousands who drive by it daily. This is the type of project which the federal program I am advocating should encompass. I am sure there are hundreds, even thousands, of buildings in various parts of Canada equally worthy of federal assistance to ensure their preservation.

● (1610)

Just the other day I received in the mail a notice that the old nineteenth century Victoria Opera House in the town of Petrolia, Ontario, where I grew up, was to be restored provided adequate financial assistance could be obtained from private and public sources. That hall had significance for me because it was the place where I entered my first public speaking contest while still in elementary school. The hall and the large building in which it was housed was an important link with the past glories of the nineteenth century which that town enjoyed, and an important part of the learning experience of every child who has grown up there since.

Lest my remarks so far appear to be overly critical of federal government inaction, let me congratulate the Minister of Indian Affairs and Northern Development (Mr. Chrétien) for having the good sense to establish Heritage Canada, effective last April 2. This is a type of national trust designed initially to involve Canadians in preservation through the sale of memberships at $5 a person. With an endowment of $12 million from the government, this non-profit corporation will be able to generate additional funds from private donations, bequests and membership fees in order to purchase, renovate, sell or lease historic properties of local, regional or national importance.

To a certain extent, the future plans of Heritage Canada may meet some of the objectives of the "Participation in preservation" program embodied in my motion. For example, it is my understanding that Heritage Canada does not intend to make any major purchases of historic buildings, but instead will seek other private agencies or individuals to buy and conserve such properties and then will support them in preparing the property for public use and enjoyment. If Heritage Canada does acquire real property, it may be designated "heritage property" in which case it cannot be sold or mortgaged, but only leased to a government department or agency or private organization under strict conditions. Alternatively, it may be designated merely as a worth-while building, in which case it can be sold or leased for commercial use as a restaurant, boutique, office, residence, and so on and placed under restrictive covenants to protect in perpetuity façades and significant interiors. In the last instance, whole groups of worth-while buildings, indeed whole neighbourhoods of historic significance, may be preserved.

Unfortunately, Heritage Canada is not yet in a position to act. In its August newsletter the corporation indicated it could not assist in any purchases this year, notwithstanding the risk that some buildings or streetscapes might be irretrievably lost. Moreover, the corporation indicated that it would be obliged to decline all requests for financial help in the restoration of historic buildings in private hands. Only if the property is transferrred to an acceptable public body will Heritage Canada even be in a position to consider requests for support. There is not even any indication of what would constitute an acceptable public body. For example, would the Annex Community Corporation, which will own the nine Huron-Madison houses, or the St. Paul's Centre Foundation, which will lease the church on Avenue Road, qualify under the corporation's directive? Certainly this is far from clear. Obviously, the private individuals who own or lease historic buildings, regardless of their architectural merit and integrity, are going to be denied any assistance.

Heritage Canada may have already fallen into the same rigid philosophy that has characterized the programs of the Historic Sites Branch for so many years. This is a philosophy which says that private individuals are not competent or responsible enough to act as trustees of Canada's historic buildings. Only the government or an acceptable public body can do it. In my view, this is overly paternalistic and is destructive of many of the stated goals of Heritage Canada. Granted, there must be some public protection when government funds are applied to assist a private individual on a restoration project. This protection requires not only a preservation of the historical and architectural integrity of the building, but a check on speculators and unwarranted increases in value accruing to the private owner at public expense. However, this type of problem can be easily overcome through the proper use of restrictive convenants and zoning bylaws.

I was pleased to learn that the government of Ontario has proposed far reaching legislation to permit the province or municipalities to designate historic buildings of provincial or local importance. Moreover, an amendment to the Planning Act would permit municipalities to impose what will be known as "historic conservation district zoning", subject to prior adoption of appropriate policies as a part of the official plan of the municipality. Most important, this legislation will enable municipalities, or the province, through the Ontario Heritage Foundation to make loans or grants to owners or tenants of historic buildings which have been municipally or provincially designated.

There is no paternalism with this program. There is no fear that the private individual will abuse his position of trust as owner or trustee of part of Canada's history. Legislation of this sort is already in place in the province of Alberta, effective May 10 of this year. Legislation similar in nature has been in force in Quebec since 1963, but on a limited basis. Sooner or later some of this philosophy will find its way into the legislative corridors of power in Ottawa. The government cannot do the job alone, particularly in the cities where the pressure of demolition and redevelopment is relentless.

The federal government can leisurely make an inventory of over 100,000 buildings in three years. How many of those buildings have already been destroyed? The government can then make a more complete inventory of one-

twentieth of these buildings. How many of those buildings will still be standing? Ten years after the original inventory, the government will select less than 1 per cent of the buildings as deserving of complete restoration, if they can find them. Or will they find only a parking lot or a high-rise apartment building, or an expressway route where once stood a building they decided worthy of restoration?

In a field such as this, in a time such as ours, it is not rational for the government to adopt a "go it alone" policy. The government, the country, cannot afford to spurn offers of aid in this field so vital to our sense of national identity. We must protect and preserve these buildings. The government, now, does not have the resources to acquire and restore all buildings worthy of conservation. They need to encourage, not discourage, attempts by private individuals to act in this field.

Mr. Speaker, I commend to you, to members of this House and to the government my program for "participation in preservation."

Mr. Barnett J. Danson (York North): Mr. Speaker, I am pleased to join this debate, or discussion really, with the hon. member for St. Paul's (Mr. Atkey). I thank him for bringing forward this whole question and for showing concern and sensitivity for a problem which concerns us all and certainly concerns this government. The hon. member for St. Paul's obviously recognizes the immense strides that have been made by this government in preserving our heritage, more so in the last five or six years than in all its previous history. Much of it is too late, but certainly an immense start has been made.

I really do not think it is fair to say on the one hand that all this had been done, then imply that nothing has been done and suggest that unlimited government funds are available. In all fairness, they are taxpayers' funds and not government funds. I think we must keep things in some sort of perspective here. Hon. members speak about the Annex Historical Society. I think it is an absolutely admirable move on the part of the citizens of that area, as is the North York Historical Society in my constituency and the Unionville group which have done a magnificent job in preserving absolutely exquisite buildings which were built and lived in by the pioneers of that region.

I think the hon. member probably knows, in the village of Unionville, also in my constituency, about the work that is being done by the Unionville Arts Foundation, the historical society and the museum in Markham and places like that. These are local groups which should be encouraged and are being encouraged. I think they well-up from the community; but there is the question of by how much and how far one can legitimately expect the government to go. I should like to see it go as far as it is possible to go, but I think it has gone a long way.

● (1620)

There are a number of trade-offs. For example, we can start talking about Mr. Pearson's home. No one has greater affection for Mr. Pearson than myself, except perhaps Mrs. Pearson. The house has great appeal. But Mr. Pearson lived in many places. One has to use one's judgment. The same is true with regard to the home of Vincent Massey.

Do we do the same with the Massey home on Jarvis Street, which is now one of our better restaurants in Toronto? What about all the places where the right hon. member for Prince Albert (Mr. Diefenbaker) has lived or claims to have lived, visited or was born in? My goodness, it would take up the entire budget. I think we have to watch that.

Coming from Toronto, I could name such places as the old city hall. But which city hall should be preserved, the old one or the old-old one? The old city hall is preserved through the centennial program and it is a treasure of a building. A great preservation job has been done on it. The we have to determine what should be done with what is known as the old city hall at Queen Street. Is it worth preserving? It is typical of a certain type of architecture. In my view it is an ugly type of architecture, but perhaps it is unique and should be preserved. The new city hall will at some time be the old city hall. We have to leave some places for future generations; we cannot have a whole line of city halls along the street. The same problem exists with the Union Station in Ottawa. Ottawans have a deep attachment for it and want to preserve it.

Mr. Atkey: Hear, hear!

Mr. Danson: Frankly, I question this. I do not think it is a significant building. There is a sentimental attachment to it, but in its usual frugal way the government has converted it into a conference centre for the people of Canada and the international community. There is also the Union Station in Toronto which in its centre part and mezzanine is an example of copied architecture, but a really good one. It was built by an architect of that period. I do not know whether or not it was built by Lennox, as was the old city hall and other well known buildings in Toronto.

We must make a serious decision about what we should preserve and what we should not preserve. Other countries have this problem also. Boston has a particular problem in this respect in trying to keep the city working, the traffic moving and also preserving some rather important sites.

I think the motion is worth while and I compliment the hon. member for covering many points in his comments. However, I would like to refer to my notes to complete the record and to see what has been done. I think it is worth while for all hon. members and for those millions of people who read *Hansard* regularly from page to page to know precisely what the programs are and what has been done. I must say I speak with a special affection about my own home, which is about 150 years old—but the mortgage still is not paid. It is one of the pioneer homes in the northeast part of Toronto. The Harrison family made the bricks and the glass. They fought with Mackenzie. One of them died in the Upper Canada rebellion, and Mackenzie stayed in it. It is a good thing that we are keeping it in the Liberal tradition.

May I now revert to the policies that have been implemented. The national historic parks and sites of Canada commemorate the persons, places and events which have been declared by the minister, on the advice of the Historic Sites and Monuments Board of Canada, to be of major historic or architectural significance in the development of Canada. We have tried to do these things in the context

of what the federal government is trying to do and in the context of its criteria. A policy statement on the national historic sites was tabled in the House of Commons in 1968 by the Minister of Indian Affairs and Northern Development (Mr. Chrétien) on the recommendation of the Historic Sites and Monuments Board of Canada. Among other things, the policy elaborated the criteria for the designation of national historic sites for the benefit of parliament and the public.

To be commemorated, a site or structure must be closely associated with a person, place or event of national historical importance, or it must illustrate the cultural, social, political, economic or military patterns of history or of a prehistoric people or archaeological discovery. A building may also be declared of national significance because of its great age or because it is an outstanding example of period architecture of which there are few remaining examples.

This raises the problem of people saying that a site in their town is the one they want to preserve. But should we preserve them all? In advising the minister on the commemoration of places, persons and events of national historical importance, the board may recommend that sites, buildings and other structures of national importance be developed as national historic parks or historic sites, or that commemoration be carried out by the erection of national historic plaques or, in exceptional circumstances, of distinctive monuments. The emphasis, of course, is on national importance, and here we get down to the problem of local groups. We all have them, and there is a great deal of emotion and sentimentality engendered by them. We have the Amswell House in Thornhill, in my constituency, which gained the attention of the press in Toronto on certain days and everyone was concerned. But it was not that unique and it was not of national importance, although it would be nice to have preserved it. I think there is a limit on how far we can go.

Suggestions for the establishment of historic sites and parks come from many sources: the general public, members of parliament, historical societies and other groups, departmental staff, and members of the board themselves. Since its establishment, Parks Canada, on the recommendation of the board, has been instrumental in the creation of more than 80 historic parks and major sites and in the commemoration of some 650 persons and events of national—as opposed to local or regional—significance. Negotiations are at present being conducted with provincial governments for the acquisition of further sites which have been declared to be of major national historical significance.

The facilities of the branch to develop sites of national significance are not such that it is possible to cope directly with the restoration and maintenance of all sites designated as being of national significance and it has, therefore, been a policy of the branch to encourage other levels of government and private organizations to maintain and even restore and operate such structures for the benefit of the public. In this connection, the Minister of Indian Affairs and Northern Development is empowered to make agreements with other levels of government or with non-profit, incorporated bodies under which the department may contribute up to 50 per cent of the cost of the acquisition and restoration of a building of special significance, on the understanding that the other party will contribute the balance of acquisition and restoration costs and will assume all operation and maintenance costs in perpetuity and agree to open the building to the public for a specified minimum period each year. If I understood the hon. member correctly, I do not think he was criticizing those criteria. I think, although there is a case for argument, that they are fair.

The department has entered into more than 30 such cost-sharing agreements with provincial and municipal organizations and with incorporated non-profit societies. An example of the department's involvement in cost-sharing agreements is the Halifax waterfront buildings project in which you, Mr. Speaker, would be particularly interested and which you would appreciate. I am pretty sure your home is among those sites. The project undertaken jointly by the department, by Central Mortgage and Housing Corporation, the city of Halifax and Historic Developments Limited, a Halifax firm of architectural, engineering and civic interests, will undertake the restoration of six historic buildings. Another example is the department's agreement with the Art Gallery of Toronto for the restoration and furnishing of the Grange House in that city, which I believe is the oldest brick house in Toronto, the home of the first governor of Upper Canada, John Graves Simcoe. The building is very attractive and it has been of some utilitarian value.

In addition to the department's activities in the field of historic preservation, acting either solely or in concert with other bodies, a considerable number of such projects have been carried out or are ongoing under the aegis of other federal government departments, provincial or municipal governments and by private interests. Examples are the old Bonsecour market in Montreal, which is a most attractive site, Bastion Square in Victoria, Gastown in Vancouver, and the headquarters in London, Ontario, of a major Canadian company which is still retained as a commercial building. There is the old Bank of Canada building on Toronto Street, which I believe is the head office of Argus Corporation.

● (1630)

An interesting project is the development on Sussex Street, in Ottawa, of one of the old convent buildings as you get down near the Mint, which is being redeveloped for the headquarters of the Department of Urban Affairs. This is a particularly special thing being done in this city and adds to the value of the restoration and preservation of the entire market. These are very special places in Canada that should be maintained. We appreciate them in Halifax, in Charlottetown, in Prince Edward Island, in Quebec City—

Mr. McGrath: And in St. John's, Newfoundland, the oldest city in Canada.

Mr. Danson: Yes, particularly so. But one that we seem to forget and that is not getting enough attention is Kingston itself. That city is chock-full of buildings of particular historical and architectural value that could be preserved. In fact, I think the whole city of Kingston should be preserved. I believe that the hon. member for St. Paul's

referred to areas of historical significance that should be developed and preserved, and certainly this is one.

Mr. Atkey: It is coming under provincial legislation.

Mr. Danson: I am delighted that the province is involved and there is room for co-operation with the federal government. In the summer of 1970, Parks Canada launched a nationwide survey of Canada's old structures. Called the Canadian inventory of historic building, the project will take eight to ten years to complete. The program began with the study of building exteriors and will culminate with in-depth studies of the best structures. It is a three-phase program, and as a result we will end up for the first time with an inventory which is properly catalogued and computerized, so that if a local ratepayers' association or historical society wants to preserve a Prince Arthur house, and there are approximately 300 Prince Arthur houses across the country being used for catering establishments, from this inventory we will be able to determine which are the valuable ones to preserve.

This will be the real value of the inventory, because without it we would not know the extent of the architectural heritage we have and of which we should be so proud. This will help preserve our cultural background and soul. When combined with other programs operated by our citizenship branch, and by the Department of the Secretary of State, it will help give us a fuller appreciation of our heritage and history. It is something that is particularly appreciated by our children. The old house in which I live, Mr. Speaker, is a special joy to my children. It gives them an appreciation of certain types of things which they know to be beautiful and assume to be of historic value, things which other people might pass by.

As can be seen from much of what has been said, the federal government is carrying out a number of different complementary programs to identify and preserve sites of national importance. Many provinces and a number of municipalities are also acting to preserve sites of regional and local importance. Despite all this effort, it must be noted that historic preservation is a costly exercise. Unless a structure has been very well maintained, the costs of restoration are high and maintenance is more than normal since in both cases the work must be done to standards of historical authenticity. Not only does this involve research to establish original appearance, but it makes heavy demands on highly trained personnel such as restoration architects and conservators, currently in short supply.

I believe we could discuss this question at much greater length, Mr. Speaker, and I do not think we would be bored by it. It is something in which we all share an interest. I am particularly grateful to the hon. member for bringing this motion forward. I wish the hon. member for Northumberland-Durham (Mr. Lawrence) were here, because in Cobourg the old opera house is of special importance. I might mention, in passing, the restoration work done on Roosevelt University, on Michigan Avenue in Chicago. It is a rather unique building which was about to be destroyed. It was one of Louis Sullivan's buildings and acoustically was one of the greatest halls in the world. Rather than tear it down, the authorities have preserved it for use as a modern university building and concert hall.

The hon. member for St. Paul's, who is a lawyer from Toronto, will himself appreciate the value of Osgoode Hall, and Campbell House, named after one of the first chief justices of Ontario. The Law Society of Upper Canada, I believe, paid for its restoration and the moving of it, although I imagine there was some government assistance. Here is a very excellent example of early Georgian, in a Canadian sense, architecture being preserved and moved to the Canada Life property near Osgoode Hall for everybody to see and enjoy. Formerly it was an office building for a jobbers supplier.

These are the kinds of things that local people can do and that we can assist them to continue doing. Some of this work is being done by Heritage Canada, Heritage Ontario, Parks Canada and other such agencies. But it is worth keeping in mind that these things cannot be imposed by the federal government: they have to be done in co-operation with private groups and other levels of government. It is just not good enough to say that the federal government should supply the funds. I am not suggesting that the hon. member is saying that alone, but first there has to be an appreciation and understanding by local authorities and local groups that this work is important. However, there is a limit to these resources, Mr. Speaker. There is a trade-off, about which I spoke.

The fact that this debate is taking place today is somewhat significant. Surprisingly enough, those people who are concerned do read *Hansard*. Here I refer to the people in government who are concerned with this matter. It is some comfort to them to know that we appreciate their concern and their efforts. All too often they may think that they are working in a vacuum, unappreciated. Here I refer to the people in the National Museums Branch, in Heritage Canada, the National Historic Sites Branch, the NCC, the National Archives—people whose work is appreciated and valued. They do a fine job. They are largely unsung, so I think it is good for them to know that there are a lot of people who support their work and who will support any initiatives they may take or suggest.

[*Translation*]

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, I will only speak a few minutes, because I see that the hon. member opposite has a few words to say on the matter. I will speak briefly, since I merely want to thank the mover for asking the government and I quote:

> . . . the government should investigate the feasibility of a nationwide programme for the preservation of historic buildings and sites of architectural merits and integrity through financial assistance to municipalities, historical societies . . .

Mr. Speaker, I am quite pleased with that motion, because in addition to asking the government to consider the opportunity of establishing a preservation program for historic sites, I have always found—and I think it is good to draw the attention of the House to this—that governments have already acted to preserve our historic sites. However, I have also always found that such action was concentrated in the larger cities: Toronto, Montreal, Winnipeg, Halifax, etc. Some thought is always given to the possibility of restoring some historic sites in large cities, but they forget that the entire population is paying for this work.

We do not object to that, indeed, we are even happy about it, but we would like a small share of our tax money to return to our regions. We are asking the civil servants to get out once in a while of our large cities and tour our areas, because we have marvelous historic sites often maintained by voluntary workers through the efforts of local citizens.

I shall start by drawing the government's attention to a series of centres and historic buildings. We all remember that at the time of the centennial of Confederation, the government asked all social organizations and all cities and municipalities to do something to celebrate that event. In my area we did something. On the occasion of the centennial of Confederation, we erected a building. The government gave us a small grant of about one third the worth of this monument which was meant to be a library. It was eventually turned into a museum, but we are stuck with two thirds of the debt and interests which my constituents must pay, while our requests for assistance from the federal government are left unanswered. And yet, it was mentioned on the application, at their urging, that this building would be a monument to the centennial of Confederation. Even though we still pay taxes for other monuments, we pay taxes on the interests and capital for ours.

If the federal government was prepared to help our area, it could do something to salvage those monuments. Some might blame the authorities of the time for relying too much on the government. Maybe they were overly pro-government and were let down. It would be a fine gesture on the part of the federal government to help pay for those buildings erected to Canada's glory, after all, and to try to set finance afloat, by granting a direct assistance for the maintenance of these buildings, that is the François-Paradis museum, commemorating a discoverer of my region.

I also draw the government's attention to another well-known monument, that is the Maria Chapdelaine property, that of the famous novelist Louis Hémon, of international reputation, but which was never granted federal aid. This monument was erected to commemorate founders, creators of our region, and I need not say anymore because I believe that Maria Chapdelaine is internationally known. I urge the minister and the federal authorities, if they have any money to spend, to try and help those who are now maintaining this property which needs face-lifting. And I believe that this would be a good example of federal co-operation, as well as proof that they really want all parts of this country to be treated the same way. This would help eliminate regional disparities as regards historic sites because our people feel that credits that are voted and taxes that are paid for the maintenance of historic sites are always for purposes of agreements and never for our regions themselves.

I will conclude by referring to another historic monument in my region that is called the Victor Delamarre museum. I believe that the mere mention of his name will remind everyone of the strong man par excellence commemorated by the "Domaine Victor Delamarre" at Bouchette Lake. Financial assistance has been asked of the federal government for the maintenance of this historical monument. We receive from time to time a little assistance through local initiatives and opportunities for youth projects, but this is greatly inadequate.

If the government would, once and for all be complétely impartial and consider historic sites throughout Canada, then I believe that those I mentioned deserve as much as the others. I have no grudge against Quebec, Montreal, Toronto, or any other city. I only ask the government to be fair, and since everyone pays taxes, they should be equitably distributed. If big cities are proud of their historical monuments, it must be remembered that we are all proud, and we hope to see the day when the government will listen to our voice and help local associations, cities, towns and villages to restore magnificent historical monuments. It would be to the glory not only of the province of Quebec but of the whole of Canada.

[*English*]

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, in a few of the remaining minutes I should like to commend the hon. member for St. Paul's (Mr. Atkey) on the resolution that he has placed before the House this afternoon: even though it may be the victim of the usual Friday afternoon experience, I trust he will feel satisfied that this has been a useful and worth-while debate. The hon. member himself admitted that a great deal is being done in Canada with respect to the preserving of historic buildings and sites, and the hon. member for York North (Mr. Danson) sought to spell that out. But it is still true that if we let our history slip away, we will not be able to recover it. I therefore think it is an excellent idea which the hon. member for St. Paul's has placed before the House and before the government, and I hope consideration will be given to it.

I should like in a moment or two to make reference to two projects in which I confess I have a personal interest, but at least I can boast that neither is in my constituency. I mention them because I think they represent the kind of projects in this general area that need to be included.

● (1650)

Sir, and I am thinking of you as Mr. Deputy Speaker, in your province of Nova Scotia there is a great deal of respect for old buildings and places that mark the history of that province. I am particularly interested in a building known as the old meeting-house at Barrington, Nova Scotia. It is a building that was constructed prior to 1800; in fact, back some piece into the 1700s. It is a small but very interesting old building which is now being maintained by the Cape Sable Historical Society. That particular part of Nova Scotia represents a culture and a heritage that is quite different from parts of Nova Scotia 20 or 30 miles away from it. I am familiar with it because it is the part of Canada to which my ancestors came more than 200 years ago and lived in for a long time.

I always find it most interesting to go there and I find that the members of my family, those who came after me, are fascinated by such history as is evidenced just by going into that area. I think an organization such as the Cape Sable Historical Society deserves the kind of support suggested in the motion that is before us. I put forward that building as the type of structure that is different from the monuments, and so on, that were suggested by the last speaker—and as one other branch of our history that

should be remembered. I urge that those who are doing their part in this field, as are the members of the Cape Sable Historical Society, should be supported.

The other project in which I am interested is closer to where I now live, although it is not right in my constituency. I refer to the home where my predecessor, the late J. S. Woodsworth, lived for the last number of years of his life. It was for a while the home of my colleague who is not here this afternoon, the hon. member for Vancouver Kingsway (Mrs. MacInnis). Before that it was the home of his father, the Reverend James Woodsworth, who was a very important person in the life of the Methodist Church in western Canada.

We at times think of the homes and birthplaces of those who reached the pinnacle and became premier, prime minister or what have you. Perhaps there are others like the late Mr. Woodsworth whose life should be remembered in this way. There is a society that is getting money together for the purchase of that home and making it a place which people can visit. This is not a commercial. Like the one in Barrington, Nova Scotia, it is a type of building which is perhaps a little different from some of those that have been mentioned.

I take this minute or two to mention these projects for their own sake because I think they are typical of many such projects throughout this country which deserve the kind of support set out in the motion of the hon. member for St. Paul's. Therefore, I commend him for this motion. Perhaps there is no reason why we always have to talk these things out on Friday afternoons. Maybe the group of friendly members who are here would agree to let this motion pass.

Some hon. Members: Hear, hear!

Mr. Jack Cullen (Sarnia-Lambton): Mr. Speaker, the hon. member for Winnipeg North Centre (Mr. Knowles) is up to his usual Friday afternoon tricks. He used about 15 minutes of the time—

Mr. Knowles (Winnipeg North Centre): Order.

Mr. Cullen: That is a slight exaggeration. I should say he used up most of the time, or some of the time.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I only had the floor for seven minutes.

Historic Sites

Mr. Cullen: That will be about seven times longer than I will have to speak. I commend the hon. member for St. Paul's (Mr. Atkey) on this motion. I know he has a sense of history. It was indicated by the hon. member for York North (Mr. Danson), who lives in the Toronto suburbs, that this is because the hon. member now lives in Toronto. I suggest, with respect, it is because of the fact that he lived in Petrolia, Ontario, a very well known place with a sense of history. Every day when you go by the buildings in that community you cannot help being struck by the age of so many buildings. The people there are doing something about preserving them.

I wish private members' hour was two hours, because I could go on for another hour on this subject. I want to mention something that happened in the past which I consider to have been a disaster. The Hon. Alexander Mackenzie lived in the area of Sarnia-Lambton. He was a stonemason and built the county jail, the county courthouse and the county council building prior to the turn of the century. When that building was no longer used by the county council or as a county jail and county courthouse, it was torn down. It was one example of the handiwork of the Hon. Alexander Mackenzie in that area, and it was torn down.

To commemorate the Hon. Alexander Mackenzie, we now have an historic plaque which was put in place by the Department of Indian Affairs and Northern Development. That department was responsible for doing that. However, how much better it would have been to preserve the ancient county courthouse, jail and county chambers as a memorial to this great Canadian.

We have another building in Sarnia called Lawrence House. It is not as old as some of the buildings in Kingston and Halifax, but it should be preserved. It is my hope that citizens in the Sarnia area will mount an attack to preserve this structure. If it means setting up a non-profit corporation to do so, I hope they will take that kind of action because it is the kind of building that should be preserved.

Mr. Deputy Speaker: Order, please. The time provided for the consideration of private members' business having expired, this House stands adjourned until two o'clock Monday afternoon.

At five o'clock the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Monday, December 10, 1973

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

Seventh report of Standing Committee on Indian Affairs and Northern Development—Mr. Buchanan.

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

* * *

HUMAN RIGHTS

CREATION OF FEDERAL COMMISSION FOR THE PROTECTION OF EGALITARIAN RIGHTS

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, in the Universal Declaration of Human Rights, adopted by the United Nations on December 10, 1948, the General Assembly proclaimed the declaration as a common standard of achievement for all peoples and all nations. Article 2 of the declaration contains the following statement:

> Everyone is entitled to all the rights and freedoms set forth in this declaration, without distinction of any kind, such as race, colour, sex, language, religion, political or other opinion, national or social origin, property, birth or other status.

In pursuance of the ideals set forth in the declaration, the government of Canada has been active in combatting discriminatory practices in a number of ways. The Fair Labour Code, the Public Service Employment Act and the Unemployment Insurance Act all contain anti-discrimination provisions. Such provisions also appear in the fair wages and hours of labour regulations, the fair wages policy order and the national housing loan regulations. These measures are implemented by investigation and conciliation conducted by special staffs of the departments and agencies concerned. These activities have been most effective toward achieving the goal of eliminating discrimination within their scope of application.

On this occasion of the 25th anniversary of the Universal Declaration of Human Rights, it gives me great pleasure to announce that the government now proposes to deal with these matters in a more comprehensive fashion. Cabinet has recently approved the creation of a federal commission for the protection of egalitarian rights.

Some hon. Members: Hear, hear!

Mr. Lang: This decision follows upon a proposal made on the basis of studies conducted by my department and after consultation with provincial human rights bodies and other experts in the field. In particular, I should like to acknowledge the work of my colleague, the Minister of Labour (Mr. Munro), and his officials, especially in relation to the rights of women. That work and his proposals to protect women from discrimination, originally intended for the Labour Code, will now be included in the legislation to establish this commission, which is to be introduced early in the next session of parliament.

The bill will contain provision for the principles and procedures under which the commission would operate and establish the necessary powers of enforcement. In addition to being charged with administering the act, the commission would have an important role in promoting research and public education in relation to its purposes and functions. It would maintain close liaison with its equivalents in the provinces in order to foster common and improved policies and practices and to avoid conflict in cases of common jurisdiction. It would also keep abreast of developments respecting human rights at the United Nations and in other countries. In this way Canadian arrangements for the elimination of discriminatory practices could be constantly improved.

In formulating the above proposals, the government has been greatly assisted by suggestions and recommendations made by many individuals and bodies, and particularly by various women's organizations, for the establishment of such a commission at the federal level.

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, in Alexander Solzhenitsyn's 1970 Nobel lecture, which the government of the Soviet Union would not let him leave the country to give in Stockholm, this brave man said:

> A quarter of a century ago, with the great hopes of mankind, the United Nations was born. Alas, in the immoral world it, too, became immoral. It is not a United Nations but a United Governments, in which those freely elected and those imposed by force and those which seized power by arms are all on a par. Through the mercenary bias of the majority, the United Nation's jealously worries about the freedom of some peoples and pays no attention to the freedom of others. By an officious vote it rejected a review of private complaints—the groans, shouts and pleadings of individual, common, plain people, insects too small for such a great organization. The United Nations never tried to make binding on governments, a condition of their membership, the Declaration of Human Rights, the outstanding document of its 25 years—and thus the United Nations betrayed the common people to the will of governments they had not chosen.

● (1410)

Although Solzhenitsyn's cri de cœur might seem pessimistic to some of us, I think it is right that we remember, in these days of high-sounding exhortations, the harsh realities of the lives of many citizens of the world. After all, unbelievable as it may seem, some people in the world

are at this very time considering holding a convention on torture as a policy of some governments.

The minister's announcement is, of course, welcome. It is an idea which has been current for some time and has been suggested by, among others, the Royal Commission on the Status of Women in 1970. The Leader of the Opposition (Mr. Stanfield) in two speeches this year, on February 14 and May 20, endorsed such a proposal.

I hope very much that the commission the minister is setting up will be directly responsible to parliament and not to the cabinet or to himself. I hope also that the minister is able to find a more simple title as "Federal Commission for the Protection of Egalitarian Rights" could sound ponderous to some.

Twenty-five years after the United Nations voted for the Declaration of Human Rights Canada has not yet ratified some of the covenants on human rights adopted as long ago as 1966. There were three: the international covenant on economic, social and cultural rights, the international covenant on civil and political rights, and the optional protocol to the international covenant on civil and political rights. I hope that with the coming into being of the commission the minister has announced the government will get on with the job of getting the provincial governments to permit the government of Canada to ratify these very important protocols.

Mr. Andrew Brewin (Greenwood): Mr. Speaker, we are pleased that the Minister of Justice (Mr. Lang) has made this statement, referring as it does to one of the most important human documents that has ever existed, the Universal Declaration of Human Rights on the occasion, as he has said, of its twenty-fifth birthday.

Those of us, however, who review the world today must be aware that, in spite of the noble aspirations set out in this document, the realities of the world are very different. As the hon. member who preceded me has said, widespread throughout the world there are instances of direct political torture, political imprisonment and political persecution taking place. We have not yet dealt with those things so important to the fundamental security, life and welfare of the people of the world. Therefore I join with the hon. member for Fundy-Royal (Mr. Fairweather) in regretting the poor record of our country, not with regard to its attitude toward human rights but in respect of the ratification of the various conventions supposed to implement the declaration of human rights.

I know it is said that this is because we have a federal country and that many of these matters are within provincial jurisdiction. I suggest to the minister and, indeed, to all members of the government, that the time has come to review the policy of ratification and, if it is deemed necessary, to approach the provinces again seeking their concurrence in obtaining Canada's full adherence to the declaration of human rights and its conventions.

We welcome the promised legislation to appoint a federal commission on these matters, especially as they affect the status of women. We gave our full support to the report of the Royal Commission on the Status of Women. While we know that progress has been made, we know there is still much greater progress to be made in the future.

[Mr. Fairweather.]

There is another matter in this connection which we would ask the government to consider. I refer to the whole question of a constitutional bill of rights for Canada. Only a few months ago the Supreme Court of Canada delivered a decision in the Lavell case which cast serious doubts upon the effectiveness of the Bill of Rights and the protection it offers against discrimination on the ground of sex. We believe, and I think the Prime Minister said sometime ago, that the time will come when he will seek the approval of the provinces to move toward a constitutional bill of rights. He said there was an election pending. I think the election to which he referred has taken place. The time has now come to renew the effort to get a full constitutional bill of rights. I can tell him that many people are concerned and that many of the provincial governments have changed since his previous efforts were made. I believe a different atmosphere would now prevail. We welcome this statement and urge the government to proceed much faster and farther in the direction of guaranteeing human rights than has been done to date in the constitutional field, in the ratification of international conventions, and in every other method of enforcement so that those things which are so fundamental to the life and happiness of our people and the people of the world will be enforced.

I can assure the government that many people in Canada are deeply concerned about this matter. I have had an opportunity to judge that by the concern shown for the political prisoners in South Viet Nam and the innumerable letters I have received on that subject. I do not believe that the Canadian people are pragmatic and cynical. I think they believe in fundamental rights and that it would be a welcome action if our government took an effective lead in this field.

[*Translation*]

Mr. René Matte (Champlain): Mr. Speaker, we all the more welcome the minister's statement as it is always advisable, when it is not sometimes too late for individuals whose rights have been infringed, to concretize hopes which unfortunately too often remain policy statements.

If the aim of the proposed commission is to promote the safeguard of individual family and people's rights, we surely entirely agree. I am especially pleased that the advice of provincial organizations has been sought to provide a better coordinated commission more suitable for all areas of the country.

Mr. Speaker, I would also like to point out among others an example of discrimination existing at the present time as regards the age of Canadian citizens. Indeed, it is discriminatory to deny an individual whose spouse is not 65 years of age his entire old age security pension. In other words, a 65 year-old individual whose spouse is 60 is punished because the man or woman has chosen a spouse five years or even a year younger. This is discrimination.

Mr. Speaker, that couple will get only $179 while another who is over 65 will receive $340. I think that this government should, through that commission, consider the immediate abolition of that discrimination made against couples when both spouses are not 65 years old.

Of course at the international level our country must keep on being the one that sets an example and it must therefore try and defend all people whose liberties related

to the fundamental right of any human being are sometimes flouted. It is our duty to do so fearlessly, with courage, in order to set an example for the whole world.

To conclude, Mr. Speaker, in our own country we should no longer accept discrimination in areas such as old age security pensions.

* * *

● (1420)

[*English*]

HOUSE OF COMMONS

POSITION OF LIBERAL AND NEW DEMOCRATIC PARTIES—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I rise to put forward a motion under Standing Order 43, if permission be granted, the reason for which appears in the motion. I should like to move, seconded by the hon. member for Egmont (Mr. MacDonald):

That for the purposes of this debate today and, for the guidance of the Chair, for all debates and oral questions dealing with energy, this House accept as an established fact that, since the joint statement made on Thursday last by the Prime Minister on behalf of himself and the hon. member for York South, the Liberal and New Democratic Parties are in direct coalition.

[*Translation*]

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

Some hon. Members: Agreed.

Some hon. Members: No.

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

* * *

HUMAN RIGHTS

OPPRESSION OF ANGOLAN COFFEE WORKERS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I rise under the provisions of Standing Order 43 to move a motion of urgent and pressing necessity since it affects the human rights that are not respected in a part of the world, namely Angola.

I move, seconded by the hon. member for Champlain (Mr. Matte):

That this House, to mark with dignity and confidence the twenty-fifth anniversary of the International Declaration of Human Rights, request the United Nations to take the necessary steps to put an end to the oppression and slavery whose victims are the Angolan workers on coffee plantations, in order that human rights mays also be respected in this part of the world, and that the Secretary of State for External Affairs be requested to advise the people concerned of this decision.

[*English*]

Mr. Speaker: Hon. members have heard the motion proposed by the hon. member for Bellechasse. Is there agreement?

Some hon. Members: Agreed.

Some hon. Members: No.

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

* * *

CANADA ELECTIONS ACT

AMENDMENT TO PUT PHOTOGRAPHS OF CANDIDATES ON BALLOTS

Mr. Wally Firth (Northwest Territories) moved for leave to introduce Bill C-238, to amend the Canada Elections Act (form of ballot).

Some hon. Members: Explain.

Mr. Firth: Mr. Speaker, the purpose of this bill is to amend the Canada Elections Act to assist those Canadians who are unable to read English or French and thus prevent spoiled ballots. This would be achieved by putting a photograph of the candidate beside his name on the ballot paper.

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

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

[*Text*]

LAWYERS AND NOTARIES ENGAGED BY CMHC IN THE CONSTITUENCIES OF PORTNEUF AND MONTMORENCY, 1970 AND 1971

Question No. 1,555—**Mr. Godin:**

What were the names and addresses of (a) the lawyers and law firms (b) notaries and notaries' offices in Quebec City and in the constituencies of Portneuf and Montmorency who, during the years of (i) 1970 (ii) 1971 worked for Central Mortgage and Housing Corporation and what fees did each receive?

Hon. Ron Basford (Minister of State for Urban Affairs): I am advised by Central Mortgage and Housing Corporation that their records indicate the following: (a) and (b), For loans approved in 1970 and 1971 in the municipal counties of Montmorency No. 1, Montmorency No. 2, Portneuf and Québec, the following notaries or notaries' offices were retained by Central Mortgage and Housing Corporation for legal work in connection with CMHC direct loans:

1970

Raymond Bergeron, Quebec
Gaston Boily, Quebec
Valmon Bouliane, Quebec
Benoit Boulanger, Sillery
Jean Cantin, Quebec
Bernard Corriveau, Quebec
Pierre Paul Côté, Quebec
Gerard Couillard, Quebec
Simon Dallaire, Les Saules
André Delage, Quebec
Donat Demares, Quebec
André Duval, Ste. Foy
Henri Fortin, Quebec
Claude Gascon, Quebec
Remi G. Giroux, Quebec
Adrien Grenier, Quebec
Louis Grenier, Beauport
Robert Grenier, Ste. Foy
Paul Guillemette, Donnacona
Raymond Guy, Quebec
Antoine Hamel, Ancienne Lorette
Gilles Laforce, Quebec
Marc Lanouette, Limoilou
Paul Laquerre, Ste. Foy
Louis Lavoie, Quebec
Bruno Letarte, Quebec
Benoit Lettre, Quebec
Gaetan Levesque, Giffard
Serge Lesvesque, Quebec
L.-Philippe Marcotte, Quebec
Jean Poitras, Quebec
Claude Quirion, Ste. Foy
J.-André Richard, Quebec
Charles A. Roberge, Charlesbourg
Claude Robitaille, Quebec
Adolphe Routhier, Quebec
Claude Royer, Quebec
Lavery Sirois, Quebec
Jacques Soucy, Quebec
Georges Taschereau, Ste. Foy
Jacques Taschereau, Ste. Foy
Maurice Tashereau, Ste. Foy
Jean Tetreault, Quebec
Gerard Verreault, Quebec
Vallier Villeneuve, Ste. Foy
Stuart Wright, Ste. Foy

1971

Benoit Boulanger, Sillery
Jean Cantin, Quebec
Henri Chretien, Quebec
Pierre Paul Côté, Quebec
Raymond Deraspe, Quebec
Henri Fortin, Quebec
Adrien Grenier, Courville
Louis Grenier, Beauport
Robert Grenier, Quebec
Raymond Guy, Quebec
Gilles Laforce, Quebec
Marc Lanouette, Limoilou
Louis Lavoie, Quebec
Paul Guillemette, Donnacona
Pierre Lesage
Bruno Letarte, Quebec
Benoit Lettre, Quebec
Gaetan Levesque, Giffard
L. Philippe Marcotte, Quebec
Claude Martel, Les Saules
Guy Montreuil, Quebec
Claude Quirion, Ste. Foy
Charles A. Roberge, Charlesbourg
Claude Robitaille, Quebec
J. Paul Roux, St. Raymond
Claude Royer, Quebec
Lavery Sirois, Quebec
Georges Taschereua, Ste. Foy
Maurice Taschereau, Ste. Foy
Jacques Soucy, Quebec
Stuart Wright, Ste. Foy

Legal fees in connection with CMHC direct loans are paid by the borrowers and CMHC, therefore, has no record of the amounts paid to these notaries.

The following lawyers were retained in 1970 and 1971 to handle actions where arrears on loans had developed in these municipal counties:

	Fees Paid $
1970	
Ross Goodwin, Quebec	1,413.80
Guy des Rivières, Quebec	—
Gaston Desjardins, Quebec	—
Marc Choquette, Quebec	—
Bernardin Blanchet, Quebec	—
1971	
Bernardin Blanchet, Quebec	703.90
Sydney Lazarovitz, Quebec	—
Ross Goodwin, Quebec	1,474.40
André Monast, Quebec	677.20
Marc Choquette, Quebec	700.00
Gaston Desjardins, Quebec	195.50

[Mr. Basford.]

Where actions are settled prior to trial the costs are paid by the borrower. Where actions proceed to trial, the fees for legal work paid by CMHC are shown above.

LAWYERS AND LEGAL FIRMS EMPLOYED BY CMHC IN METROPOLITAN TORONTO, 1971-72

Question No. 1,991—Mr. Stevens:

What were the names and addresses of all lawyers and law firms in Metropolitan Toronto, in the Province of Ontario, who performed services for Central Mortgage and Housing Corporation during each of the years 1971 and 1972 and what was the total amount of money paid to each one?

Hon. Ron Basford (Minister of State for Urban Affairs): I am advised by Central Mortgage and Housing Corporation that their records indicate the following: For loans approved in 1971 and 1972 in Metropolitan Toronto, the following lawyers were retained by CMHC for legal work in connection with CMHC direct loans:

1971	1972
Norman Bergstein, Toronto	M. Cohl, Toronto
Borden, Elliot, Kelly and Palmer, Toronto	Paul Cosgrove, Scarborough
Norman Borins	Jerome L. Cronin, Toronto
W. Z. Estey, Toronto	Frank Enfield, Toronto
Gordon Farquarson, Toronto	D. R. Fraser, Mississauga
Royce Frith, Toronto	R. M. Gillespie. Port Credit
Bernard Kott, Toronto	Carl Grant, Toronto
Calvin Martin, Toronto	Mike Hlinka, Toronto
William McCulla, Toronto	T. A. King, Toronto
A. M. Milrad, Toronto	John J. Lawlor, Richmond Hill
Harold J. Murphy, Toronto	P. B. MacDonald, Toronto
James Trotter, Toronto	C. M. Nepwan, Mississauga
	D. K. Robertson, Toronto
	Fred H. Wood, Toronto

1971

Stephen J. Lende, Toronto.....Fees and costs paid: $30
McLaughlin, May, Soward and Bales)....Fees and costs paid: —

1972

Nil.

The following lawyers were retained in 1971 and 1972 to handle legal actions resulting from loans in Metropolitan Toronto on which the borrowers had fallen into arrears: 1971, Stephen J. Lende, Toronto, Fees and costs paid: $30. McLaughlin, May, Soward and Bales, Fees and costs paid: Nil. 1972, Nil. Where actions are settled prior to trial, the costs are paid by the borrower. Where actions proceed to trial, the fees for legal work paid by CMHC are shown above. Legal fees in connection with CMHC direct loans are paid by the borrower and CMHC, therefore, has no record of the amounts paid to these lawyers.

LEGAL FIRMS RETAINED BY CMHC IN METROPOLITAN CALGARY, 1972 TO JUNE 1973

Question No. 2,296—Mr. Bawden:

1. What law firms in Calgary drew CMHC mortgages in (a) insured (b) uninsured loans in 1972 and the first six months of 1973?

2. How much did each of these firms receive in legal fees from the government for handling these mortgages in 1972 and in the first six months of 1973?

Hon. Ron Basford (Minister of State for Urban Affairs): I am advised by Central Mortgage and Housing Corporation that their records indicate the following: 1. For loans approved in 1972 and the first six months of 1973 in Metropolitan Calgary, the following lawyers were retained by CMHC to process the mortgage documentation in connection with CMHC direct loans: (a) loans approved under Section 58: 1972, Nil. 1973, Nil. (b) loans approved under Section 15: 1972, J. S. Palmer, Calgary; 1973, D. P. Hays, Calgary, T. J. McCaffrey, Calgary, W. A. Tomblin, Calgary, T. J. Walsh, Calgary.

2. Legal fees in connection with CMHC direct loans are paid by the borrower and CMHC, therefore, has no record of the amounts paid to these lawyers.

LEGAL FIRMS ENGAGED BY CMHC IN METROPOLITAN VICTORIA, 1968-72

Question No. 2,377—**Mr. McKinnon:**

1. What law firms in Victoria drew CMHC mortgages in (a) insured (b) uninsured loans in 1968, 1969, 1970, 1971 and 1972?

2. How much did each of these firms receive in legal fees from the government for handling these mortgages in 1968, 1969, 1970, 1971 and 1972?

Hon. Ron Basford (Minister of State for Urban Affairs): I am advised by Central Mortgage and Housing Corporation that their records indicate the following: 1. For loans approved in the years 1968-1972 in Metropolitan Victoria, the following lawyers were retained by CMHC to process the mortgage documentation in connection with CMHC direct loans: (a) Loans approved under Section 58: 1968, Cox, Taylor and Co., Victoria; Crease and Co., Victoria; Hallett, Stewart and Co., Victoria. 1969, Cox, Taylor, Pollard and Co., Victoria; Crease and Co., Victoria; Hallett, Stewart and Gow, Victoria; Stone and Bryant, Victoria. 1970, Clay and Co., Victoria; Cox, Taylor, Pollard and Co., Victoria; Crease and Co., Victoria; Hallett, Stewart and Gow, Victoria; Stone and Bryant, Victoria. 1971, Nil. 1972, Nil. (b) Loans approved under Sections 15 and 47: 1968, Cox, Taylor and Co., Victoria. 1969, Cox, Taylor and Co., Victoria; Crease and Co., Victoria; Hallett, Stewart and Gow, Victoria. 1970, Crease and Co., Victoria; Hallett, Stewart and Gow, Victoria; Stone and Bryant, Victoria. 1971, Mrs. E. Bottrell, Victoria; Cox, Taylor and Co., Victoria; Hallett, Stewart and Gow, Victoria. 1972, Hallett, Stewart and Gow, Victoria; Pearlman and Lindhorm, Victoria.

2. Legal fees in connection with CMHC direct loans are paid by the borrower and CMHC, therefore, has no record of the amounts paid to these lawyers.

BRITISH COLUMBIA PENITENTIARY—MEETING OF SUPERVISORS WITH SOLICITOR GENERAL

Question No. 2,650—**Mr. Reynolds:**

In mid-May, did the supervisors at the British Columbia Penitentiary request a meeting with the Solicitor General to discuss (a) over-crowding (b) inmate discipline (c) protective custody inmates (d) temporary absences (e) detrimental press releases concerning penitentiary staff and, if so, how much time did the Minister spend with that group?

Hon. Warren Allmand (Solicitor General): Yes. The Solicitor General went to British Columbia on May 14, 1973, to visit William Head Institution on Vancouver Island, and to deliver an address to the John Howard Society in Vancouver, but had returned to Ottawa before he heard of the supervisors' request. The Solicitor General met with the administrators, staff and inmate committee representatives of British Columbia Penitentiary on December 13, 1972 where the problems cited have been discussed. The Solicitor General has also met with representatives from 19 other institutions where similar discussion has taken place. The Solicitor General is aware of and is working to correct the problems alluded to by the British Columbia Penitentiary supervisors.

OFY—ALLOCATION OF FUNDS TO CONSTITUENCIES REPRESENTED BY MEMBERS OF CABINET, 1972-73

Question No. 2,673—**Mr. Cossitt:**

1. What was the total amount of OFY funds allocated in 1972-73 to constituencies represented in the House of Commons by members of the Cabinet?

2. (a) What is the name of each constituency represented by a Cabinet Minister (b) what is the name of the Minister (c) what was the specific total of OFY funds allocated to each such constituency in 1972-73?

Hon. James Hugh Faulkner (Secretary of State): 1 and 2. It is not possible to answer this question, since the allocation of the funds of the OFY program is done within a framework of regions and sub-regions and not within the framework of electoral constituencies.

SPORT CANADA POLICY

Question No. 2,685—**Mr. Jelinek:**

1. What is the main goal of Sport Canada?

2. What steps has Sport Canada taken to initiate long term planning and general development of the majority of Canadian youth?

3. In the assessment of the Department of National Health and Welfare, what have been the three major contributions of Sport Canada to sport development?

4. What new programs has Sport Canada introduced?

5. Who dictates Sport Canada policy?

6. On what major sport (swimming, track and field, soccer, etc.) is it concentrating?

7. What growth in amateur sport has taken place since the creation of Sport Canada?

Hon. Marc Lalonde (Minister of National Health and Welfare): 1. To encourage, promote and develop fitness and amateur sport in Canada.

2. Sport Canada is primarily concerned with sport on national and international levels of competition. Elements contributing to long-term planning include the Task Force Report on Sport For Canadians; special conferences; e.g. National Conference on Olympic '76 Development; continuing discussions with national sports governing bodies and internal planning. Recreation Canada has, as its main concern, the general development of the majority of Canadian youth.

3. Some of the major contributions of Sports Canada to sport development are: (i) Canada Games; (ii) Establishment of the National Administrative Centre for Sport and Recreation including the appointment of technical directors in a number of national sport governing bodies on the Olympic program, (iii) A general strengthening of national sport governing bodies including the establishment of the Coaches Association of Canada and Game Plan '76.

4. Since 1970 (i) Establishment of: Administrative Centre for Sport and Recreation, Hockey Canada, Canadian Academy of Sports Medicine, Sport Participation, Coaches Association of Canada (ii) in addition: Increased aid to national sport governing bodies, for national and international competitions. Provision of grants in aid to student athletes. Appointment of technical directors in eleven sports associations. Program of special assistance to outstanding Canadian athletes preparing for international competitions. Sport administration projects designed to encourage more Canadians to become involved in sport.

5. The minister, on the advice of departmental officials and the National Advisory Council on Fitness and Amateur Sport. He may also choose to seek advice from sports bodies and other organizations or individuals in formulating policy.

6. Sport Canada provides financial assistance to more than sixty national sport governing bodies. Concentration on particular sports varies from time to time because of many contributing factors.

7. (i) Increased activity as reflected in No. 4 above. (ii) Larger national competitions. (iii) Greater involvement by provincial and municipal governments and by educational institutions. (iv) Growth of Canada Games. (v) More international events being hosted in Canada.

CANADIAN ARMED FORCES—EMPLOYMENT OF INUIT—INDIAN PEOPLE

Question No. 2,780—**Mr. Clark (Rocky Mountain):**

1. How many (a) Inuit (b) status Indian people are now employed regularly in the Canadian Armed Forces?

2. How many (a) Inuit (b) status Indian people have withdrawn from the Canadian Armed Forces in each year 1970, 1971, 1972 and 1973 to date?

3. Are any special preparatory courses provided for Inuit or Indian people who are recruited in either of the territories and, if so, where are such courses conducted?

4. Is it the intention to commence such preparatory courses in a northern environment and, if not, for what reason?

Hon. James Richardson (Minister of National Defence): 1. The Canadian Forces do not maintain statistics on the racial origin of its members. As of October 1, 1973 there were 12 persons in the Canadian Forces who have declared fluency in an Inuit language and 35 who declared fluency in an Indian language.

2. Based on review of linguistic proficiency records of members the following applies:

Withdrawals	Persons Fluent Inuit	Persons Fluent Indian
Year 1970	1	13
1971	3	7
1972	2	4
1973	4	2

[Mr. Lalonde.]

3. No. There are no special courses accorded to the Inuit or Indian recruits from the territories. Once in the Forces, northern inhabitants receive training identical to all other entrants and are given special tutoring if required. Where practical the Forces attempt to ensure that two or more native applicants from one area proceed through training together.

4. No. Any special adaptation problems for northerners are handled as required by recruit school training specialists.

POST OFFICE—LETTER FROM LANARK BOARD OF EDUCATION RELATING TO LATE MAIL DELIVERY

Question No. 2,800—**Mr. Cossitt:**

1. Did the Postmaster General receive a letter dated October 3, 1973 from the Lanark County Board of Education on the subject of late mail delivery and, if so, did this letter state that a cheque from the Treasurer of Ontario mailed in Toronto at 5.00 p.m. on Thursday, September 27 did not reach the Lanark County Board of Education until October 2 and as a result this school board lost $561.70 interest on money that they were not able to deposit?

2. Is the Post Office Department giving immediate consideration to remunerating the Lanark County Board of Education for their loss resulting from slow mail delivery?

Hon. André Ouellet (Postmaster General): 1. The Lanark County Board of Education has written to the Postmaster General concerning a cheque mailed by the Treasurer of Ontario. This cheque was not ready for mailing in time for the late afternoon mail pick-up. It was posted after the deadline set for next day delivery under the Assured Mail Program. Because of the late mailing the next delivery day was Monday, October 1. It arrived Tuesday, October 2.

2. No.

CANADIAN ARMED FORCES—NUMBER IN EACH RANK TOGETHER WITH SALARY RANGES

Question No. 2,806—**Mr. Orlikow:**

1. How many members of the Canadian Armed Forces were in each rank as of March 31, 1973 and what were the salary ranges for each rank at that date?

2. Where applicable, what were the salary ranges payable for persons of each rank employed as pilots, navigators, flight engineers and medical, dental and legal officers for the same date?

Hon. James Richardson (Minister of National Defence): 1. As of March 31, 1973 the number of Canadian Armed Forces personnel in each rank and their salary ranges is as follows:

	Numbers	Salary Range $
General	1	40,000 – 45,000
Lieutenant-General	9	28,000 – 35,000
Major-General	26	25,000 – 31,000
Brigadier-General	77	22,000 – 28,000
Colonel	283	22,440 – 25,140
Lieutenant-Colonel	890	18,960 – 21,840
Major	2,884	16,020 – 18,540

Captain	7,064	11,220 – 15,960
Lieutenant	1,960	6,960 – 11,880
Second-Lieutenant	148	[1]5,400
Officer Cadets	1,854	2,880 – 3,300
Chief Warrant Officer	847	13,044 – 14,856
Master Warrant Officer	2,315	11,580 – 13,596
Warrant Officer	4,547	10,332 – 12,528
Sergeant	10,181	9,144 – 11,664
Corporal	34,828	7,484 – 10,584
Private	14,379	3,480 – 7,560

2. (a) Pilots

	Salary Range $
Lieutenant-Colonel	19,500 – 22,380
Major	17,220 – 19,740
Captain	12,780 – 17,940
Lieutenant	7,920 – 12,120

(b) Navigators

	Salary Range $
Major	16,140 – 18,540
Captain	12,360 – 17,700
Lieutenant	7,740 – 12,960

(c) Flight Engineers

	Salary Range
Chief Warrant Officer	As for Para 1.
Master Warrant Officer	Same as Other
Warrant Officer	Trades.
Sergeant	
Corporal	

(d) Medical

	Salary Range $
Major-General	30,000 – 35,000
Brigadier-General	28,000 – 33,000
Colonel	30,180 – 31,380
Lieutenant-Colonel	27,300 – 30,180
Major	24,600 – 28,500
Captain	17,520 – 25,080

(e) Dental

	Salary Range $
Brigadier-General	26,000 – 30,500
Colonel	26,520 – 28,200
Lieutenant-Colonel	23,700 – 25,680
Major	20,040 – 23,040
Captain	16,260 – 21,180

(f) Legal

	Salary Range $
Brigadier-General	28,000 – 32,000
Colonel	23,000 – 29,000
Lieutenant-Colonel	21,000 – 29,000
Major	15,800 – 23,000
Captain	9,500 – 18,900

Order Paper Questions

NATIONAL DEFENCE—COMMUNITY TEAMS, MASSET, B.C.

Question No. 2,819—Mr. Howard:

1. Is there any prohibition either direct or by implication that Canadian Armed Forces personnel stationed at Masset, British Columbia are not to become players on any softball teams other than one which may be organized for armed forces personnel and, if so, does this prohibition apply to any softball team which may be organized among native Indian people?

2. If such a prohibition does exist, by whose order or authority was that decison made and is, or has that person been asked or directed to alter the prohibition so there can be free association among the various people in the area?

Hon. James Richardson (Minister of National Defence): 1. No. in the past few years a number of servicemen have participated as players on local community teams including teams organized by native Indian people. In 1973 CFS Masset organized a second softball team and this may have contributed to the lack of participation of Canadian Forces personnel on other community softball teams. One serviceman is however currently playing as a member of the locally organized Haida basketball team.

2. Not applicable.

CANADIAN ARMED FORCES—USE OF CAMP MEAFORD

Question No. 2,824—Mr. Mitges:

Which Canadian army units made use of Camp Meaford and what was the length of time in days or months each unit occupied the Camp in 1970, 1971, 1972 and to October 1, 1973?

Hon. James Richardson (Minister of National Defence): The following Canadian Armed Forces units made use of Camp Meaford and its ranges during the period 1970 to 1 October 1973 as follows: 1970: The Combat Arms School located at CFB Borden made continuous use of Camp Meaford during the period January 1, 1970 to November 1, 1970. 1971: No training at Camp Meaford. 1972: Field training but no weapons firing: January 31-February 4, 1st Battalion The Royal Canadian Regiment; February 5-6, Grey and Simcoe Foresters (Militia); May 26-28, Lincoln and Welland Regiment (Militia); June 3, Grey and Simcoe Foresters (Militia); July 16-19, Canadian Forces Officer Candidate School; July 14-August 19, Canadian Forces School of Administration, and Logistics and Canadian Forces Dental Services School; August 1-2, Grey and Simcoe Foresters (Militia); August 13-14, Canadian Forces School of Aeronautical and Ordnance Engineering; August 13-16, Hamilton Militia District; September 13-15, Canadian Forces School of Intelligence and Security; September 25-27, 706 Communications Squadron; September 29-October 1, Grey Simcoe Foresters (Militia). 1973: Field training but no weapons firing: January 23-30, Grey and Simcoe Foresters (Militia); February 1-6, Grey and Simcoe Foresters (Militia); February 9-11, Lincoln and Welland Regiment (Militia); February 12-21, 1st Battalion The Royal Canadian Regiment. Field training including live weapons firing: May 7-25, 1st Battalion The Royal Canadian Regiment; May 11-13, Toronto Militia District; May 19-21, Queens York Rangers (Militia); May 25-27, 1 Field Squadron RCE (Militia); June 2-3, Grey and Simcoe Foresters and Queens York Rangers (Militia); June 16-17, Grey and Simcoe Fusiliers and Highland Fusiliers (Militia); June 21-22, Canadian Forces School of Intelligence and Security; June 26,

Canadian Forces Officer Candidate School; June 28, Canadian Forces Officer Candidate School; June 29-July 3, Toronto Militia District; June 30, Canadian Forces Officer Candidate School; July 16-27, Canadian Forces Dental Services School; July 17-18, Grey and Simcoe Foresters (Militia); July 19-26, Hamilton Militia District; July 19-25, Canadian Forces School of Administration and Logistics; July 28-29, Grey and Simcoe Foresters (Militia); July 30-August 1, Canadian Forces School of Aeronautical and Ordnance Engineering; July 30-August 1, Toronto Militia District; August 2-7, Canadian Forces Officer Candidate School; September 14-16, Toronto Service Battalion (Militia); September 21-23, Hamilton Militia District; September 29-30, Grey and Simcoe Foresters (Militia).

BILINGUAL DISTRICT ADVISORY BOARD—RESEARCH EXPENDITURES

Question No. 2,895—**Mr. Nystrom:**

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

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

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

Hon. James Hugh Faulkner (Secretary of State): I am informed by the Bilingual Districts Advisory Board as follows: 1. 1972 to 1973, Nil. 1973 to 1974, $2,700.

2. University of Ottawa Computing Centre, $1,500; Automation Centre of Ottawa Limited, 75 Albert Street, Ottawa, $1,200.

3. Contract for programming and data processing; contract for keypunching.

CFDC—RESEARCH EXPENDITURES

Question No. 2,897—**Mr. Nystrom:**

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

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

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

Hon. James Hugh Faulkner (Secretary of State): I am informed by the Canadian Film Development Corporation as follows: 1. Nil.

2 and 3. Not applicable.

CYC—RESEARCH EXPENDITURES

Question No. 2,904—**Mr. Nystrom:**

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

[Mr. Richardson.]

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

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

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

2 and 3. Not applicable.

BILINGUAL DISTRICT ADVISORY BOARD—RESEARCH EXPENDITURES AND PURPOSE OF EACH CONTRACT

Question No. 2,951—**Mr. Nystrom:**

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

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

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

Hon. James Hugh Faulkner (Secretary of State): I am informed by the Bilingual Districts Advisory Board as follows: 1. Nil.

2 and 3. Not applicable.

CANADA SHIPPING ACT—AUTHORITY TO INSPECT SUBMERSIBLES

Question No. 2,986—**Mr. Forrestall:**

Does the Minister of Transport intend to place before Parliament legislation in the way of amendments to the Canada Shipping Act to provide for the inspection of (a) all submersibles operating within the jurisdictional purview of the government, regardless of gross tonnage (b) submersibles owned or leased by the government and, if so, on what date?

Hon. Jean Marchand (Minister of Transport): The Canada Shipping Act gives authority for the issue by the Governor in Council of regulations dealing with the construction and equipping of all ships regardless of tonnage. However, the act also provides exemptions from annual inspection by a steamship inspector in so far as small vessels are concerned. The need to verify whether or not such vessels do comply with the regulations has been met by means of unscheduled and occasional surveys for enforcement purposes which are not prohibited by the act. In the case of submersibles, it is considered that there would be no problem in carrying out surveys on a similar basis when construction and equipment regulations have been finalized. Hence, there is no intention at this time to put forward an amendment to the act removing such vessels from the sections dealing with annual inspection exemption. Submersibles owned or leased by the government would come under the jurisdiction of the Canada Shipping Act and its regulations if they are registered, and as this can be done by directive it is not considered necessary to amend the act in this respect.

CBC—NEWS SPECIAL ON PRIME MINISTER'S VISIT TO CHINA

Question No. 2,987—**Mr. Clark (Rocky Mountain):**

1. On what date was the decision made to prepare an hour-long CBC News Special on the visit of the Prime Minister to China?

2. At any stage in the discussion of the proposal to prepare a News Special, was there communication between CBC and the Office of the Prime Minister and, if so, what was the nature of each such communication?

3. What are the (a) costs of production (b) other related costs to CBC of this News Special?

4. If this News Special was sponsored on the national network, what would be the cost to the sponsor?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): I am informed by the Canadian Broadcasting Corporation and the Prime Minister's Office as follows: 1. Early in September it was decided that a TV news special covering the Prime Minister's visit to China was warranted, in addition to regular news coverage. On October 4 the decision was made to schedule a one-hour program for telecast on October 19.

2. Both CBC television networks requested the Prime Minister before his departure for China to grant them interviews for special programs to be broadcast on his return. These interviews were given in the usual way when the Prime Minister had concluded his discussions with the government of the People's Republic of China.

3. It has not been customary to require the Corporation to disclose such details of its operations as costs related to individual programs.

4. As a matter of policy, the CBC does not accept sponsorship of its news specials. Therefore, no monetary value is placed on such coverage that would enable the Corporation to arrive at a realistic figure.

DUPLICATION OF DND PRESS RELEASES

Question No. 3,016—**Mr. Reynolds:**

1. Were eight individually stamped letters, each containing the identical DND Press Release, sent to the City Editor of the *Vancouver Sun* and, if so, for what reason?

2. Were similar situations repeated with newspapers across the country?

Hon. James Richardson (Minister of National Defence): 1. Due to the mechanical failure of one addressograph machine several envelopes were identically addressed. This problem was of short duration and has been corrected.

2. No reports have been received by the Department of National Defence of similar multiple addressing to newspapers other than the *Vancouver Sun.*

CBC SERIES "SUNDAY", "WEEKEND", AND "UP CANADA"

Question No. 3,020—**Mr. Stackhouse:**

1. How many members of the production staff of CBC program series, "Sunday", were on the staff of the series, "Weekend", and have been appointed to the staff of the new series "Up Canada"?

2. What was the estimated viewing audience of "Sunday", and of "Weekend"?

3. What was the production budget of "Sunday" and of "Weekend"?

4. What is the production budget of the new series "Up Canada"?

Hon. James Hugh Faulkner (Secretary of State): I am informed by the Canadian Broadcasting Corporation as follows: 1. One.

2. During 1967, the year "Sunday" was scheduled, it had a mid-season average weekly audience of some 2,253,000 viewers. Corresponding mid-season audiences for "Weekend" were as follows: 1970, 2,279,000; 1971, 1,652,000; 1972, 1,452,000; 1973, 1,562,000.

3 and 4. It has not been customary to require the CBC to disclose financial details of its operations such as individual program budgets.

POST OFFICE DEPARTMENT—OFFICE IN FORFAR, ONTARIO

Question No. 3,024—**Mr. Cossitt:**

1. Is the Post Office Department willing to reopen a post office in Forfar, Ontario and (a) if so, on what date (b) if not, for what reason?

2. Is the Department aware that there are two small rural industries in Forfar that require more adequate postal service than they are now obtaining as rural route box holders and is the Department willing to provide this service?

Hon. André Ouellet (Postmaster General): 1. No. The criteria for the establishment of a post office has not been met.

2. Existing service provides daily delivery via a rural route. The requirements of these postal users is being reviewed.

CBC—"THE TOMMY BANKS SHOW"

Question No. 3,036—**Mr. Paproski:**

1. Was a well-established, well received series featuring one of Canada's best and most knowledgeable entertainers "The Tommy Banks Show" dropped from CBC TV network and, if so, for what reason?

2. How much advance notice was given prior to cancellation of contract?

3. How many other 100 per cent Canadian content programs of such calibre does CBC TV have?

Hon. James Hugh Faulkner (Secretary of State): I am informed by the Canadian Broadcasting Corporation as follows: 1. The Tommy Banks Show has not been dropped from the network but it is planned to adjust the schedule at the end of December and resume telecasts of this program during the summer. The CBC feels the program is well done, and has tried different scheduling times and both half-hour and one hour formats in the two years it has been on the air in an attempt to improve its share of the audience as well as audience enjoyment among those who watch the program. However, the show has not been able to draw the strong audience that is desirable especially during the winter months.

2. Tommy Banks was advised in October that the programs remaining to be shown after December would be

scheduled during the summer instead of continuing through January to March.

3. It is difficult to measure the quality of each individual program in a way that would establish realistically how many are similar in calibre.

NATIONAL DEFENCE—COST OF CHUTE-DES-PASSES DAM AND SHIPSHAW CENTRAL POWER STATION

Question No. 3,038—**Mr. Gauthier (Roberval):**

Will the Minister of National Defence advise the cost to the government of (a) the Chute-des-Passes dam in Lake St. John West (b) the Shipshaw central power station during the late forties?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): (a) No information available. (b) Reference to the Shipshaw Power Station is contained in the "History of the Department of Munitions and Supply", by J. de N. Kennedy published by the King's Printer in 1950. The following appears at page 102: "With the imminence of war, the United Kingdom became interested in obtaining additional facilities for the production of primary aluminum and the commonly used mill forms and, with the financial assistance of that country, Aluminum Co. of Canada, Limited constructed a very large and up-to-date plant in Kingston, Ontario. Before World War II, Aluminum Co. of Canada, Limited had laid a base for almost unlimited extension of their reduction facilities of Arvida, in northern Quebec, and in order to produce the enormous quantities of primary aluminum which the expanding munitions programme of the Allies required, the Shipshaw Power Project was constructed. The project produced an additional 833,000 horse-power and cost approximately $70,000,000; it was financed by the Company itself and the profits from the American contract were used to amortize the capital costs incurred. The production of primary aluminum by the Company increased from 82,800 tons in 1939 to approximately 500,000 tons in 1943."

REVENUE DERIVED FROM THE 12 PER CENT TAX ON GASOLINE

Question No. 3,088—**Mr. Andre:**

1. (a) How much revenue was derived from the 12 per cent manufacturer's tax on gasoline for the 1972 calendar year and for the twelve months prior to October 1, 1973 (b) how much was derived from the area east of the Ottawa valley and how much from the area west of the Ottawa valley?

2. What were the revenues from this tax for all other refined petroleum products for each of these time periods and each of the areas?

3. How much is this tax for gasoline, expressed in terms of cents per gallon of gasoline sold, for each of the time periods and each of the areas?

4. What are the sources of information and methods of calculation used to answer these questions?

Hon. Robert Stanbury (Minister of National Revenue): In so far as National Revenue is concerned: 1. (a) and (b) We are unable to provide the information requested because the 12 per cent federal sales tax imposed by the Excise Tax Act is recorded in one account without any distinction as to the products from which it was derived.

2. See answer to 1 (a) and (b).

[Mr. Faulkner.]

3. The national rounded average tax content for the 1972 calendar year was 2⅔ cents per gallon of Grade No. 1 gasoline and 216 cents per gallon of Grade No. 2 gasoline. For the twelve months prior to October 1, 1973, the national rounded average tax content was 3 cents and 2½ cents per gallon of Grade No. 1 and Grade No. 2 gasoline, respectively.

4. The average tax content was arrived at by analysing information obtained as a result of a sample survey of sales in the industry taking into account both prices and proportions of sales to the different marketing levels.

NATO EXPENDITURES—PERCENTAGE RATE OF GROSS NATIONAL PRODUCT

Question No. 3,104—**Mr. Stevens:**

Would there be an increase in defence expenditure if the percentage rate of gross national product on defence was pegged to the present NATO members states' average expenditure on defence and, if so, by what amount?

Hon. James Richardson (Minister of National Defence): Yes. If the 1972 average expenditure on defence for the European members of NATO only, expressed as a percentage of gross national product, is taken as the base, the increase would be approximately $1.5 billion. If the 1972 average for all NATO countries is taken as the base, the increase would be approximately $3 billion.

EDC LOAN FINANCING TO CHILE

Question No. 3,106—**Mr. Rodriguez:**

1. What was the actual level of EDC loan financing to Chile between January 1965 and December 1970?

2. What is the dollar value of (a) aircraft (b) telecommunications components of the $5 million loan to Chile approved by EDC in April 1973 referred to in the Secretary of State for External Affairs' statement of October 26, 1973?

3. (a) What organization was to receive (i) the aircraft (ii) the telecommunications equipment (b) what was the precise nature of the telecommunications equipment referred to in this loan?

4. Does EDC approval of the loan referred to by the Secretary of State for External Affairs in his statement of October 26 mean that a specific legal agreement was signed with Chile regarding the loan and loan terms, or only that approval to negotiate such a loan was given?

5. Does the governement intend to make this loan available to the Chilean Junta and (a) if so, will the terms of the loan to the Junta be exactly the same as those offered to the Allende government (b) if not, how will they differ?

Mr. Herb Breau (Parliamentary Secretary to Minister of Industry, Trade and Commerce): EDC reports that: 1. The actual level of EDC's loan financing to Chile between January 1965 and December 1970 was $1,952,500.

2. With respect to the $5 million loan to Chile approved by EDC in April 1973 and referred to in the October 26, 1973 statement of the Secretary of State for External Affairs, the dollar value (a) of the aircraft component is $1.15 million, and (b) of the telecommunications component is $3.85 million.

3. (a) The organization which was to receive (i) the aircraft is Linea Aerea Nacional, and (ii) the telecommunications equipment is Empresa Nacional de Telecommunicaciones; and (b) The precise nature of the telecom-

munications equipment referred to in this loan is microwave multiplex and ancillary equipment with adequate provision for voice channel expansion in television transmission.

4. EDC approval of the loan referred to by the Secretary of State for External Affairs in his statement of October 26, 1973 means that in April 1973, EDC's board of directors gave approval to make a formal offer.

5. The financing is an EDC loan under section 29 of the Export Development Act, and is not a government loan; EDC intends to make it available to the Chilean Junta, and (a) The terms will be exactly the same as those offered to the Allende government; and (b) Not applicable.

EDC—REFUSAL OF REQUEST BY TIMBER JACK OF WOODSTOCK, ONTARIO

Question No. 3,110—**Mr. Rodriguez:**

1. Did EDC turn down a request by Timber Jack of Woodstock, Ontario in 1972, to finance a $4 million order by Chile and, if so, for what reason?

2. Did EDC officials indicate that the reason for such a decision was government policy not to extend loans to Chile at that time, as indicated at page 2220 of *Hansard?*

Mr. Herb Breau (Parliamentary Secretary to Minister of Industry, Trade and Commerce): EDC reports that: 1. EDC had a request in November 1972 from Eaton Yale Limited, Forestry Equipment Division, Woodstock, Ontario to provide insurance cover for a proposed sale to Chile valued at $4 million. EDC as a responsible agency declined to insure on the ground that the proposed transaction would almost certainly result in a loss.

2. EDC officials indicated that the reason for the decision was their own assessment of the risk.

NATIONAL DEFENCE—STATEMENT BY MINISTER PERTAINING TO DEFENCE SPENDING

Question No. 3,114—**Mr. Forrestall:**

Were any outside individuals or agencies involved in the writing of the recent statement given by the Minister of National Defence pertaining to defence spending and budgeting and, if so, who were they and at what price was their talent secured?

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

INDUSTRIAL ACCIDENTS IN FIELD OF NON-OPERATING RAILWAY EMPLOYEES

Question No. 3,164—**Mr. Orlikow:**

How many industrial accidents, including fatalities, occurred in the field of the non-operating railway employment for each of the past three years?

Hon. John C. Munro (Minister of Labour): During the year 1972 there were 25,378 industrial accidents resulting in injury to non-operating railway workers. Of these accidents, nine were fatal and 2,859 resulted in loss of time from work. Comparable figures for previous years are not available as reporting regulations under the Canada Labour Code Part IV (Safety of Employees) were not in effect prior to January 1, 1972.

Order Paper Questions

LE DAIN COMMISSION REPORT—ENGLISH

Question No. 3,175—**Mr. Lawrence:**

1. Has the English version of the Le Dain Commission Report been received by the government and, if so, on what date?

2. On what date was the English version of the Le Dain Commission Report sent to the translation bureau for translation into French?

3. To what translation bureau was the English version of the Le Dain Commission Report sent?

Hon. Marc Lalonde (Minister of National Health and Welfare): 1. No.

2. The compiling of the English drafts of the final report began in the summer of 1972 and portions of the report were submitted for translation on an ongoing basis.

3. Les Traductions 530, Inc., Montreal.

LIP—SALARIES PAID BY SPONSORS OF PROJECTS

Question No. 3,186—**Mr. Godin:**

Since persons hired under the Local Initiatives Program are supposed to receive $100 a week, is the government considering dealing severely with sponsors of some projects subsidized by this program who paid weekly salaries of only $50 and $60 during the winters of 1971-72 and 1972-73?

Mr. Mark MacGuigan (Parliamentary Secretary to Minister of Manpower and Immigration): The criteria of the Local Initiatives Program provided that the salaries paid by project sponsors would not exceed the local prevailing rates for each occupation. This stipulation was subject to the proviso that the total salaries paid to all the employees employed on a project would not exceed an average of $100.00 per man-week over the life of the project. It was envisaged that some employees such as unskilled labourers, might receive less than $100.00 per week, whereas the salary paid to skilled employees might exceed that figure. All employees, however, had to receive the minimum rate for the province concerned.

PURPOSE OF TRIP MADE BY G. M. WATERHOUSE, VICE-PRESIDENT OF CANADIAN OVERSEAS TELECOMMUNICATION CORPORATION

Question No. 3,232—**Mr. Knight:**

1. In the fiscal year 1971-72, what was the purpose of the trip made by G. M. Waterhouse, Vice-President of Canadian Overseas Telecommunication Corporation (salary range: $29,000-$32,000), to Washington, Hawaii ($1,992)?

2. In what month of the year was this trip made?

Hon. Gérard Pelletier (Minister of Communications):

Purposes of trips:	2. Place	Month
(a) Intelsat Plenipotentiary Conference, Member of Canadian Delegation	Washington	April 1971 1 week
(b) Interim Communication Satellite Corporation Finance Committee, Canada's Representative	Washington	January 1972 2 weeks
(c) Meeting with COTC Hawaii Station, Labour Relations Group	Hawaii	March 1972 1 week

Order Paper Questions

Purposes of trips:	2. Place	Month
(d) Interim Communications Satellite Corporation Finance Committee, Canada's Representative	Washington	March 1972 1 week

PURPOSE OF TRIP MADE BY THE LATE R. C. LABARGE, DEPUTY MINISTER OF NATIONAL REVENUE, CUSTOMS AND EXCISE, 1971-72

Question No. 3,254—**Mr. Knight:**

1. In the fiscal year 1971-72, what was the purpose of the trip made by the late R. C. Labarge, Deputy Minister of National Revenue, Customs and Excise (salaray range: $31,500-$37,500), to Hong Kong, Tokyo and Honolulu ($528)?

2. In what month of the year was this trip made?

Hon. Robert Stanbury (Minister of National Revenue): In so far as National Revenue, Customs and Excise, is concerned: 1. The late Mr. R. C. Labarge travelled to Hong Kong, Tokyo and Honolulu as a member of a Canadian trade delegation.

2. The trip was made in June and July, 1971.

PURPOSE OF TRIP MADE BY MR. B. G. BARROW, ASSISTANT DEPUTY MINISTER OF NATIONAL REVENUE, CUSTOMS AND EXCISE, 1971-72

Question No. 3,255—**Mr. Knight:**

1. In the fiscal year 1971-72, what was the purpose of the trip made by B. G. Barrow, Assistant Deputy Minister of National Revenue, Customs and Excise (salary range: $26,000-$32,500), to Washington ($182)?

2. In what month of the year was this trip made?

Hon. Robert Stanbury (Minister of National Revenue): In so far as the Department of National Revenue, Customs and Excise, is concerned: 1. Mr. B. G. Barrow travelled to Washington for discussions with U.S. officials respecting the future of the automotive agreement.

2. The trip was made in July, 1971.

PURPOSE OF TRIP MADE BY MR. A. SENECAL, ASSISTANT DEPUTY MINISTER OF NATIONAL REVENUE, CUSTOMS AND EXCISE, 1971-72

Question No. 3,256—**Mr. Knight:**

1. In the fiscal year 1971-72, what was the purpose of the trip made by A. Senecal, Assistant Deputy Minister of National Revenue, Customs and Excise (salary range: $26,000-$32,500), to Washington ($169)?

2. In what month of the year was this trip made?

Hon. Robert Stanbury (Minister of National Revenue): In so far as National Revenue, Customs and Excise is concerned: 1. Mr. A. Senecal travelled to Washington to attend a conference on drug traffic.

2. The trip was made in October, 1971.

[Mr. Pelletier (Hochelaga).]

*ROYAL CANADIAN MINT—SELECTION OF ACRES CONSULTING SERVICES LTD. TO HANDLE PERSONNEL SERVICES

Question No. 3,297—**Mr. McKenzie:**

1. For what reason was Acres Consulting Services Ltd. of Toronto chosen as the firm to handle personnel services for the new Royal Canadian Mint to be located in Winnipeg?

2. For what reason was the contract not awarded to a Winnipeg management consultant firm?

3. What criteria were used by the government in awarding the contract?

4. Is it the intention of the government to continue to award contracts relating to the Mint to firms in other cities?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): 1. Acres Consulting Services Limited have been retained by the Royal Canadian Mint to act as advisors in the reorganization of the entire Mint, and the establishment of staff requirements resulting from the transfer to Winnipeg of the Coining Division, the expansion of the Numismatic Division to handle the Olympic program, and the eventual renovation of the Ottawa Mint. Their responsibility for hiring personnel for Winnipeg is limited to several specialized engineering support positions. The balance of the recruiting being handled by the Personnel Department of the Royal Canadian Mint.

2 and 3. Acres Consulting Services Limited were retained for purposes of continuity and because of their special background in manufacturing plants, having been originally hired by the Department of Finance in 1967 to prepare plans for a new Canadian Mint, and later having been responsible for the process engineering for the new Mint in Winnipeg.

4. No, insofar as contracts for management consultants are concerned. With regard to contracts for coinage metals, tenders will normally be called on a national basis; manufacturing supplies and services will be obtained in the Winnipeg area as far as possible, based upon competitive prices and availability.

RECONCILIATION OF TRADE FIGURES

Question No. 3,307—**Mr. Fairweather:**

Have United States and Canadian trade figures been reconciled as a result of the special study initiated by the United States Department of Commerce and the Department of Industry, Trade and Commerce and designed to overcome a substantial difference in totals between the statistics of the respective departments?

Mr. Herb Breau (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Statistics Canada reports that statistics published by the United States and Canada for their merchandise trade with each other have been reconciled for the years 1970, 1971 and 1972 by Statistics Canada and the Census Bureau of the United States. The results were reported in press releases issued by Statistics Canada on January 10 and November 6, 1973. A detailed report on the reconciliation of statistics for 1970 has been published and is available from the External Trade Division, Statistics Canada. The Joint Task Force will begin shortly to reconcile 1973 figures.

EVERGREEN DEVELOPMENT LTD.—MEMBERS OF BOARD OF DIRECTORS

Question No. 3,322—**Mr. Rowland:**

What are the names of the present members of the Board of Directors of Evergreen Development Ltd., 259 Portage Avenue, Winnipeg, Manitoba, which has entered into bulk-leasing arrangements with the government?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): According to Section A of the Corporations and Labour Unions Returns Act form filed with Statistics Canada, a copy of which is also filed with the Department of Consumer and Corporate Affairs, the directors of Evergreen Development Ltd. of Winnipeg, Manitoba as of December 31, 1972 were as follows: W. A. Rozecki; G. M. Lien; M. M. Meltzer; E. I. Essers.

PRIVY COUNCIL OFFICE—PERSONNEL HANDLING QUESTIONS ON ORDER PAPER

Question No. 3,366—**Mr. Cossitt:**

1. What are the names and job designations of all persons in the Privy Council Office who deal in any way whatsoever with the handling of questions placed on the Order Paper by Members of Parliament and, in each case, what is the approximate percentage of their work day spent on this assignment?

2. Have there been any additions to this list of persons since the beginning of the current session of Parliament and, if so, what are the additions and on what dates were they made?

3. Have there been any deletions to this list of persons since the beginning of the current session of Parliament and, if so, what are the deletions and on what dates were they made?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): 1. Miss Denise Paquette, Chief, Parliamentary Enquiries and Coordination Division; Mr. Gilles Guimond, Assistant Chief; Mrs. Georgette Roy, CR-4; Miss Louise Lavigne, CR-3; Mr. Ronald Régimbald, CR-3; Mr. Luc Lajoie, CR-3; Miss Lise Jubinville, CR-2; Miss Louise Simard, ST-2; Miss Lynn MacAulay, (contract CR-3). The Parliamentary Enquiries and Coordination Division of the Office of the President of the Privy Council performs the control function over parliamentary returns for Questions on the Order Paper and Notices of motions for the Production of Papers on a full time basis.

2. Mr. Gilles Guimond, December 7, 1973; Mr. Ronald Régimbald, May 1st, 1973; Mr. Luc Lajoie, July 3, 1973; Miss Lise Jubinville, January 26, 1973; Miss Louise Simard, June 25, 1973; Miss Lynn MacAuley, September 17, 1973; Miss Debra Laplante, March 13, 1973; Miss Francine St-Laurent, February 16, 1973.

3. Mrs. Lise Horton, June 1st, 1973; Mrs. Françoise Laroche, April 16, 1973; Miss Francine St-Laurent, June 16, 1973; Miss Debra Laplante, May 8, 1973.

Order Paper Questions

QUESTIONS PASSED AS ORDERS FOR RETURNS

INFORMATION CANADA—RESEARCH EXPENDITURES

Question No. 129—**Mr. Nystrom:**

1. What was the total amount of money spent in each of the fiscal years 1968-69, 1969-70, 1970-71, 1971-72 by Information Canada on contracts to outside persons and organizations for research, development and other consulting services?

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

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

4. What are the names and addresses of outside persons and organizations who were awarded contracts for research, development and other consulting services in the current fiscal year, what are the amounts of money involved in each case and what is the purpose of each contract?

Return tabled.

DEPARTMENT OF CONSUMER AND CORPORATE AFFAIRS—NUMBER OF LITIGATION CASES

Question No. 2,245—**Mr. MacKay:**

What is the number of cases the Department of Consumer and Corporate Affairs litigated against involving the auto and petroleum industry since 1950 (a) what was the percentage won and lost (b) what were the names of corporations charged with brief summaries of the cases?

Return tabled.

EXPENDITURES RELATING TO NON-MEDICAL USE OF DRUGS BY PROVINCE 1968-1972

Question No. 2,371—**Mr. McKinnon:**

By province, for each year 1968 to 1972, what were the expenditures for (a) contributions to support innovative projects dealing with the non-medical use of drugs (b) contributions to support research sociological studies dealing with the non-medical use of drugs?

Return tabled.

MAINTENANCE OF CANADIAN MILITARY FORCES ABROAD

Question No. 2,610—**Mr. Forrestall:**

1. In what countries does Canada maintain military forces?

2. How many Canadian Armed Forces personnel are in each of these countries in (a) military (b) civilian components?

3. For each of the above, what has been the cost of operating and maintenance for the fiscal years 1971-72, 1972-73 and 1973-74?

Return tabled.

EXPENDITURES BY AGRICULTURAL STABILIZATION ACT, 1969-72

Question No. 3,014—**Mr. Wise:**

1. What was the total amount of money expended under the Agricultural Stabilization Act during each year 1969, 1970, 1971 and 1972?

2. By province, what was the total amount of money received by producers during each of these years?

3. By province, what was the total amount of money expended for each commodity covered under the Act during each of these years?

Return tabled.

DEPARTURES OF NATIONAL DEFENCE AIRCRAFT FROM SANDSPIT, BRITISH COLUMBIA

Question No. 3,070—**Mr. Howard:**

During the month of October, 1973, did any aircraft under the authority or ownership of the Department of National Defence depart from the DOT airport at Sandspit, British Columbia and, if so, with respect to each such aircraft what was (a) the type of aircraft (b) the date of each departure (c) the nature and purpose of each flight (d) the name, rank held by, if applicable, and country of attachment of each person aboard each such flight and was each such person (i) a member of the crew of the aircraft (ii) a passenger?

Return tabled.

LANDINGS OF NATIONAL DEFENCE AIRCRAFT AT SANDSPIT, BRITISH COLUMBIA

Question No. 3,071—**Mr. Howard:**

During the month of October, 1973, did any aircraft under the authority or ownership of the Department of National Defence land at the DOT airport at Sandspit, British Columbia and, if so, with respect to each such aircraft what was (a) the type of aircraft (b) the date of each landing (c) the nature and purpose of each flight (d) the name, rank held by, if applicable, and country of attachment of each person aboard each such flight and was each such person (i) a member of the crew of the aircraft (ii) a passenger?

Return tabled.

PUBLIC SERVICE—ADMINISTRATIVE TRAINEE EXAMINATIONS

Question No. 3,120—**Mr. Forrestall:**

1. How many persons wrote the Administrative Trainee exams recently held for entrance to the Public Service of Canada (a) by city in which they were held (b) by official language selected?

2. How many positions are to be filled from the successful applicants?

3. What funds were allocated and spent to ensure that these were fully known in advance to various university students in Canada?

4. What is the policy of the government with respect to making these exams public through use of university newspapers and posters on various campuses in Canada?

Return tabled.

ORAL QUESTION PERIOD

[*English*]

ENERGY

OIL—POSITION OF SAUDI ARABIA RESPECTING SHIPMENT TO CANADA

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I wish to direct a question to the Minister of Energy, Mines and Resources. On December 6 he categorically told the House that he had been told by Sheik Yamani of Saudi Arabia that Canada was not on the embargo list so far as Saudi Arabia was concerned. Since this seems to conflict with what the Sheik has said very recently in public, can the minister tell us whether Canada is now listed as a specially embargoed destination by the government of Saudi Arabia because the oil might be trans-shipped to the United States?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I was informed that the Sheik was reported to have said that on television last night. We had inquiries made this morning. While it was not possible to reach the Sheik himself, one of his staff was contacted and he confirmed, as the Sheik confirmed to me last week, that the name of Canada was not on the unfriendly list and that we remain on the neutral list. I gather that the Sheik said last night that they were concerned about the possible diversion of Saudi Arabian oil to the United States. Our intention is to follow this up again with the government of Saudi Arabia in order to point out that oil coming to Portland for transport through the pipeline can really go practically to no other destination but Canada, and also to point out that there has not been a diversion of Arabian source oil from Canada to the United States.

● (1430)

Mr. Stanfield: Do I take it from the minister's reply that we are now in fact cut off by Saudi Arabia as far as oil supplies are concerned unless we can satisfy the government of that country with respect to trans-shipment of Arab oil to the United States? Are we cut off at the present time?

Mr. Macdonald (Rosedale): Mr. Speaker, I might say it is because we are uncertain of the exact position of Saudi Arabia, in light of this recent statement, that we are going to confirm that. I hope to be able to know more definitely in a couple of days what the position of that government is.

Mr. Stanfield: Can the minister tell the House whether to his knowledge any oil has in fact been shipped from Saudi Arabia destined to Canada since late October?

Mr. Macdonald (Rosedale): Mr. Speaker, my understanding is that the last oil received—I think it was by the Irving refinery—was in the third week of November. What the actual date of shipment would be I could not be certain. That refinery is supplied by Saudi Arabian and Iranian sources and I am informed it has been kept whole. On the question of other shipments, of course we have known for some time that they would refuse to deliver to Portland, so I think I can confirm fairly accurately that no Saudi Arabian oil has come through Portland to Montreal.

OIL—EFFECT OF LACK OF SHIPMENTS FROM SAUDI ARABIA ON ESTIMATED SHORTFALL

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, I have a supplementary question. In view of the Sheik's declaration last night, which made it pretty evi-

dent that we are on the neutral list or embargo list and have not received Arab oil since October 19, how does that affect the minister's estimate of a 200,000 barrels per day shortfall? Has this fact been included in the minister's estimate or not?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I might point out that I have the Sheik's "W5" text in front of me and he did not say what the hon. gentleman attributes to him. As to whether or not it will add to the shortfall, it could if it is the policy of Saudi Arabia not to ship even to Canadian ports as opposed to Portland.

Mr. Lawrence: Can the minister tell the House if the Shaheen Come-By-Chance refinery is included in this cut-off list or are they getting Arab oil?

Mr. Macdonald (Rosedale): Mr. Speaker, they have received a shipment, but from Kuwait.

POSITION OF ARAB COUNTRIES ON SHIPMENT OF OIL TO COME-BY-CHANCE REFINERY

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I have a supplementary question. In view of the fact the Come-By-Chance refinery was dependent to a very large extent on Middle Eastern oil as well as some Nigerian oil, and in view of the fact that this oil was for processing and trans-shipment to the United States, have the Middle Eastern countries indicated to the government that they will not allow oil to go to the Come-By-Chance refinery unless it is to be used exclusively for Canadian purposes?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, they have not specifically made that point with regard to the Come-By-Chance refinery, although it is a fair inference from what has been said that if crude oil from Arab states is diverted from Canada to embargoed states the crude oil source could be shut off if that practice occurred.

Mr. Douglas: In view of the fact the minister has had some discussions with Mr. Shaheen, was it intimated to Mr. Shaheen that he would not get oil if it was going to be trans-shipped to the United States? Is that the reason for Mr. Shaheen's decision to allow Canadians to have 100,000 barrels per day?

Mr. Macdonald (Rosedale): Mr. Speaker, Mr. Shaheen seemed to understand this disability very well.

POSSIBLE GUARANTEE BY CANADA THAT SAUDI ARABIAN OIL WILL NOT BE DIVERTED TO UNITED STATES

Hon. Paul Hellyer (Trinity): Mr. Speaker, I have a supplementary question for the Minister of Energy, Mines and Resources. If the only impediment to the shipment of Saudi Arabian oil to Canada is a guarantee on the part of the government of Canada that none of the oil products from that crude will be diverted to the United States either directly or indirectly, is the government of Canada willing to give that guarantee?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I think we would like to explore the position very definitively with the Saudi Arabian government. As we have indicated at times in the past, we are not prepared to be subjected to pressure of this kind, particularly if it relates to a good customer of ours.

Mr. Speaker: Order, please. The hon. member for High Park-Humber Valley is rising on a supplementary. He will be recognized and then the hon. member for Winnipeg North Centre.

REASON FOR STATEMENT BY PRIME MINISTER LAST THURSDAY

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, my supplementary question is for the Prime Minister. Having regard to the statements made by the Minister of Energy, Mines and Resources on Friday, December 7, that pricing mechanism, consumer subsidization and pricing legislation are all subjects for discussion at the first ministers' conference in January, can the Prime Minister tell the House why suddenly on Thursday of last week he felt it fit to intervene in the debate on the allocation bill to make a statement involving the sudden appearance of a so-called government energy policy?

Mr. Speaker: Order, please. It seems to me this is argument and debate rather than a question.

Mr. Jelinek: Mr. Speaker, I rise on a point of order. According to *Hansard*, on December 7 the Minister of Energy, Mines and Resources avoided no less than nine times answers to energy questions by simply stating they would come up for discussion at the first ministers' conference in January. I should like to know if the Prime Minister can tell the House whether he made his statement because he disagrees with his minister of whether he made his statement last Thursday simply to pacify the New Democratic Party.

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

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, my question is for the Minister of Veterans Affairs but since he has just stepped out perhaps I might be recognized when he returns.

* * *

[*Translation*]

FINANCE

GOVERNMENT GUARANTEED LOANS TO SMALL BUSINESSES—REQUEST THAT MAXIMUM BE INCREASED

Mr. Henry Latulippe (Compton): Mr. Speaker, my question was intended for the hon. Minister of Finance, but since he is absent I shall direct it to the right hon. Prime Minister.

Would he advise the House of the progress made in the consultations to assist small businesses to obtain loans from the chartered banks? Under these circumstances, will

the $25,000 loan ceiling be raised so that small businesses may benefit more from this law?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I shall be pleased to refer this question to the hon. Minister of Finance who will certainly report to the hon. member as soon as it is possibly feasible.

* * *

[*English*]

ENERGY

OIL PIPELINE EXTENSION TO MONTREAL—INQUIRY AS TO PLACING OF ORDER FOR STEEL OR PIPE—DATE OF COMMENCEMENT OF CONSTRUCTION

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I should like to direct a question to the Minister of Supply and Services regarding the Montreal pipeline. In fact has there been an order placed in terms of acquiring steel and/or pipe? Has an order been placed yet?

[*Translation*]

Hon. Jean-Pierre Goyer (Minister of Supply and Services): Not to my knowledge, Mr. Speaker.

[*English*]

Mr. Alexander: Can the minister advise whether the government has determined the size of the pipe that is required and, further, can he advise when the government intends to see that the pipeline is started?

[*Translation*]

Mr. Goyer: This whole question is still under review, Mr. Speaker.

[*English*]

Mr. Alexander: In light of the speculation in the city of Hamilton involving the Steel Company of Canada, can the minister advise whether he has been in touch with the Steel Company of Canada with respect to the size of the pipeline, the time of commencement of construction, and the ordering of steel and/or pipe, or whether in fact the obligation with respect to the supplying of steel will be shared by anyone else? Can he answer any of these questions so that we can have something of substance rather than the speculation now existing in the city of Hamilton?

[*Translation*]

Mr. Goyer: Mr. Speaker, I know that my department's officers are still at the discussion stage with those of the Department of Energy, Mines and Resources. No negotiation has yet been started with the companies.

[*English*]

AMOUNT OF WESTERN CRUDE OIL THAT CAN BE MOVED FROM ONTARIO TO QUEBEC MARKET—EFFECT OF TRANS MOUNTAIN PRODUCTION ON ESTIMATED SHORTFALL

Mr. Peter C. Bawden (Calgary South): Mr. Speaker, my supplementary question is for the Minister of Energy, Mines and Resources. On November 28 the minister told the House that it was his estimate that 40,000 to 60,000 barrels per day of western crude oil could move from Ontario to the Quebec market. In view of the fact industry people have said in the past week that this is pure fantasy, would the minister say whether it is pure fantasy?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, there is a difference of opinion in this regard between officials of the Department of Transport and my department and of the industry. There is a feeling within government circles that with certain physical changes in the system, plus the kind of direction that could be given by the energy resources allocation board, a higher rate of throughput could be achieved.

● (1440)

Mr. Bawden: Mr. Speaker, if I may use the minister's words, he has said there are some facts upon which reasonable men can differ. Can the minister say whether it is true that the Trans Mountain Pipe Line is now putting through some 50 per cent more volume for eastern markets, the volume having risen from 50,000 barrels a day to 75,000 barrels a day or an amount of 875,000 gallons per day, and will this amount take care of the entire shortfall that he projected some weeks ago?

Mr. Macdonald (Rosedale): Mr. Speaker, I would have to check the hon. member's figure on throughput. The figure with regard to shortfall was a prospective one and it could be, as has been indicated today, even greater if there are certain international complications.

* * *

VETERANS AFFAIRS

INCREASES IN WAR VETERANS ALLOWANCES, OLD AGE SECURITY AND GUARANTEED INCOME SUPPLEMENT—ACTION TO PREVENT OFFSETTING

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I now direct my question to the Minister of Veterans Affairs. As there are to be increases in January in old age security and the guaranteed income supplement on the one hand and in the war veterans allowance on the other, are the necessary steps being taken so that veterans who are on both will receive both and not have one set off against the other?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Mr. Speaker, those necessary steps are being taken.

INCREASES IN WAR DISABILITY PENSIONS AND VETERANS ALLOWANCES—ACTION TO PREVENT OFFSETTING

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I ask the minister if similar action will be taken with respect to those who are on both the war disability pension under the Pension Act and on the war veterans allowance? Since each of these will be escalated in January, will veterans on both receive both increases?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Mr. Speaker, this is a matter which has been

looked at previously, and veterans will be receiving this. There may be some cases in which, possibly, the war veterans allowance will be classed as income and in that way it may be denied, but this is subject to income assessment.

EXEMPTION FROM INCOME OF PARTIAL DISABILITY PENSION INCREASES INCLUDED WITH WAR VETERANS ALLOWANCE PAYMENTS

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, may I direct a supplementary question to the Minister of Veterans Affairs. Has the minister taken any action to exempt from income increases in disability pensions for those veterans who are receiving partial disability pensions in their war veterans allowance payments?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): I think the hon. member knows that these allowances have an income ceiling attached to them. Therefore, when veterans are in receipt of disability pensions such pensions have to be classed as income.

* * *

[*Translation*]

LABOUR RELATIONS

PROGRESS TOWARD SETTLEMENT OF RAILWAY EMPLOYEES' DISPUTE

Mr. Roland Godin (Portneuf): Mr. Speaker, I should like to put a question to the hon. Minister of Transport.

Since the 100,000 non-operating railway employees who went back to work after the strike last summer are still waiting for the results of the arbitration ordered by special legislation of Parliament, can the hon. Minister of Transport, who is an expert on work standards, tell us how the negotiations related to these employees are going and whether he intends telling us about their results in the near future?

Hon. Jean Marchand (Minister of Transport): The hon. member who is well acquainted with the Portneuf workers and the unions, is well aware of the fact that this report is to be made to the Minister of Labour.

* * *

[*English*]

ENERGY

OIL—GOVERNMENT PROPOSALS FOR DOMESTIC PRICING POLICY

Mr. Doug Neil (Moose Jaw): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. On Friday the minister told the House that many aspects of the new energy policy will be discussed at the January first ministers' meeting. Can the minister now tell the House if the government has a specific proposal for a domestic pricing policy and, if so, when will it be announced?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, we will be bringing forward some alternative proposals in this regard to the conference.

Mr. Neil (Moose Jaw): Does the government now have a definite pricing mechanism to incorporate in legislation and, if so, when can it be expected?

Mr. Macdonald (Rosedale): Mr. Speaker, I answered that question on Friday.

REQUEST FOR ASSURANCE AGRICULTURAL INDUSTRY WILL HAVE ADEQUATE SUPPLIES OF PETROLEUM PRODUCTS NEXT YEAR

Mr. Jack Murta (Lisgar): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. Since the agricultural industry is one of the largest users of petroleum in the country, can the minister assure the agricultural industry, especially east of the Ottawa Valley, that there will be adequate supplies of petroleum for the upcoming 1974-75 crop?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, one of the critical questions would be the early support of the hon. gentleman and his colleagues for the Energy Resources Allocation Board bill.

FIGURE TO WHICH PRICE OF DOMESTIC OIL MAY BE ALLOWED TO RISE TO ENSURE TAR SANDS DEVELOPMENT

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, my supplementary question is for the Prime Minister. In view of the Prime Minister's recent statement that the price of domestically produced oil must be allowed to rise to a level high enough to allow for speedy development of the tar sands, can the Prime Minister indicate what figure he had in mind inasmuch as the current estimate of the level would be approximately $10 per barrel?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the figure we have in mind is one we will be discussing with the provinces at the January conference.

Mr. Yewchuk: Can the Prime Minister indicate what date he has in mind by which this level will be reached for Canadian produced crude oil?

Mr. Trudeau: Mr. Speaker, the hon. member will have to understand that we do not want to act unilaterally and be accused of doing that, and that we have to bring to the provinces the discussion of these matters. This will be done in January.

* * *

CAPE BRETON DEVELOPMENT CORPORATION

ACTION TO INCREASE PAYMENTS TO PRERETIRED COAL MINERS

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, my question is for the minister responsible for the Cape Breton Development Corporation. In light of the

fact the hon. member for Cape Breton-East Richmond and I have been protesting to this and previous ministers for some years that the amount received by preretired coal miners has never been adequate—I might add, with some success in the case of the present minister—may I ask if during the recent session with Mr. Tom Kent, President of Devco, this question was discussed? If so, what action was taken, keeping in mind that even with a cost of living escalation these forcibly retired coal miners are still not receiving enough to get by on?

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Mr. Speaker, with regard to the largest number who are preretired I think I indicated to the House some time ago, and certainly discussed with the president of the corporation, the fact that the corporation would have the government's approval if it were to move to the same arrangement as exists with old age pensions. That would be to escalate their pensions not so much by 2 per cent but in accordance with the cost of living index once the necessary legislation has passed the House, which presumably will be in a short time as it is now in the other place. In addition, of course, during the past few months there was a substantial increase in preretirement leave and other benefits. There are one or two specific anomalies with regard to certain individuals, which I have discussed at great length with the hon. member for Cape Breton-East Richmond and will also be prepared to discuss with the hon. member and which we are trying to iron out in the interests of equity.

* * *

GRAIN

RAPESEED MARKETING PLEBISCITE—MAILING OF ADDITIONAL BALLOTS TO PRODUCERS

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, may I direct a question to the minister in charge of the Wheat Board. With regard to the vote on rapeseed marketing which has been under way since December 4 and the ballots that have been sent to producers, may I ask the minister whether ballots are being mailed now to other producers, in addition to the 36,000 to whom ballots were sent, for December delivery? How many additional ballots are being sent out?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, the figure originally used, in the order of 36,000 and some ballots, is the total number known to us to be eligible. As I understand it, this is the number now being sent out. There was an original number sent out and it was found that some additional ones were left out. These have gone out later. Therefore, ballots postmarked January 4 will be the deadline for receipt of ballots.

Mr. Gleave: Can the minister tell the House how many additional ballots are being sent out and whether all producers will now have until January 4 to complete sending in their returns? Can he assure the House that, indeed, all those producers who should receive ballots are going to receive them?

[Mr. Muir.]

Mr. Lang: Mr. Speaker, the deadline of January 4 for returning ballots applies to all producers, so that the deadline is extended for all. Obviously, we attempted to make sure that everyone who should get a ballot obtained one. We publicized the fact that the material and ballots were going out so that we could receive information from producers if they did not receive them. I would have to obtain the exact number for the hon. member.

● (1450)

Mr. Les Benjamin (Regina-Lake Centre): May I ask the President of the Privy Council whether he will hold discussions with the Chief Electoral Officer and request that in the electoral district of Saskatoon-Humboldt a line for use by undecided voters be provided on the ballots?

* * *

ENERGY

SOURCE OF INFORMATION LEADING TO DECISION TO EXTEND PRICE FREEZE ON WESTERN CRUDE OIL

Mr. Joe Clark (Rocky Mountain): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources arising from the minister's statement on Friday that the technical advisory committee and its recommendations are to be used only in situations of crisis. Can the minister tell the House the source of the information included in the Prime Minister's speech on energy last Thursday?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): I am not sure to which aspect of the speech the hon. gentleman is referring but in principle the source of the information is my department and the National Energy Board.

Mr. Clark (Rocky Mountain): To be more precise, can the minister tell us the source of the expert and detailed information which led to the Prime Minister's decision concerning the price freeze and the announcement of policy in that connection?

Mr. Macdonald (Rosedale): I think the hon. gentleman may be aware that there has been widespread opposition throughout the country to increasing prices in the western part of the market at a time when there has been no identifiable increase in the cost to the Canadian producing industry.

Some hon. Members: Hear, hear!

Mr. Macdonald (Rosedale): The judgment of the federal Liberal caucus in that regard was the determining factor.

Some hon. Members: Hear, hear!

Mr. Clark (Rocky Mountain): Am I correct, then, in assuming that the source of the recommendation with respect to the price freeze was that corner of the House which was the loudest when the minister made his comments?

NATIONAL REVENUE

INQUIRY AS TO COLLECTION OF AMOUNTS OWING BY JOHN C. DOYLE

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, in the absence of the Minister of National Revenue I should like to ask the acting minister a question concerning the accounts due to the Department of National Revenue by that notorious refugee from justice, John C. Doyle. It was said some months ago in answer to a question in the House that some settlement had been arranged in connection with the millions of dollars owing by him for income taxes. I would ask the minister to tell the House, now that Doyle is in custody, whether the government has collected the enormous amounts on which this man was in default?

Hon. Herb Gray (Acting Minister of National Revenue): I shall be happy to take notice of that question and bring it to the attention of my colleague.

Mr. Diefenbaker: I am just wondering whether Mr. Doyle is still the pampered pet of the Liberals as he was under Smallwood and Pickersgill.

Mr. Eldon M. Woolliams (Calgary North): I have a supplementary question for the Minister of Justice. Since Doyle has now been charged, and has enjoyed the weekend in what we commonly call the crowbar hotel, would the minister be prepared to negotiate with the United States authorities with a view to trading Doyle, who is wanted in the United States, for Banks, who is also a fond friend of the Liberal party, and bring Banks back to justice?

Some hon. Members: Hear, hear!

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UNEMPLOYMENT INSURANCE

POSSIBILITY OF CHARGING EMPLOYERS AND EMPLOYEES EMPLOYMENT RATED PREMIUMS

Mr. Don Blenkarn (Mississauga): Mr. Speaker, my question is to the Minister of Manpower and Immigration. Has the minister received from the Unemployment Insurance Commission a proposal, a brief or a proposition in connection with charging employers and employees employment-rated premiums for unemployment insurance much in the same way that the Workmen's Compensation Board charges employers employment or danger-rated premiums in connection with payments to that fund?

Hon. Robert K. Andras (Minister of Manpower and Immigration): I do not recognize any brief or submission in the terms the hon. member has described but I shall certainly inquire. He may be referring to serious discussions which took place and which concern part of the present act in connection with merit-rated premiums, a part of the act that has not yet been proclaimed.

ALLEGED PAY SUPPLEMENTS BY EMPLOYERS TO EMPLOYEES PRIOR TO LAY-OFFS TO ENSURE MAXIMUM BENEFITS

Mr. Don Blenkarn (Mississauga): Is the minister aware that a great number of employers are using the unemployment insurance fund to supplement or handle employees during lay-off periods and are topping up pay prior to lay-offs so that employees may receive the maximum possible benefits from the fund during the period of lay off?

Hon. Robert K. Andras (Minister of Manpower and Immigration): I would be very grateful to the hon. member for any specific information he may have on this matter. I can assure him that whenever such indication has been given we have conducted investigations. I shall be very glad to co-operate with the hon. member if he will co-operate with me by providing this information so we can act.

* * *

ENERGY

USE OF TANKERS TO TRANSPORT OIL VIA ST. LAWRENCE SEAWAY

Mr. J. Trevor Morgan (St. Catharines): Mr. Speaker, I have a question for the Minister of Transport. In the light of statements by the Minister of Energy, Mines and Resources and the Prime Minister that the supplying of crude oil to eastern Canada was one of the major problems and that the government recognized it in August and September, can the hon. gentleman tell us why it took until the middle of November before any priority was given to oil tankers passing through the St. Lawrence Seaway system, although it was known that the seaway would be closed down within four weeks?

Hon. Jean Marchand (Minister of Transport): I think that from August, 1973, to date there has been a constant increase in the amount of oil moved through the St. Lawrence and the seaway, rising from 15,000 tons to 300,000 tons.

Some hon. Members: Hear, hear!

Mr. Morgan: When was the order given that oil tankers moving through the St. Lawrence Seaway system should be given priority?

Mr. Marchand (Langelier): I cannot say exactly, Mr. Speaker, but it was surely several weeks ago.

Mr. Morgan: About the middle of November, yes?

Mr. Hees: At least two weeks ago.

Oral Questions

[*Translation*]

AGRICULTURE

MILK PRODUCTS—SUPPLIES VIS-À-VIS NEEDS—POSSIBLE AMENDMENT OF DAIRY POLICY

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

In view of the public concern regarding a possible lack of milk products, could the minister inform the House about the present situation in that field? Does the rate of production meet the country's needs right now?

[*English*]

Hon. E. F. Whelan (Minister of Agriculture): Well, Mr. Speaker, we know that production in the month of October showed some improvement, but over the whole of the year the production of milk is down by 5.9 per cent across the nation. That means we shall have to find sources of supply. We have found sources of supply for some of the products we need, mainly butter from New Zealand and other countries. We shall have to import that product. Economic factors are not the only thing keeping people in the dairy business—we know that—but they are important.

[*Translation*]

Mr. Lambert (Bellechasse): Mr. Speaker, in view of the constant rise in the production cost in this field, can the minister tell us if he will suggest changes in the milk policy and a price increase so as to encourage such production in Canada?

[*English*]

Mr. Whelan: On Friday, Mr. Speaker, I met the national dairy consultative committee for the nation and discussed this very matter.

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ENERGY

DISCUSSION AND DEBATE OF ENERGY ANALYSIS—REQUEST THAT POLICY STATEMENT BY PRIME MINISTER BE REFERRED TO NATURAL RESOURCES COMMITTEE

Mr. Keith Taylor (Churchill): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. In view of various government statements that the energy analysis tabled last June would provide a basis for public discussion and debate, can the minister tell the House whether, since then, any formal public discussions and debates have been held?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): I wonder where the hon. member has been in the last six months.

Mr. Taylor: Having regard to the fact that the Standing Committee on National Resources and Public Works has not met for six months, will the minister refer the Prime Minister's statement of last Thursday to that committee for discussion and debate?

Some hon. Members: Hear, hear!

[Mr. Hees.]

Mr. Macdonald (Rosedale): I would point out to the hon. gentleman that committee discussion took place in the committee on miscellaneous estimates which has focused on this subject.

Some hon. Members: Oh, oh!

● (1500)

Mr. Macdonald (Rosedale): Second, Mr. Speaker, the Standing Committee on National Resources and Public Works does have an order of reference at the present time. If opposition members had been interested in such a discussion, such a discussion could have been held.

[*Later:*]

Mr. Speaker: Is the hon. member for Calgary Centre rising on a point of order?

Mr. Andre: Yes, Mr. Speaker. The Minister of Energy, Mines and Resources said that there was no call for the Standing Committee on National Resources and Public Works to meet. For the benefit of the House may I say that is untrue. I requested the vice-chairman to hold a meeting of the subcommittee of this committee so we could call a meeting, but so far the request has been denied.

* * *

TRANSPORT

SHORTAGE OF BOXCARS FOR BRITISH COLUMBIA LUMBER—GOVERNMENT ACTION

Mr. Harry Olaussen (Coast Chilcotin): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce. As I understand it, the Minister of Transport recently assured the House that Canadian National, the British Columbia Railway and Canadian Pacific ordered railway cars for lumber movement at the beginning of the year. In view of the very critical shortage that now exists in British Columbia, can the minister inform the House what plans he has implemented for the manufacture of boxcars, and what plans the government has for the future?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I am not sure that I understand the question. Private industry, of course, manufactures boxcars in Canada.

Mr. Olaussen: Mr. Speaker, may I direct this question to the Minister of Transport, please?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I have said again and again that we were doing all we could to supply boxcars to the lumber companies of British Columbia. The position of the British Columbia Railway is to rely on the CNR and CPR to have boxcars. They did not order boxcars for years before this present crisis. Last year the industry itself forecast an increase of 6 per cent, when actually the increase is 18 per cent. The lumber companies refused to co-operate with the railways in regard to not keeping cars 40 days but 14 days, which is the average in Canada. If the hon. member can convince

the lumber companies to take care of their own interests, perhaps we can convince the railways to do the same.

Mr. Speaker: Order, please. I bring to the attention of hon. members that we will be running short of time very soon.

Mr. Olaussen: Mr. Speaker, I direct my supplementary to the Minister of Transport. What progress has there been in consultation with the government of British Columbia regarding the critical shortage of boxcars in that province, and is any action being contemplated by the federal government?

Mr. Marchand (Langelier): Mr. Speaker, I think that the government of British Columbia has exactly the same problem that we have. We cannot build boxcars overnight. If we want more boxcars in B.C., this House will have to tell us from which part of Canada we are going to remove boxcars.

Mr. Speaker: The Chair recognizes the hon. member for Prince George-Peace River on a supplementary and then the hon. member for Yukon.

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, I should like to ask the Minister of Transport whether it is not a fact that the railroads are actually phasing out more boxcars than they are putting into service these days, and that an order for only a thousand boxcars has been given to solve the great problem we have in this country in regard to wheat and lumber movements. When can we expect some action?

Mr. Marchand (Langelier): Mr. Speaker, I think there are not far from 1,000, perhaps more, boxcars that are now being repaired by Canadian National. I hope CPR will do the same and will not ask to be paid in advance of repairing the boxcars. We can have boxcars if hon. members are ready to accept the fact that we must remove boxcars from the grain movement and send them to British Columbia for lumber movement.

Mr. Speaker: Order. The hon. member for Yukon.

Mr. Nielsen: Mr. Speaker, I guess the Minister of Supply and Services must have anticipated I was going to ask him a question because he has left the chamber.

* * *

ENERGY

NATURAL GAS—SUGGESTED PIPELINE FROM SABLE ISLAND TO NOVA SCOTIA—GOVERNMENT POSITION

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I wish to direct my question to the Minister of Energy, Mines and Resources. In view of the fact Premier Gerald Regan, in an interview at Province House, Nova Scotia, expressed himself as being optimistic about getting federal support for a natural gas pipeline from Sable Island, would the minister inform the House whether there is sufficient gas on Sable Island to warrant a pipeline to Nova Scotia, and will any federal support be provided toward its construction?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, as the hon. gentleman knows, there has been some success with the exploration on Sable Island and on the continental shelf close by. I think it is fair to say that at the moment there is no certainty that the gas could be delivered at the kind of price that would make it attractive to Nova Scotia. This, of course, is a matter dependent upon exploration results.

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[*Translation*]

HOUSING

PROGRESS TOWARD AGREEMENTS ON URBAN RENEWAL PROJECTS

Mr. Jean-Robert Gauthier (Ottawa East): Mr. Speaker, I wanted to put a question to the Minister of State for Urban Affairs but, in view of his absence, I shall address it to his parliamentary secretary.

Could the minister advise the House of the progress achieved or the agreements concluded to this date in connection with the program legislated on by Bill C-133 which is intended to encourage and help the municipalities in achieving their urban renewal projects? The minister announced that $100 million would be available to the provinces in 1973. Could we obtain details on the agreements concluded to this day?

Mr. Ian Watson (Parliamentary Secretary to Minister of State for Urban Affairs): Mr. Speaker, the Minister of State for Urban Affairs met the Ontario ministers in charge of housing and finance today. It seems that at noon the two ministers, Messrs. Basford and Welch, announced that they had concluded a federal-provincial agreement involving expenditures of $26 million this year, under the neighbourhood improvement program.

* * *

[*English*]

LABOUR RELATIONS

POSSIBLE GOVERNMENT GUARANTEE OF LOANS MADE TO MARITIME EMPLOYERS' ASSOCIATION TO MEET TERMS OF SETTLEMENT WITH DOCKWORKERS

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, my question is for the Minister of Transport. Can the minister indicate whether or not he has had any communication from the Maritime Employers Association, whose head office is, of course, in Montreal—

Hon. Jean Marchand (Minister of Transport): Excuse me, did the hon. member say Maritime?

Mr. Forrestall: The association of shipping companies which looks after the hiring of stevedores and so on. Has the minister had any communication from that association with respect to the federal authority assuming the very substantial liabilities in terms of dollars and cents incurred by that association 18 months ago now in connection with the last labour difficulties and the settlement that was arrived at?

Mr. Marchand (Langelier): Mr. Speaker, this is the first time I have heard about this. I will inquire of the department and see whether there was such a communication.

Mr. Forrestall: I wonder whether in the course of his inquiries the minister would determine—

Mr. Marchand (Langelier): Excuse me, Mr. Speaker, I am not contradicting the hon. member, but is he talking about the Maritime Employers Association of Montreal?

Mr. Hees: That is what he said.

Mr. Marchand (Langelier): Excuse me, I did not understand aright. There is a request for help; there is no doubt of that.

Mr. Forrestall: I wonder whether the minister could indicate how the government intends to react to this request?

Mr. Marchand (Langelier): Mr. Speaker, I think we are going to try to help, not in terms of granting any money but in terms of perhaps guaranteeing some loans from the bank so that the company can carry out its obligations under the agreement.

Mr. Speaker: Order. The hon. member might ask a supplementary and then I will call orders of the day.

Mr. Forrestall: I wonder whether the minister would indicate to the House if he has sought very firm advice from the law officers of the Crown as to the procedural capability of the government assuming debts on behalf of private organizations?

Mr. Marchand (Langelier): Mr. Speaker, we have studied this problem very seriously. If the hon. gentleman will refer to the settlement of the Montreal strike some time ago he will see that we committed ourselves to guaranteeing work for the longshoremen at the port of Montreal. If they wish to reduce the pool of longshoremen, then we accept no financial responsibility, but we have to guarantee loans or money borrowed by the Maritime Employers Association in order to solve this problem.

Mr. Speaker: Orders of the day.

● (1510)

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order in respect of the proceedings of the House for today. As hon. members will be aware, there are seven different notices on the order paper for today, and it seems to me it would be useful if the Chair could indicate how we are to proceed. Three notices are in respect of motions that could be debated starting now. One of these motions is in the name of the Leader of the Opposition (Mr. Stanfield), a motion of non-confidence in the government, and the other two are in the names of the hon. member for Oshawa-Whitby (Mr. Broadbent) and the hon. member for Calgary North (Mr. Woolliams), both of which relate to concurrence in the Sixth Report of the Standing Committee on Miscellaneous Estimates.

We had some discussions about these two motions last Thursday, and I would say, Sir, that in spite of the importance of the housing question which they raise, no one would contend that they should take priority today over the non-confidence motion presented by the Leader of the Official Opposition. That, of course, is for Your Honour to rule under the terms of Standing Order 58(4)(b).

Some hon. Members: Oh, oh!

Mr. Knowles (Winnipeg North Centre): I hear some objections from my friends to the right. My purpose in raising this point is that it seems to me it would be helpful if Your Honour had any suggestion as to when either of those motions respecting housing might be debated, and by "when" I mean on what day or under what order they might be debated. I assume that we shall proceed today with the motion in the name of the Leader of the Opposition.

Apart from those three motions, Sir, there are four which would seem to come up for consideration at 9.45 tonight. Again, I think it would be useful if we knew at this stage how we are to proceed. To begin with, there is a notice of opposition filed by the hon. member for Yukon (Mr. Nielsen) under Standing Order 58(4)(a) which in my submission is faulty. It is not a notice of opposition to an entire item, but rather a notice of opposition in respect of $16,999.99 of that vote. The hon. member's motion refers to the salary of the Minister of Energy, Mines and Resources (Mr. Macdonald), minus $1, but the figures in the motion make it minus one cent.

An hon. Member: And that's just about right.

Mr. Knowles (Winnipeg North Centre): I would point out, Sir, that motions are supposed to make sense, and since the $15,000 salary of the minister, and his $2,000 car allowance, are not in the estimates at all but rather in two separate statutes, it seems to me it is faulty, indeed misleading, to try to import that issue into this motion. Indeed, the item in the supplementary estimates to which opposition is taken in part is not even an administrative item of the department but—

Mr. Nielsen: Mr. Speaker, I rise on a question of privilege. The time is rapidly moving along, and all that is happening now is that the time for speeches is being cut down. Surely, the time for this point to be raised is tonight when these motions are called, rather than now.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I am quite prepared to enter caveats now and deal with the matter at 9.45 tonight if that is the wish of the Chair. It did seem to me that these various points should be considered now, so the House would know how we are proceeding today.

An hon. Member: We know how we are proceeding; do you know how you are proceeding?

Mr. Bell: Further to what the hon. member for Yukon (Mr. Nielsen) has said, Mr. Speaker, we realize there may be some controversy about this matter but we were hoping everybody in the House would have the same interest in the motion now before us as we have, and rather than lose time by having a long procedural argument at this stage

prior to your decision, that could be done tonight after the vote.

Mr. Knowles (Winnipeg North Centre): I shall leave it to Your Honour to decide when the matter is to be debated and when Your Honour makes a ruling, but I submit that the notice of opposition is faulty in that it is not a notice of opposition to an entire item.

I also submit that the amendment in the name of the hon. member for Yukon amending the motion put down in the name of the President of the Treasury Board (Mr. Drury) for the reduction of that item is likewise out of order.

Some hon. Members: Order, order!

Mr. Knowles (Winnipeg North Centre): At the point when the motion of the President of the Treasury Board is made there will be no debate and therefore no amendment is in order. I think that even my friends in the official opposition would like to know how we are to proceed today.

Mr. Speaker: The hon. member for Winnipeg North Centre has raised two points, the first relating to the possible order of precedence for consideration of motions which are on the order paper in relation to the business of supply. I am sure all hon. members will agree that priority should be given to the motion in the name of the Leader of the Opposition (Mr. Stanfield), which is a non-confidence motion.

Some hon. Members: Hear, hear!

Mr. Speaker: The hon. member for Winnipeg North Centre has asked a question which may be of interest, but which is not entirely relevant at this particular moment, and that is the question as to when the other two motions standing in the name of the hon. member for Oshawa-Whitby and in the name of the hon. member for Calgary North might be discussed. Assuming these motions were in order they would have to be discussed, debated or considered as supply business on a supply day, but not on this day. That is obvious enough.

I appreciate the other point of the hon. member for Winnipeg North Centre in respect of the motion of the hon. member for Yukon in the form of an amendment to the notice of opposition to vote 20a, but perhaps it would be fair to allow the hon. Leader of the Opposition to proceed with his motion, a caveat having been entered by the hon. member for Winnipeg North Centre, with which I associate myself. I am sure the hon. member for Yukon has some reservations about the procedural acceptability of either or both of these matters, and perhaps this matter can be looked at later this day.

If for any reason the motion in the name of the Leader of the Opposition came to a vote before 9.45 this evening, this might give us an opportunity to look at the procedural question; otherwise, it would be dealt with sometime after ten o'clock this evening.

Energy

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 58—NON-CONFIDENCE MOTION—ALLEGED LOSS TO PUBLIC AS RESULT OF ENERGY POLICY OF GOVERNMENT

Hon. Robert L. Stanfield (Leader of the Opposition) moved:

That this House has lost confidence in the government due to its incompetent, inconsistent and vacillating energy policy which is bringing economic loss to Canada and hardship to the consuming public.

He said: Mr. Speaker, I have half an hour under the rules. The dust was just starting to settle Saturday evening following the two speeches made by the Prime Minister (Mr. Trudeau); one on Thursday and one on Friday, when I turned my radio on shortly after six o'clock and heard the Secretary of State for External Affairs (Mr. Sharp) reported as having said: "The alliance has some tough problems to face but I do not think it is in danger". It took me a few seconds to realize the minister was talking about NATO and not the alliance between the Liberals and the NDP. But one thing the Prime Minister has certainly guaranteed—and indeed, Sir, has gone out of his way to guarantee—is that the alliance which is the confederation of Canada will certainly have some tough problems to face in the days ahead. I intend to focus on some of these problems today in presenting this motion of non-confidence.

● (1520)

[*Translation*]

I want to make it clear that my remarks today are directed to the Canadian people. It is not possible, Mr. Speaker, to speak to the government on questions of principles for it has none. Neither is it possible to address the New Democratic Party for its members are in a rather particular position. After the word of a former prime minister of Great Britain, they are in the position of those who have power without the attendant responsibility. In short, this is a completely new form of parliamentary democracy.

[*English*]

But all that sort of business, aside, Mr. Speaker, nothing is so critical or crucial as the fact that anybody can clearly see where this is leading. The Prime Minister on Thursday last proclaimed the basis for a new national energy policy which was neither his policy—we all know that—nor more important was it a national policy.

Some hon. Members: Hear, hear!

Mr. Stanfield: Sir, it was a hoax and a fraud misrepresented to be misunderstood. I say most emphatically that while we believed before last Thursday there was no reason for us to have confidence in this government, we believe it even more strongly today. Sir Charles Dickens created a character called "The Artful Dodger". The name has a contemporary application with a minor modification. I think a writer chronicling developments of the present government could do worse than describe the Prime Min-

ister as "The Artless Dodger". On Friday the Prime Minister went to British Columbia to make a speech. If he intends to keep on making this kind of speech on a weekly basis his office should get in contact with the television networks again and the networks might be induced to pick up this new Canadian game show which could appropriately be entitled "The Baiting Game". If the offending premier of the region should get baited into a fight the Prime Minister would go into a playoff in which he plays off one part of the country against another.

Some hon. Members: Hear, hear!

Mr. Stanfield: Last Friday the target was the premier of Alberta. The technique was for the Prime Minister to pay tribute to his own foresight and with his impeccable use of language, always eloquent, he said the Premier of Alberta had been caught with his pants down. Well, as to his foresight, the Canadian people realize that the only reason Quebec and the Atlantic provinces are threatened with the oil shortage this winter is that the Prime Minister got caught with his own pants down. Despite years of warning, his government did not extend the pipeline to Montreal. It did not even act to increase storage facilities and build up the supply to a 90-day level as it had been recommended it should do. Surely, it is really strange what the Prime Minister can foresee and what he cannot foresee when it suits his purpose.

In the course of his Thursday explanation of a decision to seek extension of the voluntary freeze on the price of domestic crude, he said that when the freeze was originally set to terminate at the end of January—that is when he announced it in that fashion on September 4—that at that time, according to the Prime Minister's latest scenario, few if any people could have foreseen the sudden rise in international oil prices that would ensue as a result of the Middle East hostilities. That, of course, was a beautifully irrelevant assertion, because that circumstance has nothing to do with the duration of the freeze although it might very well have something to do with the extent of any permissible increase in prices. In fact, the Prime Minister cannot trace back any unexpected world development which should really have changed his commitment announced on September 4. All that has changed has been the Prime Minister's position, and that evidently changed sometime between his television address on November 22 and last Thursday afternoon.

On television he said, "the price freeze in its present form will end in January". Two days prior to the television statement, on November 20, the hon. member for York South (Mr. Lewis) put a question to the Prime Minister about the freeze. In his answer the Prime Minister referred the House to his statement of September 4 to the effect that the government had obtained agreement from the major petroleum companies to accept a voluntary freeze until January 31. The Prime Minister said:

This is the undertaking I gave and this is the undertaking which I believe they—

The companies.

—intend to respect.

I do not intend to blow my horn about foresight when I say I did not believe the Prime Minister, and therefore could not believe the Minister of Energy, Mines and Resources (Mr. Macdonald), on any of the umpteen times they said this original commitment would be honoured.

Some hon. Members: Hear, hear!

Mr. Stanfield: Now, whether or not I trust a statement by the Prime Minister of this country may not be of much importance, but the Prime Minister stressed on Thursday the importance of the development of the energy resources that this country will require in the future. Surely, trust and confidence in prime ministerial statements is important if we are to get on with that job. I know there are some who may assess all this simply as slick politics, and others who, in some warped fashion are saying this is the way to make parliament work. I do not have any sympathy with either point of view because in betraying its word a government without integrity may have purchased a temporary survival in power. I say simply this to those whose concern does not extend to the victims of this particular breach of word,—

● (1530)

Some hon. Members: Oh, oh!

Mr. Stanfield: —I caution them to think about the victims that the next breach of word may bring.

Some hon. Members: Hear, hear!

Mr. Stanfield: I ask the House to think about another large number of victims of the policy announced by the Prime Minister, those Canadians who live in Quebec and the Atlantic Provinces. How will these people feel about these policies? How can any prime minister describe an energy policy as a national policy when it divides the country, when it leaves half the country almost out in the cold, at least until 1980?

Some hon. Members: Hear, hear!

Mr. Stanfield: On Thursday, the Prime Minister said—

An hon. Member: Oh, oh!

Mr. Stanfield: The hon. member had better wait. He may learn something from this.

Mr. Baker: We know him; he won't learn a thing.

Mr. Stanfield: I quote what the Prime Minister said on Thursday:

The Canadian market for oil will no longer be divided in two, one for domestically produced oil and another for imported oil. It will thus be a "one-Canada", not a "two-Canada" oil policy.

That is simply not so, not until 1980, even on the Prime Minister's own statement. We can all agree with the expressed aim of self-sufficiency by the end of the decade. Personally, I have to agree because I have said a number of times that self-sufficiency is desirable. In fact, I think we have it today, except in terms of our ability to distribute the oil.

An hon. Member: You see it differently from where you sit.

Mr. Stanfield: How can the Prime Minister speak about a one Canada policy as though it were some kind of a de facto situation when he says in the same speech:

In moving toward its objective—

That is the objective of self-sufficiency in 1980.

—the government will also wish to maintain a reliable capacity for some continuing export of oil to the United States and a market in Canada for reliable foreign suppliers of oil to us.

Later, he said:

We do not want to cut off our exports and we do not want to reduce imports from reliable suppliers.

In other words, this oil will continue to come to eastern Canada, not at reduced but at world prices, which of course the oil companies will pass on to the consumers, industrial and domestic, in the Atlantic provinces and the province of Quebec.

The Prime Minister does not even tell us the size of the proposed pipeline. Of course, he cannot because he does not know, as was indicated by the Minister of Supply and Services (Mr. Goyer) today. A question was asked of the minister today and he did not know. The pipeline might carry enough to serve half the eastern market, and the other half of the demand will be met by imported crude which now costs some $3 more than the price of domestic crude in Canada. The proposed pipeline to Montreal will presumably provide something like security of supply to Quebec and the Atlantic provinces. It will not create one market for petroleum in Canada. It will not mean the absence of two prices.

The Prime Minister's statement made in the House on Thursday assures the continuation of two oil policies in the country, the continuation of two markets, with the people of the Atlantic provinces and the province of Quebec continuing to be dependent upon imported crude which the Prime Minister does not want to reduce in volume. That is what the Prime Minister said and that is the policy that all those members from Quebec in the Liberal party applauded.

Some hon. Members: Hear, hear!

Mr. Stanfield: They will begin to wake up, and when they really wake up they will realize the extent to which they betrayed their own people in the province of Quebec.

Some hon. Members: Hear, hear!

Mr. Stanfield: In the policy announced by the Prime Minister on Thursday, there is no comfort and no concern for Quebec and the Atlantic provinces. The Prime Minister put it rather neatly from his point of view, I thought, on December 4 when, in replying to my colleague, the hon. member for Cumberland-Colchester North (Mr. Coates), he said:

I think it is pushing it a bit far and it is a little bit much that now those provincial governments expect the federal taxpayers to bail them out when the sheiks of Araby have increased their prices.

I really have to say this, that the only one whom the Prime Minister is interested in bailing out is himself.

An hon. Member: At any price.

Some hon. Members: Hear, hear!

Mr. Stanfield: But I would say to the Prime Minister and those Liberal members from Quebec—because there are very few from the Atlantic provinces among them—

An hon. Member: Tell us your policy.

Mr. Stanfield: My policy is one price.

Some hon. Members: Hear, hear!

Mr. Baker: Try another question.

Mr. Stanfield: Mr. Speaker, this would be enormously funny if it were not so serious for the people they represent over there. I say to the Prime Minister that one thing this so-called national policy does for this country is to divide it, to give an assurance of supply to that half of the country where such an assurance already exists, and to give the back of his hand to the rest. If that is not a two Canada policy, we can only wait to see a better one from the same source.

[*Translation*]

As a result of this policy, the government has split up the country into two markets, one of which is free and the other closed.

Mr. Pelletier (Sherbrooke): Not true.

Mr. Stanfield: It is true. It is important to say—although we seem to be the only ones in this House who have the frankness and the courage to say it—that the part of the country that has the greater need of a guarantee against energy price discrimination is precisely the one which does not get it, because it has been excluded from the government's plans, from its so-called national policies. In a way, it has been left to fend for itself.

It is a sure thing, Mr. Speaker, that this policy will result in a difficult and trying period for many individuals this winter, a promise of continued discrimination for many years, a proof of increasing inequalities, and a guarantee of economic problems for eastern Canada. It is certain that such is now, and will be in the future, the fate of Newfoundland, the Maritimes, and Quebec, if Parliament supports the Prime Minister's (Mr. Trudeau) statement and gives it the appearance of a national energy policy for Canada.

● (1540)

[*English*]

I am curious to know, Mr. Speaker, how this policy that discriminates against the people of the Atlantic provinces and Quebec can be described properly as national. I am curious to know where the members opposite who come from these provinces stand on this question. Yes, they are laughing, but their laughter is already sounding a little hollow.

Some hon. Members: Hear, hear!

Mr. Stanfield: The President of the Privy Council (Mr. MacEachen) isn't here. I am curious to know where he stands on this because I have always believed his leader learned a great deal from him, but apparently his leader did not learn any geography from him.

Some hon. Members: Oh, oh!

Mr. Stanfield: For those who live east of the Ottawa valley it will cost more for home heat, it will cost more to operate automobiles, it will cost more to operate trucks, it will cost more to heat their offices, and will cost more to fuel their industry. Someone says this will be the case everywhere. The Prime Minister promised to keep prices down in the rest of Canada. That is what he indicated he is going to do, but he is going to continue to import high priced, internationally priced oil into the Atlantic provinces and Quebec. This means that not only will that petroleum cost more in absolute terms in those parts of Canada but it will cost more in relative terms, compared with those who live in that part of Canada presently recognized by the Prime Minister and his supporters as being within the boundaries of his national, one-Canada policy.

Some hon. Members: Hear, hear!

Mr. Stanfield: Mr. Speaker, I am genuinely concerned for eastern Canada, for Quebec and the Atlantic provinces. Those sitting on the Liberal benches opposite, and so far as I know those hon. members to my left who, I thought, were genuinely interested in the problems of low income people and in the problems of regional disparity, do not seem to be aware of the economic implications and the social cost of a policy that abandons the interests of eastern Canada in a matter of serious, vital significance to those provinces.

But I must say, and I am also concerned at this, that while the government appears to have gotten some new lease on life, an extended pardon through the charity of a minority in this House, it also seems to have gotten a new lease on its old arrogance. If anything is worse than the Prime Minister's stated policy it is the rhetoric that he is using to defend it. Not only does his policy divide the country, but his rhetoric will divide it further. He gave proof of that in his performance in Vancouver.

Mr. Hees: What a performance!

Mr. Stanfield: He appears to believe it is in the interests of his national policy in this country to divide the east and the west, and to divide the producing provinces against the rest of the country. This is unquestionably the most serious matter contained in the Prime Minister's policy announcement of last Thursday. But there are other serious omissions as well.

The Prime Minister said on Thursday "it would be in the public interest to facilitate early construction" of the Mackenzie valley pipeline "to move Alaskan gas to United States markets and at the same time to make it possible to move Canadian northern gas to Canadian markets." What does he mean? Does he mean that Canadian gas will move through that pipeline only to Canadian markets? No, he does not. He does not say that. He puts it the other way around. He does not want to say that a significant portion of Canadian gas might have to move to the U.S. market to even begin to interest the Americans in waiting for this project and relying on it. He does not say that because it does not suit his purposes.

He passed off the whole question of native rights and environmental concerns in half a sentence. He neglected to mention that the Americans have been watching our performance on these matters. That is one of the reasons they turned down a Mackenzie valley oil line, and they are well along the way to turning down involvement in a gas line unless we are prepared to show them that we are able and willing to settle this question relating to native rights, and to make the Americans some offer that they cannot refuse. I will be interested to hear and to see how my hon. friends to my left react to this so-called policy. I will be most interested indeed to see their vote of confidence in it.

So far as the proposed Canadian petroleum corporation is concerned, the Prime Minister gave us some platitudinous generalities, and we were told that all would be revealed by the minister in the next session of parliament. Mr. Speaker, I must apologize to the Prime Minister because I am afraid I laughed out loud at that part of his speech. Surely, we must know at least one basic thing about this corporation, and there is no reason why we should not know it now. On what terms will this corporation compete with privately-owned companies? If the government has thought all this through, I would expect some minister to be able to answer that question for us in the course of today's debate.

It is obvious that tossing this project into a speech, without spelling out its basic terms of reference and modus operandi, is bound to have a discouraging effect on private planning to help find the energy resources for the future that, I agree with the Prime Minister, are so important to this country. But we don't even know, Sir, the extent to which this proposed Canadian petroleum corporation will be capitalized. At a time when continuing development is a matter of such concern to the Prime Minister, as well as to the rest of us, it is surely insane for the government to generate further uncertainty in the industry by leaving basic questions like that up in the air.

The Prime Minister's declaration of his national energy policy may exceed the fondest dreams of some, but that policy represents a nightmare for many others, including those provinces for which it offers nothing to alleviate their present difficulties and for which, in the several years ahead, that policy only means further discrimination, increased economic disparity, and further oppressive burdens to bear in the social costs of enduring this policy. Those who support that policy will become the advocates and architects of a genuine two-Canada policy. They will be supporting a movement toward regional disparity such as we have not yet seen, Mr. Speaker. Those who support it will do so that they themselves may survive, whether or not the hopes of many Canadians perish because their interests have been abandoned.

● (1550)

Some hon. Members: Hear, hear!

Mr. Stanfield: It is my earnest belief that we will not have a comprehensive energy policy, a consistent policy—we shall not have any truly national policy based upon consultation and co-operation so long as political expediency rules the judgment of our national government.

Some hon. Members: Hear, hear!

Mr. Stanfield: Today, as the standing orders of this House provide us with the opportunity to do, we are

presenting to the House an opportunity to end this rule of expediency and to restore a climate in which national unity is not a political game.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Stanfield: Mr. Speaker, I wish I had a little more time to deal with those fellows across the floor. I am thinking particularly of the members from Quebec who sold out their province. I do not know exactly why.

Some hon. Members: Hear, hear!

Mr. Stanfield: My most charitable assumption is ignorance. Sooner or later, sir, this House must affirm that one Canada in spirit and purpose is more important than one party in power.

Some hon. Members: Hear, hear!

Mr. Speaker: The hon. member for York South (Mr. Lewis).

Some hon. Members: Hear, hear!

Mr. Cafik: Mr. Speaker—

Mr. Speaker: Order, please. I apologize to the hon. member for York South. The hon. member for Ontario rises on a point of order.

Mr. Cafik: Mr. Speaker, I wondered if the hon. Leader of the Opposition (Mr. Stanfield) would permit a question?

Some hon. Members: No, no!

An hon. Member: Tomorrow morning.

An hon. Member: Sit down.

Mr. Hellyer: Mr. Speaker, I rise on a point of order.

Mr. Speaker: The hon. member for Trinity (Mr. Hellyer) rises on a point of order.

Mr. Hellyer: Mr. Speaker, I was wondering if it could be made clear whether the hon. member for York South (Mr. Lewis) is replying on behalf of the government.

Some hon. Members: Hear, hear!

Mr. Alexander: I think we should say yes to that.

Mr. Lewis: Mr. Speaker—

Mr. Deputy Speaker: Order, please. I am sorry to interrupt the hon. member for York South again but the hon. parliamentary secretary seeks the floor on a point of order.

Mr. Cafik: Mr. Speaker, I wonder if, with unanimous consent of the House, we could extend the time of the Leader of the Opposition so he could explain where he stands on the oil policy.

Some hon. Members: Hear, hear!

Mr. Deputy Speaker: Order, please. This would require the unanimous consent of the House and the hon. member for York South has indeed been recognized. I think I will recognize him again.

Mr. David Lewis (York South): Mr. Speaker, all I can say to the hon. member for Trinity (Mr. Hellyer) is that he is no more amusing as a front bench Conservative member than he was as a Liberal member of cabinet.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

An hon. Member: You let him know David.

An hon. Member: He is a sorehead as well as a turncoat.

Mr. Lewis: I just listened to a 30 minute speech by the Leader of the Official Opposition (Mr. Stanfield), most of which was devoted to a defence of the oil corporations of Canada.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Lewis: There was hardly a word about Canadian oil policy and, indeed, there could not be because I understand that a committee of the Conservative party is now sitting and their policy will not be available for four or five weeks at least, and probably not for four or five years. There are only two ways by which we can have in Canada at the present time one oil price for all Canadians.

An hon. Member: One is to get rid of you.

Mr. Lewis: One is a proposition made by the Leader of the Official Opposition in Vancouver that the price freeze should come off on January 31, and that the price of domestic conventional oil should be raised, not up to the world price but a little bit below the world price. That was his policy. Therefore, if you want to have one policy for Canada, you raise the price of conventional oil produced in this country to all Canadians and everyone in Canada will pay a lot more.

But there is another way by which you can have a one price for all Canadians and that is the way we have suggested, namely that a national petroleum corporation be the agency that buys both domestic and foreign oil and equalize that price, pool it and have the people west of the Ottawa valley pay a little more and people east of the Ottawa valley a lot less.

Some hon. Members: Hear, hear!

• (1600)

Mr. Lewis: That is the only way to have one price across Canada that will be fair to all the people of Canada and that will not enrich the international oil corporations which are rich enough.

Step by step, I suggest that the NDP has wrung out of this government an oil policy—

Some hon. Members: Oh, oh!

Mr. Lewis: —in the direction of Canadian interests.

Some hon. Members: Oh, oh!

Mr. Blenkarn: What about your own policy?

Mr. Lewis: Mr. Speaker, may I interject this: the rules allow me only 20 minutes. My colleague, the House leader of our party, asked the spokesman for the Conservative Party whether my time might be extended to 30 minutes and this request was refused. I, therefore, think that those hon. members should do me the courtesy of allowing me to speak and not use up one quarter of my time with silly catcalls.

Some hon. Members: Hear, hear!

Mr. Stanfield: On a point of order, Mr. Speaker, the House leader of my party knows nothing about any such request, but I will be happy, and I know my colleagues will go along with me, to accord the hon. gentleman the 30 minutes which he wishes.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): On a point of order, Mr. Speaker, without trying to spin the argument out, but not wishing to be called one who does not tell the truth, let me say that I proposed very clearly to the official opposition House leader that the leaders of the smaller parties should have 30 minutes, and I was told the answer was no.

Some hon. Members: Oh, oh!

Mr. Bell: Mr. Speaker, I do not want to waste time. According to my understanding, the proposition was 30 minutes for both major leaders and for other speeches, after that, 15 minutes.

Mr. Knowles (Winnipeg North Centre): With respect, that is not correct.

Mr. Bell: Mr. Speaker, with respect, the deal was not for 30 minutes. However, we are generous enough to give the hon. member 30 minutes, if that is what is bothering him. We, however, want to follow the rules around here.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Deputy Speaker: Order, please. Is it agreed that the hon. member for York South (Mr. Lewis) and the principal spokesman for the Social Credit shall have 30 minutes.

Some hon. Members: Agreed.

Mr. Lewis: Mr. Speaker, I want to make it clear that that was asked for before I had started. I might not need 30 minutes. I want to keep within the rules, if given the opportunity. If hon. members will not give me that opportunity I can try to handle that situation, Mr. Speaker.

I was saying that step by step the NDP has wrung out of this government an oil policy in the direction of Canadian interests. I want to emphasize that important differences still remain. However, the policy announced by the Prime Minister (Mr. Trudeau) last Thursday is now pointed in the right direction. It is so pointed for the first time since the Tory national oil policy of 1961.

I remind hon. members that early in the year we demanded export controls on oil and petroleum products and, after some time, Canada got them from this government. Months ago we demanded a two-price system so that Canadians would not be gouged with domestically produced oil in the hands of the multinational corporations. We said that the only way to have a two-price system without the multinational corporations getting huge windfalls was by having an export tax. I remind hon. members that it was the NDP spokesmen who made these demands. Eventually, these became the policies of this country.

We set out in motions, as moved by my colleague, the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) on May 28 and October 25, a number of items to do with a proper and appropriate oil policy which this country should now have. Those items involved a continuation of the price freeze beyond January 31 and a continuation of the export controls. We said we must have an end to the Tory Ottawa Valley line and bring the pipeline to Montreal. We demanded the establishment of a publicly owned national petroleum corporation, with wide powers to engage in exploration, development, production, wholesale distribution and, if necessary, in retail distribution. We demanded a large public involvement in the development of the tar sands.

Last Thursday, stimulated by a desire to remain in office, the Prime Minister of Canada adopted all the policies which we proposed, in a way which is not entirely satisfactory to anyone who thinks about the future of this country,—

Some hon. Members: Oh, oh!

Mr. Lewis: —but in a way which creates for Canada a new national oil policy of importance.

According to the newspapers, Mr. Speaker, the Prime Minister said in Vancouver the other night that he was not following NDP policy. He was merely implementing the report on energy policy for Canada, promulgated last June 28. I think it is a pity that his advisers did not draw the Prime Minister's attention to some of the statements in this report. One of the items which he announced in his policy announcement of last Thursday was the building of the pipeline to Montreal; a second item was the establishment of a national petroleum corporation. With regard to the pipeline, page 14 of the policy statement to which he referred in Vancouver says: "To date, the security threat has not appeared serious enough to justify the very costly arrangements of supplying the region east of the Ottawa Valley with western Canadian crude oil." If he had been following the advice of this report, he would have been against the extension of the line to Montreal, and not for it. He was not implementing this report at all, and he knows it.

With respect to the national petroleum corporation, the same report did a balancing act when it said that there were advantages, which it meekly described, to such a publicly owned corporation. Then, on pages 189, 190 and 191 the report goes on practically to frighten everyone who thinks of it as to the disadvantages of a national petroleum corporation. If there were any conclusion

implicit in the report, it was a conclusion against the establishment of a publicly-owned national petroleum corporation.

The Prime Minister cannot get away with that statement. Nobody in Canada will believe anything other than that the NDP in this Parliament proposed sensible, positive solutions to some of our problems and that the government of this country, anxious to remain in office, accepted those solutions. I do not know whether the frustration felt by some people is real, or is put on for the purpose of showing strong activity or belligerence. But in either case I suggest, sir, that the frustration apparently felt or simulated by certain members of the House is understandable. I suggest to you that no objective observer of this parliament could fail to recognize the important influence which our party has exercised in important areas of policy. Making this parliament work has been of immense value to Canada and to Canadians.

● (1610)

Some hon. Members: Hear, hear!

Mr. Lewis: I know there are some people in this House and in the country who think the only role for an opposition is to oppose—recklessly, negatively and destructively. I have always rejected that idea in theory, and I reject it particularly in the case of a minority parliament. I reject this negative, destructive approach. In fact, the only kind of opposition in this sort of parliament which makes any sense from the viewpoint of the interest of Canada is a constructive and positive kind. I say that the Prime Minister's statement last Thursday was dramatic evidence of the value to Canadians of such a policy of making positive suggestions, and, by the nature of the present parliament, having them adopted even though only in part. This is what has been done since January 4, and this is what has been of value to the country.

We are under no illusions that Canada has yet what we would call an adequate petroleum policy, let alone an adequate energy policy. We know perfectly well that as a result of the behaviour of the federal Conservative and Liberal governments, and of the Social Credit and Conservative governments of Alberta in particular, our resources of oil and gas have been sold out to the multinational corporations, with the result that it is the corporations which have been allowed to set priorities, dominate the oil supply situation and manipulate prices. And as long as the multinationals continue to play a dominant role in the production and distribution of Canada's energy supplies, so long will we continue to lack an adequate energy policy.

Some hon. Members: Hear, hear!

Mr. Lewis: I say there is absolutely no excuse for allowing the multinationals to increase their prices for domestically-produced oil after January 31, and indeed, after March 31, or, indeed, at any time when Canadians use Canadian oil produced without an increase in the cost of production. I say to the Prime Minister no matter how strong the pressures from the corporations or from certain short-sighted provinces, the government, this parliament and the people of Canada must insist that the oil and gas resources which belong to the people should be available at reasonable prices, and that those prices should not be increased unless such an increase is justified by an increase in the cost of production. I really cannot understand why certain members of this House, for whose personal decency I have very great respect, are opposing the continuation of the price freeze after January 31 and, by doing so, are demanding that the multinational corporations be given an opportunity to make hundreds of millions of dollars in windfall profits—profits which they do not need and do not deserve.

I remind hon. members that the corporations have already this year received an increase per barrel of 95 cents. This means billions of dollars added to the value of their reserves, not to speak of hundreds of billions added to their profits. Already, in the first nine months of 1973, Imperial Oil has shown increased profits, as compared with the same period of 1972, amounting to 46 per cent. The increase of Gulf's profits amounts to 45 per cent. How much more are they to be entitled to gouge out of the Canadian people to fill their private coffers? And remember that 86 per cent of those profits do not remain in this country but go south to the parent corporations of these multinational firms.

We insist, therefore, that the decision to continue the price freeze is right, and that it deserves the support of all Canadians who have in mind the welfare of their country and who are not misled into seeking to defend the power and the profits of the multinational corporations.

I want to say that in my view the setting up of a publicly-owned national petroleum corporation is long overdue. The Prime Minister went out of his way to emphasize that he did not intend to interfere with the private sector and that Canada would continue to welcome foreign investment. I want to say on behalf of my colleagues that, as far as our policy is concerned and as far as the interests of Canada are concerned, we believe the time has come for massive public intervention in the petroleum industry of Canada. The time for action to curb the power of the multinational corporations in this country is overdue. This is why we are so anxious about the way in which Canada's tar sands are to be developed. I say to you, Mr. Speaker, that Canadians ought to learn a lesson from what happened 12 to 15 years ago, when various governments sold out our conventional oil resources to the multinational corporations. The government in existence in 1961—it happened to be a Tory government—not only acquiesced in the sell-out, but accepted the wishes of the corporations and divided Canada into two markets and began the policy which has now resulted in difficulties for Quebec and the Atlantic provinces about which the Leader of the Opposition (Mr. Stanfield) spoke so eloquently this afternoon.

I suggest to you, sir, that Canadians, members of this House, and, particularly, the Government of Canada ought to learn a lesson from what has happened as a result of selling out our conventional energy sources to the corporations. Having been in their power, under their domination as to supply and price for all these years, and seeing, now, the consequences of that situation, we ought to determine as a nation that the new and large oil reserves to be found in the tar sands are developed as a public utility under public control and massive public ownership for the benefit of Canadians.

Some hon. Members: Hear, hear!

Mr. Lewis: Mr. Speaker, I spent a day visiting the Athabasca tar sands in Alberta last Thursday and I heard, particularly, from certain people representing Syncrude when our caucus met in Edmonton. At the request of the companies, the caucus met in private; neither visitors nor the press were there. I have learned, in the last little while, something that I did not know before, though perhaps others did.

An hon. Member: A one day expert!

Mr. Lewis: Perhaps the hon. member for Calgary South (Mr. Bawden) knows. I am sure he does. He knows everything about the oil corporations. And he is satisfied with the limits of that knowledge. I did not know that Syncrude was merely a conglomeration of four multinational corporations, namely Imperial, Gulf, Atlantic Richfield and City Services, which is—

● (1620)

Mr. Benjamin: A fine Canadian company.

Mr. Lewis: Yes, a fine Canadian company. I assumed that Syncrude was a company, since it was making all these noises and demands to be exempted from export controls, price controls, export tax and so on. I assumed it was a company that would do work and make profits. I assumed that, particularly since I heard the government and premier of Alberta tell the people of that province and of Canada that he had made a marvellous deal with Syncrude, because after some years the government of Alberta would get 50 per cent of the profits that Syncrude made.

Let me tell the House, Mr. Speaker, that that is not so. I have been informed that Syncrude is not going to make any profits; it is merely a contracting firm. It will do the work and at the end of every period, whether it be the end of a week, a month or three months, it will present these four corporations that make up this conglomeration with a bill. Thirty per cent of its expenses will go to Imperial, 30 per cent will go to Gulf, 30 per cent will go to Atlantic Richfield and 10 per cent to City Services. Then these four companies will pay Syncrude the amount of moneys that have been expended during that period, but the income of Syncrude will be zero. It will have expended x dollars and it will get x dollars from these four companies, but will have zero income.

As synthetic crude is produced from the tar sands, what will Syncrude do? It will put 30 per cent of the bitumen in tanks for Imperail, 30 per cent in tanks for Gulf, 30 per cent in tanks for Atlantic Richfield and 10 per cent in tanks for City Services. God alone knows who is going to make the profit or how it will be calculated. But these companies will have the right to handle the synthetic crude, to sell it anywhere they wish and at any price they like. If ever I have learned of determined attempt by four multinationals to hold Canada by the throat over new and important oil reserves, this Syncrude project is that.

Some hon. Members: Hear, hear!

Mr. Lewis: The Syncrude consortium has asked for various exemptions from the government. First, they asked that those exemptions be given them by November 16. When they did not come forth, they extended the time by one month to December 16. I say to you, Mr. Speaker, that if the government is chicken enough to make these concessions to Syncrude, it will betray the interests of this country for generations to come.

As to the Mackenzie gas pipeline, I appreciate that a gas pipeline down the Mackenzie valley does not present the same ecological or environmental danger as an oil pipeline. But I still make two points. First, we ought not under any circumstances agree to a gas pipeline down from the Mackenzie delta unless there is an absolute assurance that Canadian gas will go to Canadian consumers and not be exported to the United States. Second, in his speech the Prime Minister said that the pipeline should be built if it did not "require the lowering of environmental standards or the neglect of Indian rights and interests".

Past government performance with respect to Indian rights and interests does not give one any reassurance that these words of the Prime Minister will become action. If the Mackenzie valley gas pipeline is necessary now to meet Canadian needs—and we said in our resolution in Vancouver last July that that is the time when the building of a pipeline should be considered—then there must be, not any wishy-washy guarantee but an absolute guarantee that Canadian gas from the Canadian north will be available to Canadian consumers on a priority basis that will not be broken either by the National Energy Board or by any other agency of this government.

An hon. Member: Or by the multinational corporations.

Mr. Lewis: Or by the multinational corporations. I did not mention them since any assurance given by them would not be worth the paper it was written on. The fact is that over the last number of months we have, as I have already said, had an influence upon this government to bring forward policies in the area of petroleum and petroleum products which now point us in the right direction. Whether they will in fact turn out to be entirely beneficial remains to be seen. But one thing I do know is that the multinational corporations, and governments and parties which support and defend them, have to be fought by the people of Canada. The people of Canada must take control of our future energy resources in this country without being enslaved by agreements, contracts, undertakings and promises which place the Canadian people in a straitjacket of supply, with dangerous results as to price.

This is the policy that we have put before the government in some positive detail, and this is the policy which, to some extent at least, the government has accepted. But like all Canadians, we in the New Democratic Party will watch the development of the policy announced last Thursday in action. The government has adopted policies which we have proposed and our vote tonight will be governed by that fact.

I want to say to the members of this House that we emphasize and recognize the importance of energy policy, not only for today but for future generations in this country. We will continue to develop as best we can positive policy suggestions, not only in the realm of petroleum but in the realm of other energy sources, in the hope that this parliament and the country may at last have

a national energy policy that will protect the interests of future generations as well as the needs of Canadians today.

● (1630)

[*Translation*]

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, the opposition motion against the government is clear enough:

That this House has lost confidence in the government due to its incompetent, inconsistent and vacillating energy policy which is bringing economic loss to Canada and hardship to the consuming public.

The content of this opposition motion is true. But at the same time I would like to see what the Progressive Conservative party has to suggest to replace the current policy. It is all right to hear them say: It is incompetent, inconsistent and vacillating. But they should suggest an alternative, we should know where the Progressive Conservatives would lead us.

We know that the government does not always tell the truth about Canada's oil situation. For instance, a minister says one thing and another the contrary. The same minister contradicts himself from one day to another. One day we are told by the Minister of Energy, Mines and Resources (Mr. Macdonald) that the oil shortfall in the east will reach a daily maximum of 200,000 barrels. The next day he said that 60,000 barrels could be shipped by trucks and trains from Sarnia to Montreal. Our transportation capacity from Toronto to Montreal is estimated at 80,000 barrels a day by the Minister of Transport (Mr. Marchand). He told us that an additional 80,000 barrels could be shipped from west to east through the Panama Canal.

We know that the Come-by-Chance refinery in Newfoundland can supply 100,000 barrels a day which would be shipped by tankers. Two days later we are told by the minister: We cannot ship this oil to Montreal because all storing facilities are full. But he added that later in the winter space will be available because certain storing facilities will be empty. But this will be winter time, and we will not be able to transport this oil. Mr. Speaker, if we can now ship oil, why do we let people freeze? Why do we let Canadians freeze if the oil is already in Come-by-Chance?

Mr. Speaker, we Social Crediters claim that there will be no oil shortage. But they frighten people by saying: We will lack heating oil and gasoline.

I read recently in *Le Soleil* of Saguenay-Lac-Saint-Jean:

If it appears in some eastern parts that there is already a lack of petroleum products, if is perhaps because the government statements frightened the people who reacted by buying exceptional quantities of oil and gasoline to be ready to face a serious crisis.

A distributor from here, Mr. Gauthier, not our hon. member, but Mr. Gauthier from Chicoutimi, and executive of A. E. Gauthier and Golden Eagle Canada Limited, said on November 30, and I quote:

Some customers would have had supplementary tanks installed which can contain up to 4,000 gallons, much more than the winter consumption of a family.

This is the practice now. Mr. Speaker, we maintain that the oils crisis, is used to frighten people and, as they say bluntly in the United States, it is designed to prepare an economic crisis for 1974 and to condition people to accept it. We already feel the effects of this crisis in Canada. We are told that there is a lack of iron and steel. We ask for increases, for permission to increase the price of milk, because the cost of transport had increased, as energy costs more.

Mr. Speaker, the economic crisis policy has already started in Japan. After Japan, it will be the United States and then Canada. It is funny, sometimes, I ask myself questions.

How come we do not enough oil in Canada, in the western countries, according to the minister, and we do not hear about the oil crisis in Russia, China, Cuba and Algeria? One cannot go on making fun of the population.

A Japanese economist said and I quote an article from the *Montréal-Matin* of November 18, 1973:

The economy of Japan and other developed countries is heading for self-destruction, for a catastrophy in which the modern civilization will sink.

The frenzied race for industrial development rapidly pushes the world toward a disaster as radical as were then the fall of the Roman Empire and the Middle Age. We are coming the end of the modern era.

This pessimistic point of view is that of professor Haruo Naniwada of Wadsa University in Tokyo, and was published in an article of the "Keizal Orai" publication, economic trends of November, under the title "Let us be ready for the economic catastrophy".

This article was published in November 1973 not in 1914. In view of the artificial shortage of oil, let us be ready because we are not adapting financial means to our physical possibilities, to an economic crisis that will be the artificial shortage of oil.

I quote:

The Japanese economy is the most fragile, according to the professor, who is comparing its high rate of industrial development with the case of a cyclist: if he stops pedalling, he falls.

Mr. Speaker, this is what the minister is doing now; he pedals, and he has to pedal faster because problems are coming more quickly. And I quote the article:

The Japanese Cassandra mentions that the salary increases accelerate every year in Japan: it has gone from 10 per cent in 1966 to more than 20 per cent this year.

In 1973.

In the meantime, company debts have reached unbelievable proportions: the precentage ratio of real funds to borrowed capital is 16 to only one per cent.

All Japanese businesses are knee-deep in debt . . .

Like us, in Canada.

. . . writes the professor, which means that they must earn not only for themselves but also for the banks which supply them with funds. If they fail to manage, they go bankrupt. They are condemned to a mad race or death.

Mr. Speaker, that is what the present government suggests to us: Let us race ever faster, otherwise we die. But, eventually, Mr. Speaker, it is bound to happen. We will die sitting on top of a wealth of products. There is not a single Canadian, a single member of Parliament, not even the leader of the official opposition, who really believes in a shortage of oil in Canada.

That we should adopt a uniform oil policy, we agree. Prices must be the same from east to west. If transport

subsidies have to be given, let it be so; that the people in eastern Canada do not have to pay more for oil than those in the west.

Mr. Speaker, let us be honest and place the blame where it lies. When we, in the east, opposed the construction of a pipeline, it was not Alberta's fault but our own: we were paying less from Venezuelan oil. Today, we are told that we must purchase oil from Alberta. Mr. Speaker, we buy hardly any gas from the Arabs.

● (1640)

Most of the oil that we bought came from Venezuela. Once again, it is the same and Venezuela is ready to sell us more oil than ever before. Newfoundland could also provide some oil, but the minister says: Freeze because we have too much oil. We have no transportation means in 1973.

If the government had been farsighted and able to face its responsibilities, we would not now be in this situation, which is not disastrous, but artificial, and which was entirely created by the financial control, that is, for what counts, money and credit control. Some people may laugh when we Social Crediters say—yes it really is funny—say: Let us make financially possible what is physically practical. We have all the material, the manpower, the engineers and the wealth to discover and develop our natural resources. Why not use the Bank of Canada to finance, to make financially possible what we are physically capable of doing? Mr. Speaker, this would be a good and reasonable solution, one which would stop the government from tabling bills that have but one objective, that is to annoy and frighten Canadians by saying that the east will not have enough oil, that the west and central Canada will not have enough oil either. And so it goes in all other matters. My hon. colleague from Abitibi (M. Laprise) told me last week that during the great depression of 1929 to 1939, we had to starve to death while we had tons of wheat and now, we have to freeze, with oil wells so numerous that we have no use for them.

Mr. Speaker, I think a government led by intelligent and responsible people could do better.

Now, as to what the leader of the New Democratic Party (Mr. Lewis) declared, his objective is quite simple: to avoid the elections. They have no confidence in the government's proposals but they hope they will keep their seats tonight when the vote has been taken. Because they worry about one think: to save their seats. Let's save our skin, wolves are coming! That is why they are consistently proposing to abolish multinational corporations. If we try to establish a national corporation the result will be the same.

That happened in almost all countries in the world where governments took over private industries. That operation often costs two, three and even ten times more than the normal operation of private industry. I think it is possible for a really private corporation and not a monopoly, where individual initiative is respected, to develop and to expand and by that time, we will be in a position to say that we have a true Canadian government for all Canadians.

Tonight we will vote on the motion. What will be our position? A short time ago I listened to the remarks of the

[Mr. Caouette (Témiscamingue).]

Leader of the Official Opposition (Mr. Stanfield) as well as those of the Leader of the New Democratic Party. Other members will also have the floor. The minister will have a chance to address the House in a few minutes and I hope he will not only say: we are facing home heating oil shortages. I hope he will not tell us as the university professor in Japan: Buy yourself a bicycle and start pedaling.

Mr. Speaker, we will listen to what the people have to say. Some of my colleagues will also comment on that issue and when the division will take place tonight we will vote without anticipating an early election. It is all the same for us. What we want is to get effective results for the Canadian people. What we want is that the government put finance at the disposal of all Canadian men, women and children, and not at the disposal of oil corporations and finance companies. Finance must be at the disposal of each Canadian family and each individual so that he can feel at home in Canada, our own country.

[*English*]

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, at the outset of my remarks I should like to deal with a number of points raised in previous speeches, particularly three points of a substantive character raised by the Leader of the Opposition (Mr. Stanfield) in his speech and one of the points on which he coincided with the Leader of the New Democratic Party (Mr. Lewis). In the course of his speech, it seemed to me the Leader of the Opposition touched upon really three points of substance, three energy issues of interest, although in all of them, with the possible exception of one, he failed to indicate, as he has for the past months, what exactly his party's policy would be. The three particular questions are: first, that of the price of oil in the Canadian market; second, the Mackenzie Valley pipeline and, third, the National Petroleum Corporation.

The Leader of the Opposition devoted the lion's share, of his speech, however, to talking about the pricing issue and raised particular criticism about the present situation where we have been able to sustain a freeze on crude oil prices from Canadian sources since September 4 and the remarks of the Prime Minister in which he indicated we would seek to extend that until the end of the winter season. I recall that at the time this proposal was put forward by the government, the friends of the hon. gentleman in Alberta, the provincial government there, referred to that action to freeze prices as being one of the most discriminatory actions against a single province in the whole of confederation. Yet, we heard the Leader of the Opposition talking today as though he were in favour of restraining prices so that Canadian consumers would not this winter have to bear the same impact as would be borne by people in other nations of the world. In effect, the hon. gentleman said that he was in favour of a one-price system, but he did not say what kind of a one-price system or by what means or mechanism he would carry it out. The hon. gentleman did not say so today.

● (1650)

He has said elsewhere that the one price system would in effect be a system of a higher prices for everybody, to be achieved by escalating the price of Canadian crude oil

by a staged phasing up to the price of the same product in Montreal. The hon. gentleman said that he has found no discernible reason for the government's departure from the reason set out by the Prime Minister (Mr. Trudeau) and myself in the early fall with regard to attempting to arrive at a single Canadian price based on Montreal. But the hon. gentleman overlooks the fact that between the enunciation of that particular policy and the present time a very significant and fundamental fact has occurred with regard to international pricing, that is that because of political action, an internationally equivalent price for Canadians will be raised by about $1.50 for crude.

Mr. Deputy Speaker: Does the Leader of the Opposition (Mr. Stanfield) wish to rise on a point of order?

Mr. Stanfield: My point of order is that I said that the amount of the advance of the price had nothing to do with the duration of the freeze, but might very well affect the amount of any price increase that would be appropriate.

Mr. Macdonald (Rosedale): That is an interesting point of order, and I am sure the Leader of the Opposition has some supporters who would be glad to elucidate his position further, but the fact of the matter is that the hon. gentleman was speaking of a one price system, a higher price for all Canadians. He made a spirited speech in which he said that he was against a two level price system, he was against a system which would have left Canadians in the eastern part of the country paying higher prices than those in the western part. If the hon. gentleman meant what he said in Vancouver, he was talking about just such a system—a system whereby over a period of time there would be disparity, albeit a reducing disparity, between the two prices.

I think it is fair enough to contrast the position of the Leader of the Opposition with that of the government, taken as a result of a very substantial increase in prices. The position was taken by the government because of widespread opposition expressed not just by members who sit behind me but also by provincial leaders, including the minister of energy in Ontario, against substantial increases in oil prices in the western part of the country, price increases which, as I said earlier in the question period, have not been related to any cost increases in this part of the country. We propose to take this particular question to the federal-provincial conference to find some means whereby a higher price for the purpose of bringing on higher cost oil resources can be reconciled with the wish of Canadians generally not to pay the high international prices. I do not pretend for a minute that it will be easy to achieve. I do not pretend for a minute that, if we are to have a single price in Canada, there may not be an element of some subsidization one way or the other on the part of Canadians.

When the hon. gentleman put a question to me last Friday about having a single price borne by all Canadians, bearing in mind the fact of higher prices due to overseas oil, I assumed immediately that he was adopting the proposal of cross-subsidization, additional proceeds to be gained from a substantial inventory increase, an increase in the value of inventory in western Canada, which should be provided for the benefit of eastern Canadians. The hon. gentleman was quick to rise to his feet to say that that was not his intention, that he was talking about the general taxpayer in some way subsidizing the price throughout Canada. I was disappointed to note today that, while that is his concept apparently to replace the previous one of a higher price for everybody, he did not take the opportunity to make it clear that that is his position.

Mr. Trudeau: He does not know. He has no position.

Mr. Macdonald (Rosedale): The second point to which the hon. gentleman referred was the Mackenzie Valley gasline. I took some care to note down a phrase of the hon. gentleman's, and I would be interested to see it reappear in *Hansard*. It reads: "We must make the Americans an offer they cannot refuse". This was said in reference to the previous discussions which had taken place with regard to the Mackenzie Valley oil pipeline in which the government had indicated the same conditions that the Prime Minister indicated in his speech on Thursday afternoon, namely, that any decision with regard to that line must, in the first place, respect the regulatory obligations which have been imposed by parliament, respect environmental considerations and, above all, respect the rights of the native people in the valley.

With regard to the Mackenzie Valley gasline, particularly with regard to the remarks made by the hon. member for York South (Mr. Lewis), I would have to say that the question for Canadians to answer is whether in this decade we should take the opportunity which the American demand for American gas from Alaska offers, the opportunity which the expenditure to bring that gas up the Mackenzie Valley and through Canada offers, in order to construct a conduit which can also be in position to bring Canadian gas up the Mackenzie Valley. Members of the consortium—and their judgment in this regard will have to be scrutinized in due course by the National Energy Board—have taken the position that a project of this kind has been priced at around $5 billion, and that it would involve the requirement to have both gas from the Prudhoe Bay source and gas from the Canadian Mackenzie Delta.

At this point in time I think one would have to say, based on the estimates of the National Energy Board, that there is no need now for gas in Canada, and indeed until the point when the western Canadian sedimentary basin becomes further depleted there will not be an immediate need for the very substantial throughput of Canadian gas which can go through the line. The need for Canadian gas from the Mackenzie Valley will build up slowly over a period of time. I think that the critical question now is whether we should, as a country, decide to permit the building of a pipeline, permit Alaska gas to cross our territory in conjunction with Canadian gas, and enter into arrangements for a period of time to export some part of the production of the Mackenzie Valley to the United States, subject always to the obligation that as the Canadian demand increases, only gas surplus to Canadian requirements would be available for export.

Mr. Stanfield: Now, you are being honest.

Mr. Macdonald (Rosedale): The third of the points raised by the hon. gentleman was with regard to the national petroleum corporation. I must say that the

remarks made by the hon. gentleman could not have been more similar to those of spokesmen for the oil industry in western Canada—rather as if the two of them had had the same writers. For example, I refer to a report from the Canadian Press in Calgary quoting Mr. Arne Nielsen, an oilman very able in the exploration field, who said:

> The proposed national petroleum corporation is unlikely to succeed in oil and gas exploration off the east coast or other areas of Canada.

Why is that so? Why must it necessarily fail? What evidence is there that national petroleum corporations are less successful?

Mr. Yewchuk: Mostly because you will be running it.

Mr. Macdonald (Rosedale): The hon. member for Athabasca (Mr. Yewchuk) might know something about operations in this field. He might know that the French government has been operating in the province of Alberta through its creation, ERAP, through the Canadian company, Aquitaine, and has been one of the most successful searchers for natural gas in that province.

Some hon. Members: Hear, hear!

Mr. Macdonald (Rosedale): The hon. gentleman may know that the British Petroleum Corporation, which is 50 per cent owned by the British government, has had similar success, not only in Canada but elsewhere in the world. Indeed, one of the spokesmen of the Canadian oil industry—he should have known better because he was a former employee of the French company—was at the big find off the coast of Labrador. The EastCan find involved as participants the second of the French nationally owned companies, The Compagnie Française de Pétrole, through its subsidiary Total, and the Italian national oil company through another of its subsidiaries. I would say the position taken by the industry and by the Leader of the Opposition that this is going to be a discouragement to private operations in Canada—

• (1700)

Mr. Stanfield: It depends on the conditions.

Mr. Macdonald (Rosedale): The hon. gentleman says that this would discourage private planning. Why is it, Mr. Speaker, by the lights of these gentlemen, that foreign governments through their national petroleum companies can operate in Canada, but Canadians themselves should not be able to carry out the same operations?

Some hon. Members: Hear, hear!

Mr. Paproski: It is because you never had the initiative to go ahead and do it. That is the whole bloody problem.

The Acting Speaker (Mr. Boulanger): Is the hon. member for Calgary South (Mr. Bawden) rising on a point of order?

Mr. Bawden: Would the minister permit a question?

Mr. Macdonald (Rosedale): Mr. Speaker, I would be delighted to permit a question at the end of my remarks. The substantial point made in the Prime Minister's speech on Thursday last was above all the objective, as a matter

of national policy, to develop a greater reliance by the Canadian community generally on domestically produced sources of oil. And in the eight to ten years to come, as these various changes are made in our policy, it will be of the utmost importance to guide the energy policy of the country in such a way as to make sure that that objective can be met.

I think there would be general agreement in Canada not only that the Canadian economy should rely on domestically produced sources for this purpose but that we should not again be put in the situation, so far as we can avoid it, of relying on foreign sources which could be subject to interruption for political reasons. Indeed, the process is already under way to bring about a change in this particular policy. In the province of Ontario, for example, where hitherto a significant proportion of our home heating oil market relied on imported production from overseas, there are now refinery facilities under construction which, within a period of several years, will enable the refining industry in the province, dependent on western Canadian feed stock, to handle the demand of all our home heating oil market in Ontario.

We have proceeded to hold discussions with the province of Quebec and also with the Interprovincial Pipe Line Company on the commencement, within a short period of time, of an extension of the Interprovincial pipeline either by way of Sault Ste. Marie or from Sarnia in order to provide some part of the feed stock for the Montreal refineries from Canadian sources.

We have talked about the possibility of building into that line not only some part of the feed stock from Canadian sources but also a greater capacity so that in emergency circumstances, such as we have at the present time, we would be in a position to deliver larger supplies of Canadian produced oil not only into the Montreal market, but with the possibility of reversibility through the Portland Pipeline of being able to deliver some of that oil to the Atlantic coast as well.

We are in the process of seeing what at one time was stated to be impossible by some of the operators in the business, namely, the substantial shipment of oil through Trans Mountain pipeline and by way of the port of Vancouver through the Panama Canal to east coast ports, and by gradual displacement, because of the Alyeska pipeline, of Canadian crude oil from the Puget Sound market, there should be a greater capability for Canadian oil to meet the demands of the Atlantic coast market in time of emergency.

One of the major questions raised with regard to greater reliance on Canadian sources has been that of the ambitions of at least three of the eastern provinces, Quebec, New Brunswick and Nova Scotia, to develop superport facilities and then, by means of large pipeline systems, to bring oil from the Atlantic coast into the Montreal refinery market. There are really two ways to look at this question.

The first is that from the standpoint of security of supply such a proposal could result not only in enhancing the degree of reliance on offshore oil but, in some circumstances at least, it could lead to greater insecurity of supply. However, there is an advantage to it in the sense that with the very large crude carriers, and the economies

of scale which they offer, it would be possible to deliver into the Montreal market with a pipeline either from the lower St. Lawrence or from Lorneville or Canso. There are these three choices—the lower St. Lawrence, the St. John Deep and the Canso port. This is going to be a difficult regional and national decision to make as to which of the three should be the best port for the purposes of a pipeline connection to Montreal.

Of course, there will be a federal-provincial conference held toward the end of January and this, it seems to me, is one of the places in which this particular question should be very fully discussed in order to secure the views of the eastern provinces so that we can decide in turn, in the light of the economic and environmental factors, on the best manner of planning our superport policy for the coming years.

One aspect of the superport policy that I should refer to—incidentally some of the difficulties have now become apparent in relation to the refinery at Come-by-Chance—is that we are talking about substantial superport capacity for the re-export of petroleum products to the American market, following the importation of the crude oil to the Canadian refineries. The hazards of such a policy, although it has the advantage of being one of industrial expansion, arise from the uncertainties of foreign governments abroad. First, there is the uncertainty that of course Canada is facing now in the interruption of crude supplies, and second, there is the uncertainty associated with the evolution of American policy and the decision of the United States to become less dependent on offshore oil.

Some of the very difficult decisions to be undertaken in relation to the development of any major refinery complex depend on the re-export market, and these are questions that will have to be dealt with in the very near future, we hope to the satisfaction of the eastern provinces, even though there may be difficulties for the federal government. Until a substantial capacity can be developed within the Canadian production system, it is clear that some part at least of our production of refined products in eastern Canada must continue to be founded on the importation of offshore oil. This of course involves us in the continued concern about whether or not, for political, or even for economic reasons, from time to time that crude oil supply might be interrupted by a foreign government.

In the past, the Canadian market has been protected by the major international companies which, as part of their side of the bargain of being involved in the world oil business, have provided protection to Canadian refiners, and therefore to Canadian consumers. But one thing which has become clear from the current crisis is that the major companies are no longer in a position to do so. Indeed, the principal determinant in the question of crude oil supply will be the foreign states themselves. It is under these circumstances that I have specifically proposed the national petroleum corporation as the state trading agency to enter into discussions with certain of our offshore suppliers, Venezuela, Iran and Nigeria, for the purpose of attempting to secure for the Canadian market supplies of oil over a period of time, which would not be subject to interruption for political or economic reasons.

Of course there can always be evolutions in the policies of overseas states. I think this is one of the reasons why, as part of the policy of the Canadian government, we should seek, by other policies which are open to us with respect to those particular countries to build in a like consideration from them; in other words, to build in for them an incentive to continue to take Canadian products, to continue to take Canadian technology of which they could be assured of security of supply.

● (1710)

There will be a period of time either because the Atlantic east coast fields, have not come into production or because we will not be able to attain the level of production which would enable us to look after the Atlantic market from western Canada, when we are going to be dependent on international supply. In those circumstances, the best opportunity seems to be by government to government agreement, through the agency of a national petroleum corporation, to try to protect our supplies in this particular way.

One word with regard to the Atlantic east coast, Mr. Speaker, because if one were given the opportunity for one major exploration success anywhere in Canada this afternoon, I think most people in the petroleum business would call for a significant success in the Atlantic east coast, not only from the standpoint of important industrial development in the region but also from the standpoint of security of supply to ensure to Canadians in the eastern part of the country the same opportunity to be supplied with petroleum and natural gas from resources under the domestic sovereignty of Canada rather than having similar supplies coming from abroad.

Mr. Bawden: When do we get the regulations?

Mr. Macdonald (Rosedale): The problem with regard to the Atlantic east coast offshore is that there is a very considerable exploration effort there. There has been very considerable exploration effort there whether or not there have been changes in the regulations, and the concern expressed by the private industry has really been one not so much about the legal regime but one with regard to the relative success at the present time. Over 80 holes have been drilled with rather disappointing experience in the Grand Banks, some hope in the Labrador shelf and modest success in the Scotia shelf. With the drilling experience in the last year, we must not be too sanguine about the opportunities of at least the offshore in the more temperate zone being available to assist us in this regard, but we should look for continued exploration to define so far as possible the petroleum potential of that particular area.

With regard to our energy uses, and this was a discussion which was much set out in the proposals of the Energy Policy Analysis Phase I which was made public in June, there has been a proposal that over a longer period of time there should be a substantial shift at least in statically generated electricity from petroleum or hydrocarbons to electricity, and indeed from electricity generated from hydrocarbons to hydropower and also to nuclear power. Both from the standpoint of security of supply and the standpoint of cost control, and relatively speaking from the standpoint of environment, it is preferable to have hydropower and nuclear power to power founded upon natural gas or petroleum.

This has been at the background of the federal policy; in the first place to develop to its present degree of substantial success the CANDU nuclear system, and second, to adopt as a matter of national policy a program to encourage individual provinces to get into the nuclear field by an incentive of financial assistance given to each of the provinces. Therefore, we have had in co-operation with Ontario Hydro the success in the development of CANDU and financing of two units at the Pickering station. We have the construction of the Gentilly II plant in Quebec with hydro Quebec, and we are hopeful that the Atlantic market may soon have the opportunity of developing a nuclear reactor for power purposes with interconnection of New Brunswick with eastern Quebec and Nova Scotia for the purpose of displacing any further reliance on oil for further electrical capacity in that area. We have under study the development of a cable link with Prince Edward Island, which would enable that province to look into this regional need and have greater assurance of supply coming from participation in a larger system.

The remarks of the Leader of the Opposition are a good introduction for the next point because that is a suggestion of a link between Newfoundland and Labrador, not a link as has been suggested by way of a tunnel but rather a transmission link to bring the electric power development on the lower Churchill River onto the island of Newfoundland for the purpose of displacing the electrical capacity there which is now substantially founded upon bunker oil.

In Ontario and Quebec you have two strong highly sophisticated power systems with interconnections between the two and with some interconnection to the state of New York. In Quebec, there is a substantial system connecting with the province of New Brunswick in the Eel River station. There have been indications here—and I think this is a matter for early study and discussion with the affected provinces—about the advantage of putting into effect a strong intertie with all the eastern Canadian provinces between Quebec and Ontario as well as the four Atlantic provinces to take advantage of the different peak periods within the systems of the two and at the same time to offer the greater security advantages which come from having a closely integrated system.

The problem, as so often happens, in our country and occurring further west, is the great expanse of the Canadian shield north of Lake Superior that the current system of technology makes less economic an interconnection between the substantial hydro resources of Manitoba and the heavy power demand of southern Ontario. Manitoba Hydro, with federal assistance, has developed substantial expertise—I think one could describe it as world leadership—in direct current transmission technology. It is this which has made it possible to bring the hydro resources of the Nelson River down to the southern part of the province and make it available for use in Manitoba, in northwest Ontario, for interconnection with Saskatchewan and for export to the United States.

A national policy would very naturally favour some means of a closer intertie not only with northwest Ontario but with southern Ontario as well so that the power demands of that area could be satisfied from these Canadian sources. Indeed, if an economic means can be found of transmitting this power to the southern Ontario market, this should be a priority. As between the choice, as the premier of Manitoba has said, of developing at an early date non-replaceable fossil fuels or hydropower, the preference would be in favour of the latter if we can develop technology which makes it economic to deliver Manitoba Hydro to the southern Ontario market.

In the absence of that, the principal source of power assistance both for a province like Ontario or one like New Brunswick which is approaching the same situation, has come in the form of the development of the Candu reactor. Behind this particular development of the Candu reactor with the development of Canadian technology, lies the important question as to the future development of Canadian uranium. We are now witnessing the end of a period of depression in the industry, a period of depression resulting from world oversupply in recent years, in part contributed to by the relative failure of other nuclear power systems to come into widespread use. We are seeing a revival of the exploration interest in Canada and the revival on the part of foreign producers to acquire Canadian uranium.

In the next session of parliament we should take steps to convert into legislation the 1970-71 policy statement of this government which would ensure Canadian ownership and participation in this particular industry. We are at the point where we can avoid some of the problems which have arisen in the petroleum industry by taking legislative steps now to ensure that when these resources develop, as they are certain to develop in Canada in the years to come, they are substantially under Canadian control.

Some hon. Members: Hear, hear!

The Acting Speaker (Mr. Boulanger): Order, please. Before I recognize the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton) I should say that we did not receive the "blues" yet. I need the help of the leaders of all parties to know if there was a special arrangement made or if it is agreed that all hon. members who wish to speak shall have 15 minutes. Was it agreed?

Mr. Nielsen: No, Mr. Speaker, I believe it is 20 minutes.

● (1720)

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, the key words in the motion proposed by the Leader of the Opposition (Mr. Stanfield) today are, "incompetent, inconsistent and . . . economic loss to Canada". I wish to address my remarks to those three phrases, and deal in passing with the remarks of the leader of the NDP as well as those of the spokesman for the government, the Minister of Energy, Mines and Resources (Mr. Macdonald).

One would think, after hearing the discussion today, that all the events of the last four months had been washed away. All spring we were told in the Standing Committee on Energy, Mines and Resources, "Wait until the report on energy policy comes out; then we will sit down and discuss these matters with the provinces, with industry and with opposition parties and, working together, evolve a national energy and resource policy."

This understanding broke apart, and all this sweetness, light and co-operative effort for achieving policy died when the Prime Minister (Mr. Trudeau) came to this House on September 4 and issued that phony statement about controlling prices in Canada for consumers. At that time I referred to the statement as a gaffe, as a mistake, as a boob; because the facts were self-evident. You cannot control the rising tide. The posturing of the Prime Minister in the special session of Parliament called to deal with railway matters was designed to head off the loud voices raised across Canada about rising prices. The NDP, which had been partners in this undeclared marriage with the Liberals, were among those who raised their voices. They always follow the crowd. The Prime Minister, thinking only how to head off a negative vote in that special session, introduced the proposals of September 4.

Among those proposals was a series coming from the Minister of Energy, Mines and Resources. Suddenly, there was a call from the Prime Minister's office, asking the minister to prepare ways in which prices might be kept down in the energy field. Without consulting the people in the government who were knowledgeable, and without consulting the National Energy Board or the industry, the people in the government called on their political friends in the Liberal party and in other parties for advice. At that time there was a popular call for a two-price system. The government did not know how it would work, but they announced it. At that time controlled prices were popular; so, the government announced that.

From that time, from September 4, the minister, who worked hard to learn about the ins and outs of his department, suddenly turned this way, that way and every other way. We now see the image of a minister who has lost the confidence, not only of his fellow parliamentarians but also of the provinces with which he must work in a co-operative way. He must work with the provinces if we are to make a resource policy work, because under the constitution resources belong to the provinces. As well, he must work with industry, which is a partner with the provincial governments in the development of these resources.

Since September 4, for most of the time during the last two or three months, the government has been rushing this way and that way. Therefore, the first question that members should decide in this debate on behalf of the people of Canada has to do with the credibility of the minister. Hon. members heard him this afternoon talking about transmission grids and about the development of nuclear power from CANDU. The Conservative government announced the transmission grid for Canada in 1958. All the plans were ready to be announced in Parliament in 1963. The records of this Parliament will show that that report has been buried since 1963. The minister tried to sneak by this fact by suggesting that there might be a little line from one part of Newfoundland to another part of Newfoundland, and there might even be one to P.E.I. The credibility of the minister has gone. All these changes in policy have destroyed confidence in him not only in this House, but in every province in Canada and particularly in many industries.

It was bad enough when the minister was in the soup, changing policy from hour to hour. Then, the Prime Minister got in the act. One night on television he said publicly that there was nothing wrong; there is no shortage in supplies. The next month he was talking of different policies. He spoke as if he had been born one of the Montreal elite, who in the thirties spoke of the day when those who are superior in intelligence would gain control of this country, as only the intelligentia from Montreal should control it. This man, who thought that way back in those days, is now the Prime Minister. His supporter, the NDP leader, is another graduate of that elite school in Montreal which has complete contempt for the ordinary person in Canada. They do not believe ordinary people can think for themselves on this type of subject. That was suggested today.

Some hon. Members: Hear, hear!

Mr. Hamilton (Qu'Appelle-Moose Mountain): The key issue Canadians must decide today is this: we are missing opportunities for Canada, opportunities that Canada never had before. The opportunities were not there 15 years ago or 20 years ago. They were not there ten years ago, but they are here now. I am speaking about opportunities arising globally for our gas and oil. We must also discuss the charade of the government in going this way and that way in implementing policy. Is this an attempt to make people frightened, as the leader of the Créditistes suggested, when there is no genuine shortage of oil in Canada? Is the government doing this because it is trying to hide its failure on the monetary and fiscal side and avoid the question of high interest rates and high prices? That issue ought to be debated today, and I imagine it will be dealt with.

Fourth, we must consider the attack that the minister and the Prime Minister have launched against a very good system of government called federalism. Federalism can only work if the federal government stays within its jurisdiction and if the provinces stay within their jurisdiction. Working together, they can make it work. The attack that has been launched in the last three and a half months on the provinces has not only been an attack against Alberta; it has been an attack against every provinces. That point must be answered.

My contribution to this debate will concern itself mainly with the opportunities for Canada that the present situation creates. It is a fact that Japan, Europe and the United States are short of energy. That is fact No. 1. It is also a fact that the Persian Gulf countries, the Arab countries, as we call them, as well as North Africa, South America and Canada, have a surplus in energy. Moreover, the supply of oil is now being used for political purposes. Not only are the Arabs demanding a fair price for their oil, but they are using production and price as a means of achieving their political ends.

● (1730)

Another fact is that oil movement across the world has in the past been dominated by international companies. Fifty years ago they began to prescribe a rule of law to deal with rising and falling world prices. Markets and prices were controlled. Their policy was plentiful supplies at the lowest possible price. So for 50 years the price of oil around the world has scarcely varied. No group of govern-

ments met to decide how markets should be allocated when there were surpluses. There was a vacuum, and the large companies filled it.

Today there is a shortage and oil has become a political issue. We have seen the formation of an organization of oil producing countries, OPEC by name, which is trying to get justice for their people. The oil belongs to the people of Algeria, Nigeria and the various countries of the Persian Gulf. We have been stealing this oil from them by paying very low prices for 50 years. OPEC is determined to get better prices.

When we contrast this picture of shortages in Japan, Europe and the United States with the surplus in Canada, we can see where the opportunity lies. Without going over the list of the 500 billion barrels of oil, the 700 trillion cubic feet of gas, the 100 billion tons of coal, the one million tons of uranium, the hydro possibilities, the potential of the Fundy tides, the Churchill River, coal in Alberta, Saskatchewan, British Columbia and the Maritimes, we have sufficient energy sources of the non-renewable sort to last this country for 500 years or more. There is no shortage. We have power from hydro sources which can be peaked with thermal power at very low cost.

How much do we hear said in this House about the renewables? By the year 2000 the United States will be into fusion at full speed. Where do we hear about research done on the hydrogen cycle? Where do we hear about magneto hydrodynamics? Manitoba sends cesium all the way to Russia because the Russians are doing experiments on magnetic hydrodynamics. But not a peep is heard about this form of renewable power in the course of our debates here. We have all heard of solar power, of tidal power and geothermal power. We have all heard of wind power.

An hon. Member: We have plenty of that.

Mr. Hamilton (Qu'Appelle-Moose Mountain): I have even mentioned in this House the word "biomass". If you were to cover the states of Alabama and Georgia with pine trees, which would grow in 20 years, the United States government could provide all the energy it needed from those trees. The energy of the future will be grown on a renewable basis on the farms of North America and other countries. Nothing has yet been done. The people in agriculture say it sounds like energy and the people concerned with energy say it sounds like agriculture; and the environmental people, who are charged with responsibility, say they have not got around to it yet. All my comments add up to this: we are not faced with a shortage of energy in Canada, either presently or in the future. Yet there is no national policy in place; nothing at all.

Transportation has been touched upon by the minister. Where is the policy on a national power grid which was prepared between 1958 and 1963 and left to lie somewhere in his department? Where is the knowledge which the National Research Council, in co-operation with Quebec Hydro, has accumulated? They moved further in the field of long-range transmission of power than any other country in the world. Yes, we knew about the possibilities of DC transmission 15 years ago. But these people have broken down the coronary loss as well as the line loss. There is no mention of it here. I think of the people of the Yukon, the people around the Fundy basin, the people of British Columbia, Manitoba and Quebec: if they do build up any power production, where can they sell it? They have only one market opportunity and that is south, in the United States, this is what the NDP are voting for—the type of government which does not seize an opportunity.

There has been a good deal of debate about price. The reason for this is that neither the minister nor anyone else in his department has a clue about providing lower prices for energy in Canada while allowing enough funds to those who are out exploring to enable them to keep the system working. Because hon. gentlemen over there do not know what to do, they keep pressing us, "Tell us your policy." I suggest that our track record of knowing what to do, and the many years we have spent doing it, are sufficiently convincing: the people will understand that the only party which has a chance of devising a satisfactory energy policy or national resources policy is the party which now sits as Her Majesty's Loyal Opposition.

Some hon. Members: Hear, hear!

Mr. Hamilton (Qu'Appelle-Moose Mountain): With all our energy resources, we have enough going for us to enable us to bring processing into Canada without subsidies. The comparative advantage, the opportunity we have sought for so many years, is here. Sure, it means we shall have to do some bargaining. As I have reminded hon. members, Japan, Europe and the United States are short of energy. But when we consider all the things we have going for us, surely the people of Canada would benefit from a party in power that knows how to bargain in Canada's interests, instead of just sitting there and reacting to events day by day.

We, too, believe in the ownership of Canada by Canadians. The difference is that we want Canadians, as individuals, to own it and not follow the fatal route which Russia, China and other nations have taken, as a result of which they have to turn to us for technology because their socialist systems do not enable them to compete with the efforts of thousands of people all trying to do a little better.

Finally, Mr. Speaker, in this argument about credibility I want to deal with the implications of the *force majeure* clause in oil contracts. When the minister stood up on November 26 in this House and for the first time told the Canadian people they had to expect a shortage of 200,000 barrels a day, my comment was very simple: I said it was a shocking revelation and that the minister would have to be prepared to answer questions regarding it. When those questions were asked by the Leader of the opposition and others, the minister replied that a *force majeure* clause was included in the contracts with the companies. In plain English, *force majeure* provides for an act of God, not an act by foreign international companies.

When we questioned the minister about this aspect in committee, he said this was a situation which we could not change. When I asked him to stand up and make a unilateral declaration on the part of Canada that we would hold any Canadian subsidiary responsible for action taken by a foreign parent company in invoking *force majeure*, all he said was that we must not touch private enterprise. Well, the NDP are supporting this type of thing. I have fought all my life for sovereign control by Canadians over the

international oil companies and others have joined with me. But on the crucial issue we are now facing, the NDP has been promised possible reductions in price by the government though they do not guarantee them, and the NDP are selling out Canadians through not making the government stand up to the subsidiaries and tell them that unless they obey the Canadian will, the government will hold them responsible.

● (1740)

I guarantee that as a government we would be prepared to make that statement and to hold the subsidiaries responsible for any phony *force majeure* provision that is brought into effect. With that kind of statement, Mr. Speaker, you can see the clear distinction between the phony promises that we have had over the last 2 ½ months and all this chest-beating by the NDP that they will throw out the government. The minute they get these phony promises that the government will not raise prices as much as they thought—though there was not a single guarantee in the speech made by the Prime Minister last Thursday as to what the prices will be—the NDP buy these promises. I can only conclude that the members of the NDP are so comfortable in the seats they now occupy that they are too fat to fight and too frightened to run.

Mr. Ian Watson (Parliamentary Secretary to Minister of State for Urban Affairs): Mr. Speaker, rarely in the history of this House has the official opposition moved a motion of non-confidence that is the equal of today's as an exercise in absurdity. If the official opposition had an oil policy, if they had a policy on northern resources, or if they had a policy on off-shore resources, then at least they might be credible. To the adjectives that the official opposition have used in this motion to describe us, I need only add one other to adequately describe their position, and that would be "non-existent". When you have no policy, the best tactics are obviously to create the most confusion possible in the public's mind. I must congratulate the official opposition for having succeeded masterfully in this regard.

This government announced a program for Canadian oil self-sufficiency on September 4 when it announced it would build the Montreal pipeline. This was more than one month ahead of the Arab-Israeli conflict. As for the noise and confusion that we have heard about prices over the past few weeks, I think the Canadian public is sensible enough to understand that east of Ottawa we have been enjoying prices that have been better than those in western Canada and in Ontario west of the Ottawa Valley over the last 12 to 15 years. If over the next few months we have to pay higher prices until western oil comes through, the Canadian public will understand. Despite all the noise and confusion created by the opposition, the Canadian public now clearly knows what is the position in regard to prices and understands it generally.

What are we going to do about future energy requirements? This is where we ask the opposition to come forward with their policies, because they really have not come forward with any clear policies on anything. As far as I am concerned, the three most important matters that affect the future of Canada are these: What are we going to do about our northern resources? What are we going to do about our offshore resources? Whose heritage are these resources: are they the heritage of the Canadian people?

The hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton) has just accused the government of making an attack on the provinces. If we develop the resources of the territories and our offshore resources because they are the heritage of all Canadians, is this going to result in Canada being split up into semi-autonomous regions? No, Mr. Speaker. The position which we as the government have taken on a number of issues regarding the resources of the north and offshore leads to but one conclusion, namely, that we are going to develop these resources for the benefit of all Canadians whose heritage they are.

In talking about the Canada Development Corporation quite a few years ago, I indicated that we needed to get away from the idea that government participation in mineral and oil exploration and development necessarily implied government ownership or control. I indicated I would be happy if the Canadian government were to have only a minority participation in such ventures. Certainly it would not have to be a majority participation; we could become partners to the extent of 30, 40 or 50 per cent. There is no reason why the department responsible for the Yukon and Northwest Territories could not set up a prospecting and exploration division whose functions would be similar to those of any prospecting and exploration division of any of the larger mining companies in Canada. We could tender for geological surveys and a geological firm could carry out the exploitation program.

This is what I would envisage as a natural development for a Canadian natural resources corporation. It would be responsible for searching out deposits and, if necessary, providing a reservoir of capital for minority of majority participation in ventures which had already resulted in proven ore bodies or oil pools. The 35 per cent of the Canadian land mass that forms the Northwest Territories and Yukon has a potential that the experts say will yield at least that approximate percentage of the total resource picture in Canada, both in hydrocarbons and minerals. There is no reason for our not having greater participation in the development of these resources. What is the position of the official opposition in regard to the exploration and development of these resources? Are we going to develop these resources simply for the benefit of the people living there, or for Canadians generally? We have never heard them clearly on that question.

Mr. Bawden: I rise on a point of order, Mr. Speaker.

Mr. Speaker: The hon. member for Calgary South (Mr. Bawden) rises on a point of order.

Mr. Bawden: Would the hon. member permit a question?

Mr. Speaker: That is hardly a point of order.

Mr. Watson: At the conclusion of my remarks at about ten minutes after eight, Mr. Speaker. The position that I think hon. members opposite fail to grasp in their ignoring of the natural heritage aspect of these resources both in the north and offshore is that the very existence of these resources dramatizes a basis for national unity which too few people in this country, and I must admit in my own province as well, appreciate. We have heard from the

government about a national oil company. I should like to see an exploration and development venture along these lines for minerals as well, in those areas which are totally within federal jurisdiction.

● (1750)

There is an additional area to which I should like to refer. This involves a question I have raised in this House on a number of occasions. It relates to an eventual decision on the oil leasing policy of the government. This matter has been under review for a long time, and certainly I have submitted memoranda on the subject before. The basic philosophy that has been followed in the Canada oil and gas regulations is that the permitee should have first choice of 50 per cent of his permit area, and that he should return the remainder to the Crown. His choices are subject to certain restrictions which ensure that with a discovery of a normal size he must return to the Crown some fraction of the land containing oil and gas.

To provide a return to the Crown of part of the discovery, the leases must be separated one from another by a row of sections or, alternatively, selections are made on a chequerboard basis with alternating sections returned to the Crown. In Canada it has been the practice for provinces to offer the Crown sections for auction, and provision has been made for this federally in section 58 of the oil and gas regulations. In the north, the Canadian government decided on an alternative method. It decided that in order to provide additional encouragement, it would be useful in respect of the disposal of these alternate Crown rights if there were provision for the company which held the permit to pay an additional royalty. These additional royalties would be on a sliding scale, depending upon the volume of production from a given well.

This system of secondary leasing with payment of extra royalties was designed to return revenue equal to that which would be obtained in the long run from sales of the rights by auction, and has the advantage of allowing an oil or gas field to be developed under single ownership. Among the practical effects of this leasing policy is the fact that when a discovery well is drilled, a company, by making application for a given area with the reservation for the Crown and paying additional royalty, will have a real advantage in that it reduces what they call in the industry front-end loading.

The thinking behind this was valid at the time. If oil was discovered in the Arctic, the only way it would be competitive on world markets would be if its wellhead costs were extremely low. However, since these regulations were drafted a number of new elements, of which we are all aware, have developed. We have had the Prudhoe Bay discovery and, more recently, the tremendous increase in the world price of petroleum. The hopes which the Prudhoe Bay discovery have encouraged, and the hopes which have now been encouraged as a result of the many Panarctic discoveries, have transformed the atmosphere in the oil business in the Arctic. We must also consider transportation, because transportation developments would now seem to indicate that it is possible to take this oil to the market one way or another.

Because of these elements, I would suggest the question before the minister is whether to revert to a provincial-

[Mr. Watson.]

type system of auctioning off these Crown sections to the highest bidder. I argue that this should not be done, but that we should embark upon a totally new scheme in a new direction. We should retain these Crown sections and dispose of them in a way in which the initiative and the interests of the original permit holder would be protected—but we should dispose of them under some Crown aegis, whether it be a special agency or a special repository of some kind. In this way a multitude of possible arrangements could be made to allow individual companies, preferably the original permit holder but others if necessary, to develop these Crown sections. If the Crown sections prove uninteresting under the terms decided upon, either to the original company or other companies, then I would hope the federal respository would be in a position to act unilaterally. There is a tremendous range of possibilities here, and I would urge the minister to examine them to the utmost.

May I call it six o'clock?

Mr. Speaker: Order, please. The hon. member who now has the floor—if he will kindly resume his seat—has about 4½ minutes remaining of his allotted time. I wonder whether the House would be disposed to allow the hon. member to complete his remarks now. This would facilitate the work of the House this evening, since we are running short of time and there are a number of members who would like to take part in the debate this evening. Of course, the hon. member has the right to call it six o'clock; that is his prerogative.

Mr. Watson: To recapitulate, Mr. Speaker, I would hope that it would be possible for the government to give consideration to a mineral exploration and development company in those areas of Canada which lie within federal jurisdiction, and I refer to the northern territories and offshore. I would hope also that it would be possible for the government, in its consideration of changes in oil leasing regulations, to move in a completely new direction, differing from the provinces, particularly the province of Alberta which auctions off its Crown sections to the highest bidder. That new direction would be for the Crown itself to assume responsibility for these Crown sections, farming them out under certain arrangements under some Crown umbrella.

Finally, I want to review very quickly what I feel to be serious deficiencies in the criticism directed toward this government by the official opposition. I think it is wrong for them to assert, as they have in this motion, a number of sins on the part of the government when they themselves have not developed a policy on the matter of offshore resources. Perhaps I am being overly kind to the official opposition, because actually the single policy which seems to come through is that the provinces adjacent to the offshore resources should have total control over those resources. This is the only policy that comes through from the Conservative Party. Certainly it is the one supported by a large percentage of its membership from the Maritimes. I do not know that the Leader of the Opposition (Mr. Stanfield) publicly has taken a position that strong before now, but certainly that is implicit in all his public remarks until now, and the Canadian public has a right to know this position in his regard and in regard so far as the northern territories are concerned.

The hon. member for Yukon (Mr. Nielsen) proposes that the Yukon itself be considered for provincehood within five years of a Conservative government taking office. This would affect approximately 20,000 people, the present population, which might grow slightly higher. It would mean that they would have total control of the natural resources of that territory. These are the Conservative Party positions on two major basic issues facing Canada. I submit that the policy they are suggesting would lead to what I referred to earlier as the setting up of practically semi-autonomous regions in Canada.

I would urge the Canadian public to appreciate once and for all what its choice is here. The choice is between a policy of a government which recognizes the natural resources and their development in the Northwest Territories and in the Yukon Territory, offshore and elsewhere in Canada, through Canadian government-financed projects, as being a common heritage of the people of Canada, and the policy of the official opposition which apparently does not consider these basic issues for the people of Canada as important. This is the major reason their motion tonight should not be supported by any party in this House.

Mr. Speaker: Order, please. The hon. member's time has expired. I do now leave the chair until eight o'clock.

At 6.05 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

Mr. James Gillies (Don Valley): Mr. Speaker, I rise to participate in this important debate that is taking place in this chamber today. One interesting question that has already arisen is, why in the world is there such an argument between the members of the Liberal Party and the members of the NDP as to who is responsible for the energy policy that has been brought forward? I would have thought that both parties would be disclaiming any ownership to it whatsoever, because surely no one would want to lay claim to this mish-mash of ideas that has been suggested as a coherent policy, this rehashing of ideas that we have heard so often in the past.

The people of Canada must really be wondering tonight, as they listen to this debate, whether or not they are living on the same planet as all other countries of the world. Surely the Canadian people cannot believe that, in light of what has happened in the world since the Arab-Israeli war, since the Arabs have decided to put an embargo on the export of oil, this government is bringing in an energy policy which centres around the fact that we should be extending a pipeline to Quebec, something that has been advocated by the Progressive Conservative Party for at least four years.

We are discussing the pricing of petroleum products in this country, something we would do in the normal course of events. We are concerned about the way we get our resources out of northern Canada, something that any government of Canada should always be interested in. And we are discussing more Canadian ownership of our resources, which clearly should be the platform of any party and part of its ongoing decision-making. Obviously, any parliament could be discussing these types of thing, at any time.

Certainly, the people of Canada must be wondering what the government is thinking about in terms of the situation that has developed in the past few months, because every country in the world is considering its energy policy in relationship to the changes that have taken place in the last quarter of the year, rather than being concerned about a rehash of ideas which were advanced several years ago and which one would think would come forward in the normal course of events. One wonders whether or not the government is actually aware of the nature of the energy crisis which the world and indeed Canada is facing at present.

One may wonder why the government has not come to grips with these issues in which all Canadians have been interested. But one cannot excuse the government with regard to the current energy problem for compartmentalizing the energy problem and not analysing it along with other problems that Canada is facing today. Surely we must be the only country in the world where the government is talking about the energy policy independent of the economic policy that the government is following.

Some hon. Members: Hear, hear!

Mr. Gillies: No other country in the world is considering the energy question independently of what its effect may be on the economy. When the people of Canada today hear about the energy debate in Canada, hear discussions on energy questions, surely they expect much more than a discussion about whether or not we should have a pipeline to Montreal, whether we should bring our resources from the north and what our pricing policy should be. Surely what every Canadian citizen is wondering about tonight is what is the impact of the energy situation in the world on Canada, and what will happen to Canada as a result of this situation. This is the question the government must answer.

It is inconceivable to me that a government can be faced with the issues that are raised by the change in the energy situation in the world and not have one responsible minister make a statement as to what the impact of this change on the economy of Canada will be. This is what people want to know. This is what they are concerned about. Does the fact that there is an energy crisis in the world today have any impact on the Canadian economy? Does it not make any difference to Canada? And if it does not, why does the government not say so? To discuss energy the way it has been discussed so far by the Government is totally irresponsible.

We have tried to find out from this government what their ideas are and what their analysis suggests the effect of the energy crisis on Canada will be. What have we found out? Very little. We find that not until November 20 did the Department of Industry, Trade and Commerce even care enough about the energy situation to ask industries across Canada what the impact of the change in the energy situation may be so far as Canadian industrialists are concerned. Not until that late did they attempt to find

out what the impact of the change in the energy situation may be on this country.

What have we discovered from the Minister of Finance (Mr. Turner) with regard to the situation in Canada? What he had to say is reported at page 7129 of *Hansard* for October 23. He said that the outlook of the economy in 1973 and 1974 is for a strong rate of growth. He is not willing to consider that because of the change in the situation that has developed around the world there may be some impact on the Canadian economy. He is not willing to ask himself what it may do to Canada. He does not even suggest that the present monetary, fiscal and exchange rate policy may be inappropriate following the new developments throughout the world.

I suggest to the House that the people of Canada want to know what the attitude of the government is with respect to the impact of the energy shortage on employment, on inflation and on economic growth. I suggest, further, that the reason the government is not willing to say anything on this topic, is not willing to give us a statement about the situation in the country today, is because of the situation in the Canadian economy today. We have in Canada, in spite of the fact that the Minister of Finance constantly says we are operating at full capacity, an unemployment rate of 5.8 per cent—the highest unemployment rate of any industrialized country in the world. We read about officials in the United States being terribly concerned because the energy crisis in that country may bring unemployment up to 6 per cent. Our government is beginning to believe that 6 per cent unemployment is normal.

● (2010)

We find statements being made in other countries that the energy crisis may have some impact on unemployment levels. But what do we find from the Canadian government? Its members are afraid and unwilling to say what may be the impact of the energy crisis here.

Look at the inflation situation, Mr. Speaker. Only two other countries in the world have a higher rate of increase in inflation than Canada at present—Greece and Japan. What is going to happen to the Canadian inflation rate? This is something that is of great concern to every Canadian. Every Canadian wants to know what effect the change in the energy situation will have on prices in our country.

What about growth in the economy? We have this really incredible situation of a budget brought down last February, the purpose of which was to stimulate economic growth. But what has happened? In every quarter since that budget was introduced, the rate of economic expansion has declined. In fact, in the third quarter of this year we had substantially less than 1 per cent growth in the gross national product, despite the fact that the budget was supposed to stimulate growth.

I have often wondered, why is it that we have basically such poor economic performance in Canada? I think I have found the answer. If you ask the Minister of Finance why it is we have such a rising trend in inflation—as I said earlier, the third fastest rate of increase of any country in the world—he replies, "It doesn't matter, because if you look back six months ago you will find that the rate of inflation somewhere else was higher, and so you don't have to worry about the trend." When we point out that there is no real growth in the economy, he replies, "We had great growth in the first quarter."

Mr. Speaker, the government, in making economic policy, will not look at any trends. It will not look ahead. It always looks back. Now, when every Canadian is asking what will be the impact of the energy crisis, if any, on the economy, again members of the government will not look ahead because in fact they are incapable of looking ahead: they are afraid to look ahead.

In the present debate on energy around the world, Canada is the only country where a senior economic minister has not made a statement on the impact of the energy situation on the economy. In the United States, the Secretary of the Treasury has made a statement that the possible impact of the crisis in that country is a 2 per cent drop in the rate of growth of the gross national product, a possible increase in unemployment up to 6 per cent, an increase in prices of another percentage point, some decline in consumer expenditures and some decline in capital investment. The economic spokesman in West Germany made a similar statement on the impact of the energy crisis in his country. The Chancellor of the Exchequer in Britain said what it is likely to do to the economy of Britain and outlined what they were going to do about it.

Mr. Drury: Look at what happened to the pound.

Mr. Gillies: Even the Secretary of Finance of Iran has said what is going to happen in his country. In Canada, the central issue today is what is going to happen to the Canadian economy in the next quarter. Is unemployment going to rise? Will inflation get worse? Will economic growth slow down even more? But the Canadian government has said nothing.

It is totally irresponsible on the part of the government not to come state what it thinks the impact of the energy change will be. For the Prime Minister (Mr. Trudeau) to make a statement and for the Minister of Energy, Mines and Resources (Mr. Macdonald) to make a statement about energy without mentioning what it may mean in terms of employment, of prices, and to the economy in general is the height of irresponsibility.

Some hon. Members: Hear, hear!

Mr. Gillies: Before this parliament rises for the Christmas recess it is incumbent upon the government to state what it assesses the impact of the energy situation on the Canadian economy to be. I cannot stress enough, Mr. Speaker, that the questions Canadians are concerned about, when they talk about energy, is the effect of the situation on their jobs. Canadians know that there is a projected decline of the gross national product of the United States, a decline in economic activity in Japan and a decline in economic activity in the European countries. What does that mean to Canada?

The reason the government is incompetent and must be defeated is that it is unwilling to relate the international situation in energy to economic policy in Canada. The government is totally irresponsible in not doing so.

An hon. Member: Talk about energy in Canada.

Mr. Gillies: I go back to the budget of last February. Since then we have had a doubling of the rate of inflation in this country. We have had no substantial drop in unemployment, with little growth in the gross national product in the last two quarters, and a major change in the levels of expenditure by the government, in spite of the fact that the budget was designed to lessen government expenditure. With all this, can anybody sitting on the government treasury benches say that the monetary and fiscal policy and the exchange rate policy that were proposed to this parliament last February are the right ones for Canada today, in view of the changes taking place in the world economy? How can anyone make that case?

How long do Canadians have to suffer? Why can't we get some action from the government? At least, why can't we get an explanation from the government of what it is trying to do?

Mr. Stanfield: They don't know.

Mr. Gillies: What has happened is that in this confusion about energy—whether or not there is a 200,000 barrel shortage in the eastern part of Canada nobody really seems to know—we are forgetting what the real energy problem is for every Canadian. The real energy problem for Canadians today is not whether we are going to get a pipeline built, or whether we are going to get the oil and gas out of the north; the real problem for Canadians is whether they are going to have jobs next spring—

Some hon. Members: Hear, hear!

Mr. Gillies: —and whether prices are going to rise even higher. That is the issue that is before us today. And for the government to give a debate on energy—

An hon. Member: You asked for it.

Mr. Gillies: —and for the Prime Minister to make a statement of the nature of the one he delivered, is to avoid what the energy crisis in the world is all about. I must say that anyone in the United States government, in the United Kingdom government or in the Japanese government interested in what Canada thinks about this situation and reading the speech of the Prime Minister, will wonder what world he is living in. He is talking about things that governments do in the normal course of events, when he should be talking about the things that are really important to the Canadian people now.

The government must tell the Canadian people what the impact of the energy crisis in the United States, in the United Kingdom and in Japan will be on Canada. Some 25 per cent of our gross national product comes from trade. Mr. Speaker, 77 per cent of our trade is with the United States. What is going to happen if there is a substantial decline in the United States market? Have we any policies to deal with such a situation? That is what the question of energy is all about in Canada today and the one which the government has been unwilling to discuss.

● (2020)

We have a situation in the economy, a situation which developed long before the energy question arose, in terms of inflation and growth that is inexcusable. What is going to happen? I would hope that some time today someone in the Liberal Party will answer this question: What is the impact on the economy of the energy situation as it develops all over the world at the present time?

To the hon. members to the left I must say that it seems to me very strange that they are willing to support a government that in the course of this year has managed to bring about the highest rate of inflation we have ever had, that has managed to operate the economy in such a way that our unemployment rate is the highest of any industrialized country in the world, they suggest that they are supporting the government because they got something out of this energy situation when the government, let alone the NDP, does not even know what the impact of the energy situation is going to be on the Canadian economy. Anybody who cares about what is going to happen to the Canadian people could not possibly support a government with such a record.

Some hon. Members: Hear, hear!

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member, but the time allotted to him has expired.

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Mr. Speaker, as I walked into the House and heard the opening words of the hon. member for Don Valley (Mr. Gillies), I had the eerie feeling that in some way or other I had got into the wrong movie. The hon. member spent virtually all of his time asking us why we were not talking about matters which were in some way or other related to energy but were not specifically on the energy question. He said the great mistake was that we were not dealing with these kinds of economic outfall, as it were, from the energy crisis. May I remind him that for the last week we have persistently and consistently heard from at least some of the spokesmen of his party that they did not want anything else discussed today, that the name of the game was energy and they were going to phrase the motion precisely so that we could not possibly talk about anything else, or anything related to energy.

Some hon. Members: Oh, oh!

Mr. Jamieson: All one has to do is to look at the wording of this motion. If the hon. member for Don Valley had wished to discuss the economic impact of the so-called energy crisis, it would have been, I presume, a fairly simple matter for him and his colleagues to have drafted a few words that would at least have hung on, like a dory tied to a schooner. But they did not do that. I am not a bit surprised by all this. The hon. member for Edmonton is about to set himself up as the number one flak of the Tory Party, but he is doing it from the second row. If he is not careful, he will be back in row four and this man will be taking over first place. It seems to be occurring, in any event.

Mr. Paproski: Designate "the hon. member for Edmonton." Who are you talking about?

Mr. Jamieson: I apologize for making the wrong comment with regard to the riding. I mean the hon. member for Edmonton West (Mr. Lambert). I bow to the hon.

member for Edmonton Centre (Mr. Paproski) for having made that mistake.

Dealing with the matter that is before us and not the extraneous matter, Mr. Speaker, at first glance what is surprising about the Tory motion before us is its vagueness. But on reflection this is not surprising. From the start of this parliament the Tories have been content to fall back on generalities in order to criticize the government. Never once have they proposed the alternatives, any more than the hon. member for Don Valley did tonight.

Some hon. Members: Hear, hear!

Mr. Jamieson: Let me concede that they are under no obligation to do so, of course. But by their actions, or lack of them, they have lost whatever credibility they possessed and their disarray and internal disagreement on every important policy issue becomes more apparent with every passing day.

Some hon. Members: Hear, hear!

Mr. Jamieson: Nowhere is this more evident than on the matter of energy. Incidentally, I want to thank them for the wording of their motion today, for it has given me the three adjectives most suitable to describe their own posture. On energy policy, the Tories have been incompetent, inconsistent and vacillating—all three.

Some hon. Members: Hear, hear!

Mr. Jamieson: Their strategy has been as transparent as their policy has been invisible. It is invisible by their own admission. They have said, if news reports are correct, that they are working on a policy but it will not be ready for a month. Yet today, at this very moment, they have brought on this narrowly-worded motion which says in effect, "We are prepared to end this parliament, force the country into a winter election and the resultant inevitable inactivity on important issues," while saying to the Canadian people, "Never mind what we think. Have patience. Ignore our incompetence, our inconsistency and our vacillating, and perhaps in a month or so we will come up with something."

Some hon. Members: Shame!

Mr. Jamieson: Mr. Speaker, we are approaching the Christmas season, but let me tell my friends opposite that their particular version of "Oh come, all ye faithful" is not one that will be swallowed by the Canadian people even in their most generous yuletide mood.

This toothless Tory motion is presented as casually and as blandly as if last week had never happened. I can understand why the Tories would wish that it could be struck from the calendar, but it cannot be done. The official opposition cannot ignore the policy statement of the Prime Minister (Mr. Trudeau) or try to dismiss it in the casual way that so many have. They cannot avoid declaring themselves clearly and unequivocally. Mr. Speaker, they must surely be prepared to speak with a united voice. Let them stand and be counted. Are they in favour of a national petroleum company, or are they not? Are they prepared to say that the big oil corporations should not reap the profit harvest they had no hand in making? Do they favour keeping consumer prices down as much as possible this winter or, if they want a freeze, should it be at the expense of profits or of people? Where do they stand on the Mackenzie Valley line and on the creation of a pipeline linkage between east and west? On each of these questions, and dozens more, the Tories are the inconsistent party.

[Mr. Jamieson.]

Some hon. Members: Hear, hear!

Mr. Jamieson: I admire the dexterity of the Leader of the Opposition (Mr. Stanfield) who so far has managed to keep one foot in Alberta and the other in Ontario; but he invented a third foot today which he tried to plant in the Atlantic provinces. Either they have come down squarely on both sides of the issue or they have vacillated by the use of what ought to be the party slogan of the Tories—Yes, but. The weather-vale through which they seek to read the winds of public opinion is either out of order or, more correctly, it is being blown hither and yon by conflicting currents within their own caucus; and they know very well what I am talking about.

• (2030)

Let me show you a few examples. On the national petroleum corporation, "A death blow to free enterprise", say some. "A meaningless gesture," say others. On the Prime Minister's policy statement, "A bombshell" is one Tory assessment. "Nothing of great moment" is another. Every man, Mr. Speaker, is entitled to his own opinion, but a national political party collectively that seeks to be credible is not.

This government has a policy. It will bring economic gain to Canada and it is benefiting the consuming public. Certainly there are some hardships and dislocations that all of us regret. But even the government's most severe critics fall short of blaming us for the international developments that lie at the root of much of the present difficulty. The responsible course now must be to minimize the immediate difficulties. This the government is doing to the maximum extent of its powers. Every means possible of ensuring an equitable distribution of supplies is being pursued. Prices are being kept down where possible, and those in greatest need are being helped. If other steps are found to be necessary, they will be taken.

The only time today when the Leader of the Opposition managed to sneak in a five-word policy statement was when he was goaded into it by members opposite: he said, "My policy is one price." What did he mean by "one price"? Presumably, because you cannot have it low in the east, we are going to make it high all over the country. That was the essence of his statement today.

Mr. Stanfield: On a point of order, Mr. Speaker, may I ask the minister a question? Is it the policy of the Minister of Regional Economic Expansion (Mr. Jamieson) to have significantly higher prices for petroleum in the province of Newfoundland, in the maritime provinces and in the slower growth parts of Quebec?

Mr. Cafik: This is not the question period.

Mr. Stanfield: Is that the regional economic expansion policy of my hon. friend?

Mr. Jamieson: Mr. Speaker, instead of lecturing the Leader of the Opposition on energy policy, I might lecture him on the rules of the House. I thought he had risen on a point of order or something of the sort. On the other hand, as he asked a question I will try to answer it at the end of my remarks, if I may.

I was speaking of the current problem in the country, and in that connection I would sincerely hope—I say this by way of an answer to the Leader of the Opposition's question—that everything possible within our power will be done in this energy crisis to ensure that the Atlantic provinces' industry is not harmed. I see a limp handwave from the Leader of the Opposition on that comment, Mr. Speaker, and that about constitutes the total sum of Conservative policy in this area.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

The Acting Speaker (Mr. Boulanger): Order, please. I presume all hon. members know the rules. When an hon. member has the floor, he has the right to speak. The Chair is having a very hard time hearing the hon. member. I ask hon. members to observe the rules. The minister has the floor.

Mr. Jamieson: Mr. Speaker, I was saying that the immediate but larger task is, surely, to move now to ensure that present uncertainties will not occur again. This government's policy is a firm commmitment to that objective. The pipeline to eastern Canada will go ahead. To those who now say, with the benefit of hindsight—

An hon. Member: When?

Mr. Jamieson: The pipeline will go ahead, as has been indicated, immediately. To those who now say, with the benefit of hindsight—and some of those people are sitting not far from here—that the pipeline should have been started earlier, let me ask how practical such a move would have been a few months ago, in their eyes. How many, now eager to jump on this particular bandwagon, would have condemned the project out of hand less than one year ago? Let me also say this to those people who would have condemned it out of hand.

Let me refresh the very short memories of those who very recently in this House were scoring the government for not being tough enough when the United States would not let us sell as much oil to them as some members opposite wanted,—they asked questions on this day after day in the question period—perhaps even more important, as much oil as some of the major oil producers wanted. It is this memory, among others, Mr. Speaker, that dampens my sympathy for the oil companies and their highly articulate spokesmen. The fact is well known that I am by no means doctrinaire in my opposition to the so-called free enterprise system. On balance I have to say that it has served Canada well. But I am under no illusions that the system was not serving itself well at the same time, and this is what many of us tend to forget.

Big business, whether in oil or any other field, has two great weaknesses that emerge without fail whenever the status quo is being threatened. The first is to cry blue ruin at the slightest provocation, and the second is to forecast the immediate collapse of the economy if anyone tampers with the even tenor of their ways. Well, Mr. Speaker, the occasions are rare indeed when either eventuality has happened. If I have to make any generalization, it is that frequently the opposite is true. As for the blue ruin cry, it simply is not so, nor is it likely to be in a world starving for energy. If these multinational oil companies are prepared, as they are, to deal with some of the most unstable countries in the world, they will remain active in Canada with its much more stable system as long as there are energy sources here to be exploited and to which they have access.

An hon. Member: Who says the government is stable?

Mr. Jamieson: Mr. Speaker, this will be the case as long as it is profitable for them to do so. But this is more than an argument for the continued profitability of the companies: it is also a warning to us and to the Canadian people. These oil companies will not stay if it is in their best interests to go elsewhere. We had seen something of this shift of interest well before the present crisis emerged.

Therefore, Mr. Speaker, a national petroleum company is not so much a threat to private enterprise as it is protection—an insurance policy—for the public interest. The decision to create such a company and to move decisively in a number of other important energy fields represents a total repudiation of the motion now before us. May I say this in passing. I little care who claims parentage for these particular measures. I say that they are measures which this government devised, of which it is proud and which in the great record of the Liberal Party in the years ahead, will stand as a watershed reflecting our decisiveness, and not the other way around.

Some hon. Members: Hear, hear!

Mr. Jamieson: Far from lacking a policy, this government has in recent weeks, announced plans that in their totality move Canada a sizeable distance along the road that I am sure the majority of Canadians want to travel, that is, toward the goal not merely of self-sufficiency in energy but of greater control over their national destiny.

Mr. Paproski: Good luck in the next election!

• (2040)

[*Translation*]

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, when I heard the Minister of Regional Economic Expansion a few moments ago, I had to correct very quickly my impression that this government did not have any energy left; I see that it still has some left, even if only in talk, and in unconvincing talk at that.

Mr. Speaker, I was nevertheless stupefied to see the minister support a policy aimed at dividing the country and adding to regional disparities in Canada. In fact, this energy policy, in the present circumstances is unfortunately becoming a feat of strength of which the government should not be proud, a feat of strenght aimed at obtaining jurisdictions which the constitution forbids the government to have except in a situation of false or real apprehended crisis . . .

An hon. Member: Mr. Justice!

Mr. Wagner: . . . a feat of strength approximately 72 hours before a non-confidence motion and at a time when the government is gathering the scattered elements of its policy in order to project them as elements of a national energy policy, while they are in fact only a Liberal survival policy . . .

Mr. Marchand (Langelier): We have been hearing this for a whole year.

Mr. Wagner: . . . a feat of strength to create two nations in this country: the east and the west.

Mr. Stanfield: This is quite true.

Some hon. Members: What did you do in 1961?

Mr. Wagner: They have been divided, the most underprivileged against the richest, that which is taken for granted because it has always been faithful, namely the province of Quebec which has always been faithful to the Liberals as it takes them for granted and that which must be courted because it is needed.

Such forceful action is unacceptable. If there is one thing wrong with this motion it is the fact that it is much too charitable for the government.

Mr. Stanfield: Of course, of course.

Mr. Wagner: The eclectic performances of the government those last few weeks, the scenario which we are used to witness, the jumps made by the Prime Minister (Mr. Trudeau), the most indecent compromises with the Sir Galahad of the NDP party, the about-faces of government members, mainly those from Quebec—

Mr. Langlois: Let the hon. member speak on about-faces!

Mr. Wagner: —all those contributions—

An hon. Member: Two seats in Quebec!

The Acting Speaker (Mr. Boulanger): Order. Perhaps I should remind hon. members of Standing Order 12, which is quite clear and I quote:

(3) When a member is speaking, no member shall pass between him and the Chair, nor interrupt him, except to raise a point of order.

I hope hon. members will remember this Standing Order until the hon. member for Saint-Hyacinthe has completed his remarks.

Mr. Wagner: Thank you, Mr. Speaker, I only wanted to add that all those contributions from our friends the government members, in addition to their contributions this evening, would have justified much stronger words than those we had to use in our motion, and which underline the incompetence, the inconsistency and irresponsibility that bring economic losses to Canada and deprivations to consumers. We did not use stronger words because we wanted to anticipate the request of the Minister for Regional Economic Expansion (Mr. Jamieson) and allow the coming festivities to inspire us.

Mr. Speaker, it is obvious that the government, in this oil crisis, did not use any foresight. The government leader in the House said precisely this to the United States, last Saturday: "Canada produces more oil than it needs, but distances make its transport difficult from the oil fields of the west to the highly populated cities of the east; this forces Canada to import foreign oil. Despite everything, Canada continues to supply the U.S.A. with about one million barrels of oil every day, that is, more than ever in the past."

It is true, Mr. Speaker, that Canada has enough oil to meet our demands, provided we take the necessary steps to organize its distribution and improve its shortage facilities throughout our country, which has not been done, is not being done, and is not likely to be done; and yet, the planning for the needs and resources should have been made as early as 1969, immediately after the Six Day War; this is when the government should have demonstrated competence and foresight.

The oil shortage psychosis in eastern Canada turns out to the advantage of the federal government. Nearly phoney, in response to a political stimulus, the oil shortage with which Canadians in Quebec as well as in the Maritime provinces are faced can be used as an excuse by the federal government to take critical steps without allowing those most directly affected enough time for a clear perspective. Quebeckers and Maritimers must be made to feel that Alberta oil at any price is essential to federal salvation.

In all that, at least until further notice, in spite of higher prices, in spite of injustices, in spite of regional disparities that are going to widen, none of the 56 federal Liberals from Quebec dare stand up in this House to decry the lack of any sense of fairness in Ottawa toward Quebeckers. What will be needed, Mr. Speaker, to finally get those people moving one day? What will be needed to make them understand they were elected to vindicate the interests of their fellow citizens in the province of Quebec? The actual or apprehended energy shortage benefits this government on the short term with the complicity of the easy-to-go-along New Democrats. It is now becoming easy to claim, and with very little subtlety, unilateral initiatives and order emergency measures. This same government, incapable of pinpointing the actual causes of a major problem, incapable in the search of adequate solutions of reconciling national interest and regional interests, steps up on the pretense of favoring the public weal the tears in the very sense of Canadian federalism. It would be hoped, Mr. Speaker, that this government would be concerned not only about its survival, not only about adding a few weeks to its political life but that it would be more concerned about the principles inherent in federalism.

I would like, Mr. Speaker, to indicate very clearly how the recent decisions made by this government betray the present policy of federalism. I know quite pertinently how Quebec must examine very closely, first the whole question of the export tax, second the whole of the quite numerous and extensive powers given to the central gov-

ernment under Bill C-236 and, third, the whole project indeed required of a Sarnia-Montreal pipeline.

Quebec must fear any unilateral application of an export tax on Alberta oil. Any hasty acceptance of such a precedent could eventually prove very detrimental to the province of Quebec in its prospective exports of resources from James Bay, Manicouagan or any other source. Furthermore, Quebec should find that the proposed board under Bill C-236 will have extraordinary powers that do not seem to be warrented and will cause them to fear the worst. Ottawa must not once again use a particular crisis to appropriate powers that neither the constitution nor the interests at stake confer to it. Finally, if the Sarnia-Montreal oil pipeline has to be built, and in our view it should be and ought to have been for a long time were it not for the unconsciousness of those who govern Canada, we must make sure while there is still time left that Quebec be truly consulted on the size and revertibility of the oil pipeline. Quebec must have a right of control over the opening and shutting of the valve. It must above all stubbornly ensure that its project, its requirement for a genuine petrochemical industry is not thus in any way spoiled, reduced of delayed.

● (2050)

As a Quebecker and a Canadian, one must not allow the Liberal federal government to keep on going so brazenly in the direction that it has itself chosen in the field of energy policy. As a Quebecker, I cannot understand the delay of the usual awakeners in expressing themselves vigourously on this topic. And as a Quebecker, I cannot easily accept that Quebec members in this House think first about their partisanship or their personal interests or their survival in office rather than the real interests of their fellow citizens which should take precedence over the risk involved in an election.

As a Canadian, Mr. Speaker, I am proud to sit within a party and close to a leader—though without any flower in his buttonhole—that are the only ones to date to understand fully the proposed cabinet measures.

I cannot believe that the New Democratic Party, that was formerly so fair and clear-headed, have not seen anything serious in the energy file of the government in office, unless they have seen everything, Mr. Speaker, that is to say their last hope. And perhaps it might candidly be a left-hand turn on the part of the government, and a further state towards centralization that is so dear to them.

If being in the left wing, and the New Democratic party assumes, means accepting injustice for the people of Quebec and the Maritimes, I would rather be in the right-hand wing.

If to be a Canadian, as the Liberal and NDP members claim to be, means accepting that there are two kinds of Canadians, I really prefer, and once and for all, to belong to the Progressive Conservative party.

[*English*]

Mr. Randolph Harding (Kootenay West): Mr. Speaker, it is a pleasure to have an opportunity to take part in the debate on this motion of confidence which has been brought forth by the Conservatives. I may say it is rather

an interesting discussion that we have had here today. To begin with, the motion reads in this way:

> That this House has lost confidence in the government due to its incompetent, inconsistent and vacillating energy policy which is bringing economic loss to Canada and hardship to the consuming public.

I think it would have read much better had it been worded something like this:

> That this House has lost confidence in both the government and the official opposition due to their incompetent, inconsistent and vacillating energy policies which are bringing economic loss to Canada and hardship to the consuming public.

The amazing thing is that we have just heard the Minister of Regional Economic Expansion (Mr. Jamieson) telling us that the decisive policies which the government announced last week, and which I personally welcome, are a watershed in Canadian history. I want to point out to the minister and to the government that they needed some prodding before this watershed in Canadian history came about, and that prodding came from the NDP group in the House of Commons who have been demanding and insisting ever since this first session of the new parliament started on January 4 last that we have changes in our energy policy.

Although we have heard from four Conservative speakers this afternoon and this evening, we have heard no policy put forward by the Conservative Party. These hon. members have the gall to bring in a resolution asking for support to defeat the government, yet they are afraid to stand up and tell the House of Commons and people of Canada what they are going to do in the energy field.

The chief energy critic from Qu'Appelle-Moose Mountain (Mr. Hamilton) said, "The people should go on the Conservative's track record". Let us look at some of the aspects of this proud track record which the Conservative Party have in the field of energy. I am not going to go back too far. I am going to take you, Mr. Speaker, to an event that occurred in 1961 when the then prime minister, the right hon. member for Prince Albert (Mr. Diefenbaker), on January 17, 1961, signed with President Eisenhower the Columbia River treaty. This treaty has turned out to be the biggest sell-out in Canadian history, bar none. Is this the proud track record that these members talk about?

Our party and other people in Canada fought for a change in the Columbia River treaty. General McNaughton, who was on the International Joint Commission, pleaded with the government for a change in program and policy. But what did we get? The Columbia River is in my riding; I live in the area and know the damage that has been done. Here today, in th midst of an energy crisis, what happens? We could have had many, many times the hydroelectric power that we are getting today as the result of the short-sighted Conservative policy of those days. I say to my Liberal friends that they were not much better. When they replaced the Conservative government in the early 1960s, they went along with this sell-out and they are partly responsible for the situation. They are to a very great extent responsible for the troubles we now see along the Columbia River.

Energy

● (2100)

My Social Credit friends talk about an energy policy. We have seen the downstream power on that river sold for peanuts by the Social Credit party in British Columbia—for about one-third of what they could have got for it at today's prices. They talk about an energy deal and they are critical of the NDP today. They were the ones who negotiated the oil and gas giveaway in Alberta. They negotiated the sales to the multinational corporations, and they were backed up by the Tory Party in this House. It is time the Canadian people got these facts, and got them straight.

Let us take another look at the proud track record of this Tory Party. We are in trouble in Canada, and eastern Canada particularly is in trouble because of a policy laid down by the Conservative Party in 1961 when it set up the Ottawa Valley line and refused to build a pipeline into Montreal and a pipeline to the City of Quebec where the refineries were. If such a pipeline had been built, you would not be in the bind you are in today. An energy crisis was coming in any event, but the turmoil, upset and trouble they are having in the province of Quebec and in eastern Canada today would have been largely mitigated. The situation would be better today if that government had had the foresight 12 years ago to build the pipeline. Our party supported the construction of that line at that time. This is not something new; this has been NDP policy right from the start.

Let us take another look at the track record of this proud Tory Party. If we are to judge them on their oil and gas conservation policy, let us look at it. What happened in 1961, when we had a complete review of the oil and gas regulations governing, for example, exploration in the northern parts of Canada? Some of the regulations that were put on the statute books by previous governments are still there; the Conservative government did not change them.

Mr. Nielsen: That is false, and you know it.

Mr. Harding: You did not change some of the key ones, let me put it that way. Let me point out one specific regulation that was made in 1961 dealing with oil leases in the north. At one time under the old regulations, if an individual or a company had an oil lease and found oil, a certain percentage of that lease reverted back to the Crown and was put up for sale by auction. When the Tories were in power in 1961, they changed that regulation and allowed the existing company to retain the other part of the lease by paying an increased royalty.

Mr. Nielsen: Where did the rest go?

Mr. Baker: Tell us the whole story.

Mr. Harding: Let me point out that when the gas and oil field at Prudhoe Bay was proven up by the United States and there were billions of dollars at stake, the Liberal government decided it would do away with this 1961 regulation No. 1. They did stop it for a period of time, but then the oil companies got to the government and, I understand, forced them to withdraw the change.

[Mr. Harding.]

I suggest that this government should take a serious look at all the oil and gas regulations in respect of the northern parts of Canada, because if there was ever a sell-out in the history of this nation it took place right in the north. We have our friends telling us that the oil companies need more money and profit to be able to get along. Every penny they spend in exploration is tax deductible. Just two years ago we had statistics given to this House which indicated that on the total book profits of these companies they were paying taxes on only 5.7 per cent of their book profits. This is absolutely scandalous in this day and age. This is an example of free enterprise—yet the Conservatives tell us to look at the record they presented to the House when they were in government. I tell you that it is enough to frighten anyone. No wonder people shy away from the type of policies they suggest we endorse.

Let me give just one or two examples of what oil royalties in the northern parts of Canada mean to Canadians. It must be crystal clear to everyone that a review has to be made of these regulations. In the north, royalties are 5 per cent for the first three years and 10 per cent afterwards. In the state of Alaska royalties are at a flat rate of 20 per cent. In the event a gas line comes down from Prudhoe Bay picking up half the gas from the Prudhoe Bay area and half from the Mackenzie River basin, at the rates we have today of 30 cents per thousand cubic feet, the oil company which controls the gas—and it might be the same company controlling the gas in both areas—over a ten-year period would pay the state of Alaska $276 million more than it would pay Canada. Yet we are told this is the type of policy that is good for Canada. I suggest to the minister and to the government that they had better take a close look at the set-up in the north, because this situation is bad.

An hon. Member: Tell them in caucus.

Mr. Harding: There are several suggestions the NDP would like to present during this debate. Our leader made an excellent presentation. When we call for a national energy policy we are not thinking just in terms of oil and gas; we are thinking in terms of water, uranium and other types of energy in Canada. When we are thinking in terms of our sources of energy, we must as a nation make up our mind what is to be our Canadian industrial strategy. Are we going to follow the hackneyed and worn-out policies of the Liberals and the Conservatives over the years and sell the majority of our raw materials to other countries, letting them do the processing and taking hundreds of thousands of jobs from Canadians?

An hon. Member: Sell them to Cuba and Chile, I suppose.

Mr. Harding: Ever since this party has been in the House of Commons we have been urging that more of our raw materials be processed in this country. Once we get the processing of raw materials within the boundaries of Canada, I suggest we will triple or quadruple the requirement for all types of energy. We must make plans for this; programs have to be laid down. We must know where we are going before we commit our precious oil and gas resources to other countries. One of the difficulties we

face today results from the fact that we have committed these resources without sufficient planning. Right now there is an application by Ontario Hydro before the National Energy Board for the export of a fantastic amount of electricity to the United States.

We in the NDP say that if we had had a long-range program years ago in respect of our national energy, we would now have a grid stretching from the eastern part of Canada to the west and we would be able to export the surpluses from provinces east and west, instead of selling it all to the south and along with it the jobs we believe should rightfully belong to the people of Canada. We do not hesitate to press for this program. We shall continue to press for this type of national energy policy so far as Canadians are concerned.

• (2110)

Now I shall go back for a few moments to outline for members of this House the activities of our group since we came back here on January 4 this year. We are rather happy with the results we have achieved over this short period of time so far as having the government put into effect our energy policies. Since January 4, 1973, when this session started, the NDP group has seen many aspects of our energy policy accepted by the government. We pressed hard for a series of changes because they were in the best interests of Canadians generally and because there was increasing need for action in many areas. As a result of our efforts we have seen the beginning of a national energy policy for Canada. We will continue to press for action until a fully comprehensive policy has been laid down to ensure that the future of our country in this key energy field has been fully protected.

A number of our proposals have in fact been accepted by the government. We have seen the imposition of an export tax on oil. It has been a factor in keeping down inflation on oil products in Canada while ensuring that our Canadian exports are not undersold in the international market. It also makes certain that the windfall profits from soaring international prices come back to the Canadian people where they rightfully belong. No action has been taken in the province of Alberta, under a Conservative government, to ensure that these windfall profits are retained for the people of that province.

The cries of anguish over this export tax from members of the official opposition in the House show very clearly where they stand. We called for a price freeze and fought to have it extended past the end of January, 1974. Once again the government has accepted a proposal which means many millions of dollars of savings to the people of Canada. Other proposals are the removal of the Ottawa Valley line which divided Canada, energywise, into two sections; the building of a reversible oil pipeline to Montreal to ensure continuity of oil supplies to that area in the event of an international emergency; the proposed setting up of a national petroleum corporation. Also, the proposed public development under Canadian ownership of the oil sands and of activities in the north are clear indications that our NDP group has been successful in putting our case on energy development before this House. It also shows that we were years ahead of the policy planners in the two old-line parties.

Mr. Speaker, there is just one more point I should like to make before I complete my comments. This has to do with the conventional oil reserves we still have in Canada. Again, I do not think Canadians should be fooled by the myth that somehow or other we have energy which we can get at immediately. It will take time. I do not think we will have the lead-time to develop other sources of energy and the tar sands unless we have a close look at the export situation so far as our oil and gas reserves are concerned. Many Tories are very anxious to see the price freeze come to an end in January. They have indicated they are in favour of a graduated increase in price until it ends up possibly a little below the international price. This is the penalty the people of Canada will pay if we have this type of Tory policy foisted upon us.

From November 1, 1972, to August 1, 1973, there was a 95-cent increase in the price of oil received by the oil companies. This gave them profits of $700 million over the full run of a year. If the $1.90 export tax is lifted, this will mean double that amount for the international oil corporations—and we say no.

The Acting Speaker (Mr. Laniel): Order, please. The hon. member for Calgary Centre (Mr. Andre).

Mr. Harvie Andre (Calgary Centre): Mr. Speaker, this motion we are debating today, and upon which we will vote later this day, certainly describes very accurately this government's performance in attempting to formulate an energy policy for Canada. "Incompetent," "inconsistent" and "vacillating" are certainly accurate adjectives in describing this Liberal-NDP policy which we have. They are not the only adjectives which could be used. Vacillating and inconsistent, certainly this government has been; but it has been much more. The Prime Minister (Mr. Trudeau) and his Minister of Energy, Mines and Resources (Mr. Macdonald) have done an about-face and have gone back on their word so often that they can only be described as incredible.

Let me remind the House of just a few instances where this government has said one thing and then a short time later has said something quite different, and in some cases the opposite. Consider the general question of Canada's energy policy. A year ago the Minister of Energy, Mines and Resources said a new energy policy was being prepared and would shortly be forthcoming after an already prolonged gestation period. With each passing month the labour pains grew increasingly severe—but still no policy. Finally, with an admission that it was not a policy but rather an analysis which would be forthcoming, a green paper eventually appeared in the latter part of June. To give credit where credit is due, this so-called green paper on energy contained much useful information and advice. For example, on page 9 of the green paper the government states:

> Federal and provincial responsibilities and interests in the energy field are intimately related. No national policy can be contemplated without the fullest of intergovernmental consultation and consensus.

Good advice! But just two months after this statement the Prime Minister, on September 4 and then on December 6, announced what amounts to a totally new national oil policy, with essentially no consultation with and certainly

no consensus from the provinces. Consider this government's action in empowering the National Energy Board to control the export of crude oil. In an exchange of letters between Mr. Getty, the Alberta Minister of Intergovernmental Affairs, and the Minister of Energy, Mines and Resources during the latter part of January—which letters, incidentally, were tabled in the Alberta legislature—the Minister of Energy, Mines and Resources said:

> I too hope that the matter of ensuring priority for Canadian oil requirements can be handled by the industry itself. In this regard the National Energy Board is keeping in close touch with individual companies and the Alberta Energy Resources Conservation Board during the current critical period.

He went on to say:

> Should a voluntary scheme prove unworkable despite all our efforts, it would clearly be essential for the two boards to consult closely over method, procedures and implementation of a control system.

"Essential" was the word the minister used, Mr. Speaker, yet without that consultation the minister announced to the Standing Committee on National Resources and Public Works, a little over a month later, that effective March 1 the National Energy Board would license all crude oil exports. In his statement to this committee, the minister also said:

● (2120)

> The National Energy Board will shortly hold a public hearing in order to provide opportunity for interested parties to be heard as to the appropriate methods for protecting the public interest in respect of all oil exports over the longer term.

No such hearings have been held. I call this inconsistent and vacillating. Consider the question of the Montreal pipeline and the government's vacillations on this subject. In the correspondence between Mr. Getty and the Minister of Energy, Mines and Resources to which I have already referred, the Alberta government again made the case for a pipeline to Montreal. In his reply, the minister pooh-poohed the idea. In the green paper on energy tabled in June, the government again indicated their decision that a pipeline to Montreal was undesirable.

Mr. Macdonald (Rosedale): Mr. Speaker, I rise on a point of order. The hon. member has referred to correspondence with the Alberta minister. Would he give the precise dates and indicate when the document was made public?

Mr. Andre: I have already done that. It is right here. The documents were tabled in the legislature of Alberta.

Mr. Baldwin: Will the minister table them here?

Mr. Macdonald (Rosedale): Mr. Speaker, I rise on a question of privilege. The hon. member's assertion that I pooh-poohed the idea of the Montreal pipeline is entirely false.

Some hon. Members: Oh, oh!

Mr. Andre: If the minister cannot remember what he wrote, I will lend him the documents.

Mr. Paproski: Did the minister sign that copy?

[Mr. Andre.]

Mr. Andre: On page 14 of that report the government states:

> To date the security threat has not appeared serious enough to justify the very costly arrangements of supplying the region east of the Ottawa Valley with western Canadian crude oil.

Mr. Macdonald (Rosedale): Did Lougheed give the hon. member that?

Mr. Andre: Then, just two months later, before the outbreak of hostilities in the Middle East and therefore with no change in the world security situation, but quite a change in the security of the Liberal government, on September 4 the government did another about-face and, contrary to their own advice, decided to build a pipeline to Montreal. We do not quarrel with this decision. It has been the position of our party since October, 1969, that a pipeline should be built to Montreal. Had our advice been taken, we would not be in the situation today of having potential supplies to the Montreal market curtailed.

Consider the question of the short-term supply of crude to eastern Canada, to the area east of the Ottawa Valley. As a result of Arab action, the minister informed the House that Canada could expect a shortfall of possibly 75,000 barrels a day. Shortly thereafter, the minister informed the House that this shortfall could be as much as 200,000 barrels a day. The reason apparently was that some *force majeure* clauses would result in Canada sharing the over-all world shortage. When pressed for clarification on this point by members of this party, the minister's reply to us can only be called equivocal and evasive. Then we found later that the Shaheen refinery at Come-by-Chance will have 100,000 barrels a day of product available to the Canadian market which, when combined with the extra production that can be squeezed out of western Canada, takes care of the whole potential shortfall in this area.

One can only conclude that the minister was either deliberately creating a smokescreen for his own particular purposes or he is so incompetent that he did not know what the situation was. I submit that this country cannot tolerate either situation.

Some hon. Members: Hear, hear!

Some hon. Members: Resign.

Mr. Andre: These examples of the inconsistent and vacillating behaviour of the government pale in comparison with the government's incongruous actions with respect to the price of Canadian produced crude oil. On September 4, the Prime Minister announced that the price of Canadian crude oil would be frozen at that level until January 31, 1974, a decision taken with absolutely no consultation in spite of the government's pledges to hold such consultation. Then, because of section 83(c) of the National Energy Board Act which stated that the NEB could not permit any exports at less than fair market price, the government introduced a 40-cent per barrel export tax. Here, again, there was absolutely no consultation. The producing provinces and the industry were understandably angered and the minister, apparently seeking to calm the situation, assured the province of Alberta and the industry, as well as members of this House, that this was all temporary and that western Canadian crude would be priced at the same amount as

some amount related to the average price for foreign crude laid down in Montreal.

In a meeting between the Minister of Energy, Mines and Ressources and ministers of the Alberta government in the latter part of October, the Alberta ministers were led to believe that because of the distortions created by the Middle East war, the freeze on western Canadian crude was soon to be lifted. Instead, in his announcement to the House on November 1 the minister announced an increase in the export tax to $1.90 a barrel for the month of December. Apparently, even when this minister does consult the provinces and an apparent consensus in reached, he feels free to change his mind within the next two or three days.

Some hon. Members: Shame!

Mr. Andre: During the month of November, on several occasions the minister assured the House, the Standing Committee on Miscellaneous Estimates, as well as industry representatives and provincial governments, that the freeze was definitely to be removed on February 1. In reply to a question by my colleague, the hon. member for Calgary South (Mr. Bawden), who asked the minister whether he was irrevocably committed to removing the freeze on February 1, the minister replied affirmatively. In this he was backed up by the Prime Minister who, demanding a half-hour of prime time on television, stated among other things that this freeze was coming off on February 1. Yet in spite of all these assurances, last Thursday the Prime Minister came to the House and participating in the debate for the first time, to my recollection, stated that the freeze on Canadian crude oil would remain in place after February 1. That statement undermined any last vestige of credibility that the minister, the Prime Minister or this government might have retained with the producing provinces or with the industry.

Some hon. Members: Hear, hear!

Mr. Andre: The words "indecision" and "vacillating" are almost too mild to describe this government's behaviour in this regard. In fact, "dishonest" is more appropriate.

The Calgary *Albertan* of Saturday described the statement as follows:

> Above all it is morally and politically craven—a sickeningly ignominious concession to the New Democrats' political blackmail.

Some hon. Members: Shame!

An hon. Member: Read it again.

Mr. Andre: The editorial continues:

> By changing, at the NDPs demand, a course which his government had clearly signalled, Mr. Trudeau has prejudiced the credibility of his entire energy policy. He may find, in due course, that he has also forfeited the respect of the country.

Some hon. Members: Hear, hear!

Mr. Andre: I am new to politics, but I have always believed that a publicly stated commitment by a minister of the Crown on a subject as fundamentally important as this was second only to a written contract in terms of binding the parties concerned. I also believed that under our British parliamentary system, if such a commitment was broken the minister concerned had absolutely no alternative but to resign.

Some hon. Members: Hear, hear!

Mr. Andre: Otherwise, the veracity of all other ministerial commitments is subject to doubt and we would lose one of the fundamental pillars of our system. I would have thought that a minister with even a modicum of self-respect or concern for the office he holds, rather than have his promises, his commitments and indeed his integrity destroyed in that manner, would resign.

● (2130)

At this point in history, with the necessity for the federal government, the provincial governments and industry to co-operate and work together to solve the problems facing us, it is essential that Canada have a Minister of Energy, Mines and Resources who is credible. Is it at all reasonable to expect that any provincial government or any industrial representative could accept the word of this minister as being in any way a true reflection of government attitudes, or in any way a commitment by the government?

In view of his sorry history of vacillating, inconsistent, incongruous behavior in respect of the energy situation, this minister has no credibility with the provinces, with the industry or indeed with the Canadian public. There are too many important decisions to be made which require the co-operation and confidence of all concerned segments of our society to have this minister continue to hold the position he does.

This "two nations" oil policy has already caused considerable economic damage. All members of the House, and certainly the minister, know full well that industry cannot operate, cannot plan, cannot work when the rules are changing week by week. They must know what the situation regarding prices, taxes and exports will be before they can initiate their exploration and expansion programs. When the rules are changed they must be able to ask the minister what his intentions are, and have some confidence in his replies. None of these circumstances exist today and the industry is being hurt as a result.

I want to make it abundantly clear that I am not expressing my concern for these companies or their shareholders. There are probably more shareholders in these oil companies living in the constituencies of Mount Royal and Rosedale than there are in Calgary Centre, and if these shareholders and owners do not like what is happening, let them complain to their members of parliament. I am expressing my concern because of the tens of thousands of my constituents who make their living and who work in this industry. These are ordinary working people—labourers, secretaries, draftsmen, drillers, welders, and so on. They are not experts on the energy situation, but they do recognize that they are the ones who will be hurt most if the oil industry is damaged.

Some hon. Members: Hear, hear!

Mr. Andre: The owners and the executives can move on to other locations, other occupations: they can adjust. But these ordinary working people cannot, and they will

suffer. I have seen the attitude of these most affected workers in the industry change during the course of this year. They started the year with a feeling of optimism, as being part of an industry that had a glowing future. They could expect some security and some promotion. Now their attitude has turned from one of optimism to one of concern, to one of anger and finally to one of fear for their jobs. I do not suppose there is anyone on the treasury benches who knows what it is to be out of work and to fear for the financial security of one's family. Well, Mr. Speaker, I do. I lived with a father who was unemployed, and I know what that can do to a family. That serves as the main basis for my disgust at the government's performance.

Some hon. Members: Hear, hear!

Mr. Andre: Also, sir, I have no respect at all for members of the NDP who hypocritically claim to be the friends of the working men. They couldn't care less for the working man in the oil industry. I would like them, before joining in this hallelujah chorus of praise for the Prime Minister's policy, to pause a moment and think about the ordinary working man and woman whose jobs are now in jeopardy or whose jobs have already been lost. And if they ever do stop to think of anything beyond their own political survival, I would ask them to consider for a moment the working people of Quebec and the Atlantic provinces who are getting the back of the hand through this policy that the NDP endorses.

Some hon. Members: Hear, hear!

The Acting Speaker (Mr. Laniel): Order. I regret having to interrupt the hon. member, but the time allotted to him has expired. The hon. member for Verdun (Mr. Mackasey).

Mr. Nielsen: On a point of order, Mr. Speaker, I took careful note of the time the hon. member started, and he still has two minutes to go.

The Acting Speaker (Mr. Laniel): Order, please. I would remind the hon. member that he is not the timekeeper of the House.

Some hon. Members: Hear, hear!

Mr. Nielsen: I quite appreciate that I am not the timekeeper of the House, but I thought that perhaps Your Honour failed to recognize the fact that the hon. member had two minutes to go.

Some hon. Members: No.

The Acting Speaker (Mr. Laniel): Order, please. I had recognized the hon. member for Verdun.

Hon. Bryce Mackasey (Verdun): Mr. Speaker, a mere five minutes is hardly enough time to do credit to a subject such as the energy policy. I was very interested in the remarks of the hon. gentleman who preceded me, who spent 20 minutes reading a very scurrilous attack on the Minister of Energy, Mines and Resources (Mr. Macdonald).

Some hon. Members: Hear, hear!

Mr. Mackasey: Then, Mr. Speaker, he had the audacity to say he was concerned about the working people of Alberta, although he did not have the courage to get up from his seat to complain when the government of Alberta lacked the courage to impose the type of tax that the Minister of Energy, Mines and Resources put on oil exports.

Some hon. Members: Hear, hear!

Mr. Mackasey: The hon. member did not have the courage to get up from his seat and point out that the government of Alberta was quite prepared to see the crude oil that belongs to the people of Alberta sold at bargain prices, as a sop to the big industry interests. When he talks about the minister not having courage, I would remind members of the party opposite who feel upset that they are unable to get the NDP to support them tonight, that their moment of truth came on July 4 last when they could have supported the NDP on a tax bill and defeated the government, if they had had a mind to do so.

Mr. Baldwin: Talk to Jack Davis.

Mr. Mackasey: The hon. member had 20 minutes to talk about hypocrisy. I will say something plain and simple. Even if his party ever formed the government, I do not think the hon. member would have the capacity to be even in that cabinet. Earlier in the day the Leader of the Opposition (Mr. Stanfield) said the Quebec members had sold out their province. I would remind him that it was the Quebec members who, in the last 12 years, had to fight in this House for greater French Canadian participation in the public service, for a greater say in national decisions; and then when they went home on week-ends they had to fight against the separatists in their own province.

● (2140)

We had the courage to go home after the Prime Minister's (Mr. Trudeau) speech the other night knowing full well that the price of gasoline in the east would be higher than in the west. We also had the courage to tell our constituents that for many years it was just the opposite—the people on the west of the line had to pay a higher price for their fuel. Once again the people of Quebec accepted, as Premier Bourassa mentioned today, a premium for the people in the west for the sake of national unity.

Mr. Speaker, we can talk about Quebec members and about Alberta members such as the one who just sat down, who is a typical example. Neither he nor any other member of the Alberta delegation can deny that that province was quite prepared to sell its crude oil at bargain prices, to the point that the National Energy Board threatened to cut off the export of oil from Alberta to the United States.

An hon. Member: Nonsense.

An hon. Member: You are wrong.

Mr. Mackasey: When the Minister of Energy, Mines and Resources has the courage, by placing a border tax on that gasoline, to divert the windfall to the Canadian people and the working people of Alberta, the anger of hon. members opposite is beyond all bounds.

[*Translation*]

The Acting Speaker (Mr. Laniel): Order. As it is 9.45 in the evening, it is my duty, pursuant to Standing Order 58 (10) to put forthwith successively, all questions necessary to dispose of the present item of business relating to supplementary estimates (A), the opposed item in the estimates, and for the passage of any bill based thereon.

[*English*]

The question is on the motion of the Leader of the Opposition (Mr. Stanfield). All those in favour of the motion will please say yea.

Some hon. Members: Yea.

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

Some hon. Members: Nay.

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

And more than five members having risen:

The Acting Speaker (Mr. Laniel): Call in the members.

The House divided on the motion (Mr. Stanfield) which was negatived on the following division:

● (2150)

(*Division No. 61*)

YEAS

Messrs:

Alexander
Alkenbrack
Allard
Andre
Arrol
Atkey
Baker
Baldwin
Balfour
Bawden
Beattie
(Hamilton Mountain)
Beatty
(Wellington-Grey-Dufferin-Waterloo)
Beaudoin
Bell
Blenkarn
Boisvert
Caouette
(Charlevoix)
Caouette
(Témiscamingue)
Carter
Clark
(Rocky Mountain)
Clarke
(Vancouver Quadra)
Coates
Cossitt
Crouse
Danforth
Darling
Dick
Diefenbaker
Dinsdale
Ellis
Epp
Fairweather
Forrestall
Fortin
Frank
Fraser
Gillies
Godin
Grafftey
Hales
Haliburton
Hamilton
(Qu'Appelle-Moose Mountain)
Hamilton
(Swift Current-Maple Creek)
Hargrave
Hees
Hellyer
Higson
Hollands
Holmes
Horner
(Crowfoot)
Howie
Hueglin
Hurlburt
Jarvis
Jelinek
Kempling
Knowles
(Norfolk-Haldimand)
Korchinski
Lambert
(Bellechasse)
Lambert
(Edmonton West)
Laprise
La Salle
Latulippe
Lawrence
MacDonald
(Egmont)
MacDonald (Miss)
(Kingston and the Islands)
MacInnis
(Cape Breton-East Richmond)
MacKay
MacLean
Macquarrie
Madill
Marshall
Masniuk
Matte
Mazankowski
McCain
McCleave
McGrath
McKenzie
McKinley
McKinnon
Mitges
Morgan
Muir
Munro
(Esquimalt-Saanich)
Murta
Neil
(Moose Jaw)
Nielsen
Nowlan
Oberle
O'Connor
O'Sullivan
Paproski
Patterson
Reilly
Reynolds
Ritchie
Roche
Rodriguez
Rondeau
Rynard
Schellenberger
Schumacher
Scott
Skoreyko
Stackhouse
Stanfield
Stevens
Stewart
(Marquette)
Taylor
Tétrault
Thomas
(Moncton)
Wagner
Whittaker
Wise
Woolliams
Yewchuk—117.

NAYS

Messrs:

Allmand
Andras
Barnett
Basford
Béchard
Bégin (Miss)
Benjamin
Blackburn
Blais
Blaker
Blouin
Boulanger
Breau
Brewin
Broadbent
Buchanan
Caccia
Cafik
Campbell
Caron
Chrétien
Clermont
Comtois
Corbin
Corriveau
Côté
Cullen
Cyr
Danson
Davis
De Bané
Demers
Douglas
Drury
Dubé
Dupont
Dupras
Duquet
Ethier
Faulkner
Firth
Fleming
Foster
Fox
Gauthier
(Ottawa East)
Gendron
Gilbert
Gillespie
Goyer
Gray
Grier
Guay
(St. Boniface)
Guay (Lévis)
Guilbault
Haidasz
Harding
Harney
Herbert
Hopkins
Howard
Isabelle
Jamieson
Jerome
Knight
Knowles
(Winnipeg North Centre)
Lachance
Laflamme
Lajoie
Lalonde
Lang
Langlois
Laniel
Leblanc
(Laurier)
LeBlanc
(Westmorland-Kent)
Lefebvre
Leggatt
Lessard
Lewis
L'Heureux
Loiselle
MacDonald
(Cardigan)
Macdonald
(Rosedale)
MacEachen
MacGuigan
MacInnis (Mrs.)
(Vancouver Kingsway)
Mackasey
Marceau
Marchand
(Langelier)
Marchand
(Kamloops-Cariboo)
Mather
McRae
Morin (Mrs.)
Munro
(Hamilton East)
Neale
(Vancouver East)
Nelson
Nesdoly
Nystrom
Olaussen
Olivier
Orlikow
Ouellet
Pelletier
(Hochelaga)
Pelletier
(Sherbrooke)
Penner
Peters
Portelance
Poulin
Prud'homme
Railton
Reid
Richardson
Rompkey
Rooney
Rose
Rowland
Roy
(Timmins)
Roy
(Laval)
Saltsman
Sauvé (Mrs.)
Smith (Northumberland-Miramichi)
Smith
(Saint-Jean)
Stanbury
Stewart
(Okanagan-Kootenay)
Stewart
(Cochrane)
Stollery
Symes
Thomas
(Maisonneuve-Rosemont)
Trudeau
Trudel
Turner
(London East)
Walker
Watson
Whelan
Whicher
Yanakis—135.

Disposition of Supply Motions

● (2210)

Mr. Speaker: I declare the motion lost. May we have order, please. The hon. member for Cape Breton-East Richmond (Mr. MacInnis) is rising on a point of order.

Mr. MacInnis (Cape Breton-East Richmond): Mr. Speaker, I rise on a point of order similar to one I have raised before in this House. On this occasion I say that the vote of the President of the Treasury Board (Mr. Drury) should not be allowed to count because he was not in his place when the vote proceeded.

● (2220)

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. I am not sure whether the Chair is required to make a ruling at this stage. Hon. members know the Standing Order, which is clear, to the effect that a member should not move around, come into or leave the chamber—

Mr. Forrestall: Take the vote away from him; then there is no problem.

Mr. Speaker: May we have order, please. A member should not come into the chamber or leave the chamber while the vote is taking place. I should not think that because, while there is cheering on one side or the other, an hon. member leans over to talk to another member it should disqualify his vote.

Mr. MacInnis (Cape Breton-East Richmond): Mr. Speaker, time permitting—

An hon. Member: Sit down.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. We have a long procedure ahead of us, and if hon. members want to pursue this course of action I suggest we will not move ahead very quickly.

Mr. MacInnis (Cape Breton-East Richmond): Time permitting, Mr. Speaker, I could turn up a number of precedents which would suggest that we delete the vote of the President of the Treasury Board. If he wishes to deny the accusation, I will apologize. If he is willing to say he was in his place, I will withdraw what I am saying now.

An hon. Member: Oh, sit down.

Mr. MacInnis (Cape Breton-East Richmond): If what I have suggested is wrong, I should think the President of the Treasury Board would rise and say he was in his place.

Some hon. Members: Order.

MOTION FOR CONCURRENCE IN VOTE 20A, DEPARTMENT OF ENERGY, MINES AND RESOURCES

Mr. Speaker: Before putting the motion on our next item of business perhaps the hon. member for Yukon (Mr. Nielsen) would like to refer to the point of order raised this morning. This might be a good time to hear from hon. members in this regard.

[The Acting Speaker (Mr. Laniel).]

The President of the Treasury Board (Mr. Drury) proposes to move as follows:

That vote 20a, in the amount of $1,009,000 of the Department of Energy, Mines and Resources for Earth Sciences—program expenditures in Supplementary Estimates (A) for the fiscal year ending March 31, 1974, be concurred in.

Hon. members will remember that when we reached the item of supply this afternoon, the hon. member for Winnipeg North Centre (Mr. Knowles) raised a point of order with reference to two notices which appear on today's notice paper, standing in the name of the hon. member for Yukon, at which time he proceeded to give his views about the procedural validity of these notices. The Chair suggested that perhaps it might be better to wait until later in the day or in the evening to hear argument on this interesting point. I would be willing, of course, at this point to hear from the hon. member for Yukon or any hon. member who wishes to guide the Chair on the point raised earlier today by the hon. member for Winnipeg North Centre.

Mr. Nielsen: Since the point was initially raised by the hon. member for Winnipeg North Centre, Mr. Speaker, perhaps he should be allowed now to complete the argument he started, and I will participate later.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, the fact is that with the few words I uttered this afternoon I think I made the case. There are two notices on the notice paper in the name of the hon. member for Yukon (Mr. Nielsen). The first one is put down as a notice of opposition, presumably under Standing Order 58(4)(a). It is my contention that such a notice is not a notice of opposition to an item unless it is opposition to the entire item. However, the notice put down by the hon. member for Yukon expresses opposition only to $16,999.99 of that item; therefore, it is not a notice of opposition to the entire item. Furthermore, I submitted this afternoon that the notice is misleading and does not make the sense a motion before the House is supposed to make because it is identified as an attempt to cut out the salary of the Minister of Energy, Mines and Resources (Mr. Macdonald).

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): I indicated as a minor point that the hon. member for Yukon was asking to cut that salary to $1, but then he proposed to make a reduction of $16,999.99 which has the effect of cutting the salary of the Minister of Energy, Mines and Resources to one cent.

An hon. Member: Very generous.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): I would point out, first of all, that the minister's salary is not $17,000. The minister's salary is $15,000 and he gets a $2,000 car expense allowance. The first is taxable and the second is not. The fact is that the $15,000 salary is provided under the Salaries Act and the $2,000 car expense allowance is provided under the Senate and House of Commons Act. Therefore, these amounts are not in the estimates at all, and any attempt to ask this House to vote against the salary and car allowance of the minister by dragging it

into this notice, I submit is improper. If we were to succeed in reducing item 20a by roughly $17,000 the minister would still get his salary and would still get his car allowance and the motion of the hon. member for Yukon would then have been thwarted.

The other notice put down by the hon. member for Yukon is in the form of a proposed amendment to the motion of the President of the Treasury Board (Mr. Drury) for the endorsement of item 20a. It is quite clear under the rules that at this stage of the game, after 9.45 at night, an hon. member is not permitted to speak to the motion for the adoption of the estimate. The time to have done so was during the 25 allotted days or when the estimates were before the committee. I submit that if a member cannot get the floor to speak to the motion, he cannot possibly move an amendment.

Therefore, I would submit that both proposals by the hon. member for Yukon fall to the ground. The first one falls because it is faulty, and the second one because it proposes an amendment at a time when no amendments are permitted. Lest anyone think that the House of Commons has no control over its own management of expenditures, the fact is that in committees on estimates we have the right to reduce any estimate we wish, but our rules provide that at this point the vote is for or against the item as it has been reported to the House.

I feel that it is not necessary to press unduly my opposition to the first notice because it does not get voted on anyway. What it attempts to do is reduce the amount stated in the motion of the President of the Treasury Board, the motion which we vote for or against, namely, item 20a in its entirety. When we do so, we are not in any way, shape or form expressing an opinion about the salary or the car allowance of the Minister of Energy, Mines and Resources. That issue is not before us, whatever we may think of the minister.

I would think that the second proposal, namely, an amendment at a time when the hon. member cannot get the floor to speak to the motion, is clearly out of order and should not have been allowed to appear on the order paper.

Mr. Erik Nielsen (Yukon): Well, sir, the seduction is now complete. I sat here and listened with astonishment to an opposition member of many years in this House deny the opposition the right to control supply, as the hon. member has just done. I can well understand his embarrassment in not wanting to support a motion which would in effect express no confidence in the minister, and that is exactly the effect it would have, but the arguments advanced by the hon. member in support of his submission are specious and hollow.

● (2230)

If we cannot proceed in the manner in which I have proceeded with a notice of opposition and the amendment, then there is no way in which the opposition has an opportunity to reduce an estimate except on an allotted day. I ask Your Honour, where does that leave the opposition? We are on our last allotted day in this session. This is a traditional day set aside for the purpose of voting non-confidence in the government. What the hon. member for Winnipeg North Centre (Mr. Knowles) is saying is that either one must use that allotted day for a non-confidence vote or choose to use it for estimates. Either way strangles the effectiveness of the opposition. The hon. member is defending the government on this question simply because the government does not want to be embarrassed and caught with a vote which in essence is a vote of confidence in the minister.

Some hon. Members: Hear, hear!

Mr. Nielsen: The intent both of the notice of opposition and of the amendment is clear. There was a typographical error in the filing of the notice of the amendment in that it purports to reduce the salary of the minister by the whole amount less $1. The hon. member for Winnipeg North Centre pointed to the fact that in effect the figures do not tally with the words, and therein lies the typographical error. But the intent was to reduce the salary to $1. I must confess, however, after listening to the minister and members on the government benches in this debate, that he does not deserve more than one cent. So I would prefer, if it meets with the approval of the Chair, that the intent be read into both the notice and the amendment that in effect the vote be reduced to one cent.

The hon. member for Winnipeg North Centre makes a great deal about the point that because the $15,000 and $2,000 are contained in separate acts of parliament and represent a statutory appropriation, there is no way the minister's salary can be attacked by the manner in which the notice of opposition and amendment attempts to do. Nothing could be more specious. I always thought the hon. member for Winnipeg North Centre took a little more care in reading these motions, but he is stumbling all over himself these days to support this stumbling and bumbling tribe opposite.

In effect, what the notice of opposition and motion does is reduce the amount in vote 20a, and it just appears to be coincidental that the reduced amount equals by one cent the minister's salary; and that is all he is worth, in my respectful submission, sir. The question is whether the amendment to the motion which appears in my name is permissible under our Standing Orders. The second sentence in Standing Order 58(10), which is the applicable Standing Order, reads as follows:

> If the motion under consideration at the hour of interruption is a no-confidence motion, the Speaker first shall put forthwith, without further debate or amendment, every question necessary to dispose of that proceeding, and forthwith thereafter put successively, without debate or amendment, every question necessary to dispose of any item of business relating to interim supply, main estimates, and supplementary or final estimates, the restoration or reinstatement of any item in the estimates, or any opposed item in the estimates, and, notwithstanding the provisions of Standing Order 72, for the passage at all stages of any bill or bills based thereon.

Specifically, sir, in question—and this, I submit, is the question the Chair must decide in respect of the amendment—are the words "without debate or amendment" as they apply to "every question necessary to dispose of any item of business relating to ... supplementary ... estimates ... or any opposed item in the estimates ..." I have paraphrased the appropriate words. The Chair must ask itself what is debate or amendment.

My friend from Winnipeg North Centre suggests that a member can move an amendment only if he gains the floor. I submit that is not the case. With regard to what is meant by "debate" or "amendment," if the word "debate" is given its normal parliamentary meaning, then in my submission it includes the moving of a motion. This parliamentary meaning was approved as recently as last Tuesday, December 4, by Mr. Deputy Speaker in the Chair. It is interesting to note that in the debate on the protection of privacy bill, at page 8405 of *Hansard* the following statement by the hon. member for Winnipeg North Centre is recorded:

> There is another rule which says that when an hon. member moves a bill even without speaking, or even if he only tips his hat, he is regarded as having spoken; that is his last chance—

Mr. Speaker, in response, said:

> That is the position the Chair adopted in this instance—

Standing Order 37(1) provides:

> No member may speak twice to a question—

Beauchesne's Fourth Edition, 1958, contains the following at page 137 in citation 165(1):

> The member who makes a motion may give the name of his seconder who will, if necessary, lift his hat as evidence that he had intimated his consent, and the seconder will then be allowed to speak on the question. But if the seconder should rise and say only a word or two—for instance, 'that he seconds the motion'—he is precluded from again addressing the House.

Bourinot's Fourth Edition at page 345 states:

> But if a member who moves an order of the day or seconds a motion, should rise and say only a word or two—that he moves the order or seconds the motion—he is precluded from again addressing the House according to a strict interpretation of the rules.

These citations are in accord with a ruling by Mr. Speaker Lemieux on March 14, 1928; *Journals*, 1928, volume 65, page 154. In my submission, it is obvious that the word "debate" in the normal parliamentary sense extends to the moving and seconding of a motion. If this sense or meaning is applied to the word "debate" in Standing Order 58(10), then the President of the Treasury Board (Mr. Drury) cannot move any motion with respect to the supplementary estimates because the moving of the motion, by the reasoning as set forth, is debate and surely the rules were not intended to preclude the President of the Treasury Board moving the motion now before us.

It follows from that, sir, in my submission, that no one could move or second an amendment to the motion which, as stated, cannot be debated, and it is debated in the parliamentary sense if it is moved and seconded. If that incongruous interpretation were accepted, not only would I be out of order but also the President of the Treasury Board would be out of order in moving the motion. There is nothing in the Standing Orders or the precedents or Mr. Speaker's ruling which holds that "debate" as used in Standing Order 58(10) is to be given a special meaning.

The explanation whereby Standing Order 58(10) becomes workable in this regard, I submit, is one of timing and is of importance. The words "without debate or amendment" are applicable only after Mr. Speaker has put the question which you, sir, have already done. In my submission, the reference to "debate" or "amendment" does not apply before the question is put by the Chair. In fact, further, it cannot apply because there would be no question to put, since to refuse to permit members to move and second a motion would be to preclude the moving of any question or any motion.

[Mr. Nielsen.]

This sentence in Standing Order 58(10), in my submission, must be interpreted to mean that members can move a motion that properly can be put. Mr. Speaker must then forthwith put such questions without debate. It is the word "forthwith" which I draw to the attention of the Chair, which precludes debate on the motion at this stage: it does not, however, preclude amendment. There is nothing in the Standing Orders to preclude amendment at this stage. I suggest this is so even though no notice of amendment is filed under Standing Order 58(4)(a). In support of that suggestion I should like to read from Beauchesne's Third Edition, 1943, at page 47, citation 86 which sets out as follows the procedure on the putting of a question by Mr. Speaker:

● (2240)

> When the debate on a question is closed, and the House is ready to decide thereon, the Speaker says: "Is the House ready for the question?" If it is evident that no member claims the right of speaking, the Speaker proceeds to put the question by reading the main motion, and then the amendment or amendments in their order as the case may be.

Under the procedure set out in Standing Order 58(4)(a), 48 hours' notice of a motion to concur in supplementary estimates is required. That notice has been given. At the proper time the motion is moved and seconded, and debated to that extent. At this point—and there is no provision to the contrary—the motion may be amended by a motion duly moved and seconded. The motion to amend may be amended. The question to be put by Mr. Speaker is not the original motion, but the motion as amended.

It may be that notice is required of any amendment: there does not appear to be any Standing Order or rule to that effect, however. In any event, notice has been given in the case of the amendment standing in my name on the order paper. That very fact destroys, in my submission, the argument of the hon. member for Winnipeg North Centre. A notice has been given similar to that required by Standing Order 58(4)(a) in respect of the main motion to concur. Only when the amendments, if any, are in may Mr. Speaker forthwith put the question, in my submission. If the motion has been amended, Mr. Speaker puts the question: the motion as amended or even subamended. In this way, following the words of Standing Order 58(10), he forthwith puts successively, without debate or amendment, every question necessary to dispose of any item of business relating to supplementary estimates or any opposed item in the estimates. That is the case here.

Your Honour will recall that when the last supplementary estimates were before the House we were confronted with an inability to do anything with respect to the reduction or control of those expenditures. Your Honour has intimated in the past that there was a way to do it, and I took it from your previous ruling that it was a matter that could be achieved without necessarily sacrificing one of the allotted days to do so, especially an allotted day of such importance as this one where the choice would have been invidious if we had been put to the choice of dropping our confidence motion in favour of proceeding to test an item in supply.

Therefore, we are at the point that if this procedure is denied us, if the Chair does not agree with my submission that it is one of the ways in which the Chair intimated that items in supply could be tested, then we in the opposition—and this appears to be what the hon. member for Winnipeg North Centre and those who support him want—are denied the opportunity for the very reason that this place exists, namely, to control expenditures of public funds. I am sure that that was never the intent of any rule change.

Some hon. Members: Hear, hear!

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, I rise to support the procedural argument advanced by the hon. member for Winnipeg North Centre (Mr. Knowles). I looked at the notices put down on the order paper by the hon. member: they were available over the weekend. It seemed very clear that they had no place within the procedure that we are following at present. Procedurally, the denial to accept these motions does not take in any way away from the House of Commons or the standing committee the ability to control the supply of the House. We disposed a few moments ago of a motion that was the determining one in the ability of the government to proceed further with the question of supply. So there rests fully within the House the ability to control, to withhold, to offer supply to the government, and we have completed the first part of that process already.

Under this proceeding, the hon. member for Yukon (Mr. Nielsen) is permitted to put down a notice to oppose an item in the estimates. That has been well established by a ruling of Mr. Deputy Speaker found in the *Journals* of the House of Commons for June 22, 1972. The point of order was exhaustively argued, and Mr. Deputy Speaker ruled that it was possible to put down a notice to oppose an item in the estimates; and once that notice to oppose was put down, it was then possible for the president of the treasury board to put down a motion to support the item in the estimates against which the notice had been put, and that the vote would take place upon the motion and not upon the notice to oppose. But in this case the hon. member for Yukon has done something that is somewhat bewildering because it does not fit into the understanding of what is to take place here. He has not put down a notice to oppose; he has put down a motion to amend.

Mr. Nielsen: That is not so.

Mr. MacEachen: It is:

That the motion be amended by striking out the period—

Mr. Nielsen: There is also the notice to oppose.

Mr. MacEachen: I am dealing with the notice to amend. There is no way in this proceeding by which a notice to amend the motion can be put. It is just not possible. My hon. friends must know that. But more than that, if it were possible I would suggest that the amendment is totally irrelevant. As a matter of fact, I suggest that it is not possible at this stage to get at the vote to which the hon. member has referred in the way in which he wishes to get at it.

The way in which he should get at it is either in the supply bill or in the Standing Committee on Miscellaneous Estimates. But here it is a somewhat different situation. We are asked to deal, in a bogus, irregular amendment with the salary of the Minister of Energy, Mines and Resources (Mr. Macdonald) which is supposed to be contained in vote 20a. We are asked to reduce the motion put down by the President of the Treasury Board (Mr. Drury) by a particular amount, the amount equivalent to the salary of the minister.

What is vote 20a? It is a vote that is related to the amount of $1,009,000 covered in total by four items: field and air surveys, mapping and aeronautical charting, geological research and surveys, research in geophysics, Canada Centre for Remote Sensing. One would have to really be equipped with the ability for remote sensing to relate the minister's salary to this particular item because, as we know, the minister's salary is not even mentioned in the supplementary estimates. You can look from the beginning to the end; it has nothing to do with it. The minister's salary is covered in the main estimates, and nowhere else. It is certainly not covered here. It is in the statute, but the statutory items are covered in the main estimates. So we are both right.

Some hon. Members: Oh, oh!

Mr. MacEachen: Therefore I just say that this is the kind of intellectual conundrum with which one should not be expected to deal at five to eleven at night, especially after the week we have had and the day we have had. It is just nonsense and mature men should not be dealing with it, especially at five to eleven at night.

● (2250)

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Speaker, the hon. member for Yukon (Mr. Nielsen) raised a particularly important problem. On a number of occasions, at the time of consideration of supplementary estimates in this House, I objected to the outdated method which prevented hon. members from expressing their views on the consideration of these estimates.

On the other hand, Mr. Speaker, I listened carefully to the hon. member's arguments and I studied Beauchesne's Parliamentary Rules and Forms as well as the Standing Orders of the House of Commons.

Mr. Speaker, if my Liberal colleagues could have the courage to be less political manoeuverers and play more frankly their role as members of this House, if they would be kind enough to listen to me, then, I may be able to express myself freely. I accept the principle and the request of the hon. member for Yukon, but I will have to agree with the hon. member for Winnipeg North Centre (Mr. Knowles) and with the hon. President of the Privy Council (Mr. MacEachen). In fact, with regard to works relating to estimates as well as to ways and means, Standing Order 58(9) reads in part as follows:

. . . the Speaker shall interrupt the proceedings and forthwith put, without further debate or amendment, every question necessary to dispose of the said proceeding.

If we refer to Standing Order 58(10) subsection (10) of the same section, Mr. Speaker, we find once more the same formula, and I quote:

> ... the Speaker ... shall put forthwith successively, without debate or amendment, every question necessary to dispose of any item of business relating to interim supply, main estimates, and supplementary or final estimates ...

Unfortunately, that is precisely the situation in which we find ourselves.

The hon. member had the opportunity, under procedures which I consider antiquated, to demonstrate his opposition to the estimates in committee. In the House, however, at the final adoption stage, considering the precedents set in this House, particularly the one on which I was the victim, I believe, Mr. Speaker, that you should rule such amendments out of order.

The members of the opposition can use the days made available under Standing Order 58(3), for example, relating to the business of supply. They are free to object to the adoption of estimates, but not with the means used tonight.

For this reason, Mr. Speaker, regretfully but honestly, I must lean towards the hon. member for Winnipeg North Centre and the President of the Privy Council, although in my heart I would share the opinion of the hon. member for Yukon.

[*English*]

Mr. Speaker: Order, please. I am not sure whether hon. members are satisfied that the Chair has been satisfied with the enlightening arguments which have been submitted for its guidance. It is hardly necessary to go back into the details to which I referred earlier this evening. The fact is that earlier today the hon. member for Winnipeg North Centre (Mr. Knowles) rose on a point of order and indicated that he took exception to the notices which have been mentioned during the last few minutes, one being notice of an amendment to a specific item in the estimates and the other being a notice of opposition to a specific item in the estimates.

Hon. members who have taken part in this argument, particularly the hon. member for Yukon (Mr. Nielsen), referred at length to the fact that hon. members in the past have sought to question part of a vote rather than the whole item itself, and attempts have been made from time to time to have the House divide on a reduced item or on part of an item in the estimates.

I think that each time we have reached this situation we have had the argument made that the rules as they stand—the rules which were amended in 1968 and which came into force in 1969—did not make it possible for hon. members, as they had been interpreted in any event, to have the House divide at any time on a part of an item, or to move by way of amendment to reduce an item in the estimates. However, as hon. members will understand, I have to go by the Standing Orders as they are now.

I have said on many occasions that perhaps this procedure which we have adopted in relation to estimates may be weak and perhaps it should be changed. Obviously, it has caused so much difficulty that we should as soon as possible, in due course, look again at that procedure and find some way to consider estimates which will be more satisfactory to hon. members. But the Standing Orders are there and it is pretty difficult for the Chair to ignore them. The Standing Order which is relevant is, of course, the one to which hon. members have referred, Standing Order 58(10) which reads in part:

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

The hon. member for Yukon has referred to citations and precedents which, as I understood them, predate the rule changes of 1968. Standing Order 58, which is part of the new rules, determines clearly what questions and motions can be put as part of the supply proceedings. The hon. member said a moment ago that there was no procedural way in which part of an estimate or an item can be put to the House for a vote. I have suggested on previous occasions that this could be done but, with respect, I do not think the way in which he has attempted to do it this evening is the way to do it. Indeed, I believe that on a previous occasion the hon. member for Peace River (Mr. Baldwin) on a supply day brought into question a number of specific items. These items, since they were motions before the House, could be debated and they were subject to amendments attempting to reduce them. But that is not the situation we have before us at the present time.

It seems to me that the Standing Order is very clear, that there can be no debate at this point; and if there can be no debate, there can be no amendment. The hon. member, it seems to me, is attempting to do indirectly, by giving notice of his intention to move an amendment, that which he cannot do directly, and that is to have the floor at this time and at this point to debate the motion and move an amendment thereto.

We are left, therefore, with the notice of opposition itself. I am trying to make a distinction between the amendment, which is the first part of the hon. member's procedure, and the notice of motion. I suggest to him that the amendment is entirely irregular and I do not see how the Chair, even by stretching a point, could say it could be put to the House at this time. As I say, we are then left with the notice of opposition.

I must say that I have serious reservations about the nature or the wording of the notice of objection filed by the hon. member as it appears on the notice paper. The hon. member seeks, through this notice of objection, to reduce an item by $16,999.99. Actually, the notice of objection has to be a notice that should not include argument and should not attempt indirectly to reduce an item which is not actually before the House. The Chair is willing to overlook that aspect of the notice of objection filed by the hon. member for this very reason, that by the fact that the notice was received and was filed it compelled the inclusion in the notice paper of a motion in the name of the President of the Treasury Board (Mr. Drury), so that we have in fact before us now the motion of the President of the Treasury Board. I might rule that the motion is irregularly before us, but I think that might perhaps be stretching the point because we are still, even after a few years, working our way around the understanding and the interpretation of these rules, particularly Standing Order 58. If

it is the understanding of the hon. member that his notice of objection does not create a precedent, then it is not the motion that is put before the House—but what is put to the House for a vote, if hon. members wish to divide, is the motion of the President of the Treasury Board. Certainly I do not want to be so difficult as to object to putting the minister's motion. The House can vote on that, not on the hon. member's amendment, not really on his notice of objection but on the minister's motion itself.

● (2300)

I have no objection to stretching an interpretation of the rule to that extent and to do what I was about to do 30 or 40 minutes ago, that is, put to the House the motion which stands in the name of the President of the Treasury Board.

The President of the Treasury Board (Mr. Drury) moves:

That vote 20a, in the amount of $1,009,000 of the Department of Energy, Mines and Resources for Earth Sciences—program expenditures in Supplementary Estimates (A) for the fiscal year ending March 31, 1974, be concurred in.

Mr. Nielsen: Mr. Speaker, I think it is quite clear from the wording of the notice of opposition and from the amendment that what we were trying to do was to affect the salary of the minister because we have lost confidence in his ability.

Some hon. Members: Hear, hear!

Mr. Nielsen: However, we certainly do not wish to vote against the whole of this item in the supplementary estimates, so we would be quite happy, if Your Honour and the House agreed, to pass the motion to concur in that one item, on division.

Mr. Speaker: Shall the item carry, on division?

Some hon. Members: Carried.

Some hon. Members: On division.

Motion (Mr. Drury) agreed to.

MOTION FOR CONCURRENCE IN SUPPLEMENTARY ESTIMATES (A)

Hon. C. M. Drury (President of the Treasury Board) moved:

That supplementary Estimates (A) for the fiscal year ending March 31, 1974, laid before the House November 7, 1973, except the item disposed of earlier this day, be concurred in.

Mr. Speaker: The hon. member for Yukon (Mr. Nielsen).

Mr. Erik Nielsen (Yukon): Mr. Speaker, I have another serious point of order to raise.

Some hon. Members: Oh, oh!

Mr. Nielsen: That is typical, sir. They do not want to go by the rules over there.

Some hon. Members: Hear, hear!

Mr. Nielsen: Whenever anyone rises on this side of the House, I suggest to you, sir—

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Speaker: May we have order, please. The hon. member for Yukon has the floor on a point of order.

Mr. Nielsen: I suggest to you, sir, that if the braying donkeys over there are patient, they will find that even their own House leader will agree that the point of order which I am about to raise is a very valid one indeed.

Mr. Jerome: That will be a change.

Mr. Nielsen: Not at all. The hon. member says that will be a change. He is one of those who oppressively runs his committee of this House to prevent members of the opposition—

Some hon. Members: Hear, hear!

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

Mr. Jerome: On a question of privilege, Mr. Speaker. I just mention that if the hon. member would be good enough to consult some of his colleagues who showed up at all of the meetings of the justice committee, he would find that his last statement was false.

Mr. Nielsen: Mr. Speaker, that is the kind of chairmanship we have in the committees staffed by Liberal members, rising on spurious points of order or questions of privilege.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Nielsen: At this time we take objection to and raise a point of order respecting the motion which reads as follows:

... to concur in Supplementary Estimates (A) for the fiscal year ending March 31, 1974, laid before the House November 7, 1973, except the item disposed of earlier this day.

The item disposed of earlier this day, of course, is vote 20a. The basis of this point of order, sir, is your own ruling of March 10, 1971, for any hon. members opposite who want to gain even a scintilla of an insight into the rules of this House. On that occasion objection was raised on a motion under Standing Order 59 to send supplementary estimates to certain standing committees. The suggestion was that this included certain books that were in fact intended as amendments to certain statutes. Mr. Speaker ruled on that occasion that in view of the situation created by the new rules, two items were not before the House in proper form, that the legislative proposals in them should be brought before the House by way of a bill. On that occasion that is exactly what happened.

The ruling of the Chair is contained in the *Journals* of the House of Commons for March 10, 1971. At page 396, the Chair outlined the difference in the situation with respect to a statutory item and those items that were non-statutory. Briefly, it was concluded at that time that the House itself had the right to deal on the floor with statutory

items. The items in question were 35c and 10c. I will quote the ruling of the Chair at that time:

I must come to the inevitable conclusion that, in view of the situation created by the new rules, these items are not before the House in proper form.

It should be stressed that we are dealing now with an entirely new situation and with an entirely new set of circumstances. If it could be said that since the adoption of amended Standing Orders in 1968 the House had already accepted as part of a continuing practice the consideration of dollar items intended to amend statutes, then the argument might be made that the procedure proposed in respect of these specific items conforms with a new practice and is supported by precedence. But that is not the case.

Your Honour went on to find that those items that were statutory items had to be brought in by way of bill. The government admits, in a document entitled "Explanation of one dollar items in Supplementary Estimates (A), 1973-74", that there are three one dollar items which specifically amend existing legislation other than appropriation acts. This document was supplied to the Standing Committee on Miscellaneous Estimates which considered Supplementary Estimates (A) and it is part of the evidence given to that committee.

There are outlined there in the estimates, the Department of Justice, vote 1a, which had the effect of providing for the payment of a maximum travelling allowance of $500 per annum for district court judges in Ontario, and so on. The next department was the Department of National Health and Welfare, vote 50a, to authorize an increase of $2 million in the statutory aggregate amount of payments that can be made under the Fitness and Amateur Sport Act. Then lastly, the Department of Veterans Affairs, vote 30a, to authorize an amendment to the Pension Act so as to enable the Canadian Pension Commission to accept and administer property and money bequeathed and donated in trust to the commission for the benefit of pensioners and their dependants. All three votes in all three departments are statutory votes and have the effect of amending statutes, in my submission. That is admitted by the government itself.

On the basis of your ruling, and the government's admission, all those three one dollar votes specifically amend existing legislation other than appropriation acts. The motion standing in the name of the President of the Treasury Board (Mr. Drury), in my submission, must be ruled out of order in so far as that motion purports to include these three improper items, unless the House unanimously consents to an amendment of the motion by the President of the Treasury Board. That was the procedure followed on the previous occasion. Standing Order 51 is there relevant. It says:

● (2310)

Whenever Mr. Speaker is of the opinion that a motion offered to the House is contrary to the rules and privileges of parliament, he shall apprise the House thereof immediately, before putting the question thereon, and quote the Standing Order or authority applicable to the case.

I know that not many members opposite are concerned about following the rules of this House. As it is, have very few of the privileges of opposition with respect to the control of supply. I am sure that the President of the Privy Council (Mr. MacEachen), having been in this House for as long as he has, knowing the validity of the point which I raise and that it is on all fours with the situation of March, 1971, would be, and should be, the first to agree that we should follow the same procedure today as we followed on that occasion.

[Mr. Nielsen.]

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, the hon. member for Yukon (Mr. Nielsen) has taken exception particularly to three items which appear in the supplementary estimates. Apparently he wants to exert influence on these proceedings and delete from supply a sum intended for fitness and amateur sport in Canada.

Mr. Nielsen: Not at all.

Mr. MacEachen: That is the first objective. The second objective is to remove the authority, set by the Minister of Veterans Affairs (Mr. MacDonald), with respect to administering, on behalf of the veterans of Canada, trusts and estates.

Mr. Baker: Claptrap!

Some hon. Members: Oh, oh!

Mr. MacEachen: Then he wants to remove the possibility that the Minister of Justice (Mr. Lang) shall administer, and permit the judges of this country to administer, our judicial system more effectively.

Mr. Baker: Balderdash!

Mr. MacEachen: By attempting to block these items in the estimates he is saying, "Let us cut out the sum for amateur sport. Let us reduce our services to veterans. Let us cut out the ability of judges to administer the courts of this country".

Mr. Baker: That is a shabby argument.

Some hon. Members: Hear, hear!

Mr. MacEachen: If that is what my hon. means by controlling supply—

Mr. Bell: It is not.

Mr. MacEachen: —I hope he will never have any influence in this House over controlling the supply of parliament.

Some hon. Members: Hear, hear!

Mr. MacEachen: Mr. Speaker, I propose to show in my argument that the items in question are well-founded on precedent. If we examine very carefully the important ruling to which my hon. friend has referred, I submit we will find ample precedents, since the change in the rules, which would justify the inclusion of these particular items in the supplementary estimates. As my argument may be long, may I refer to just one example, to be found at page 96 of Supplementary Estimates (A) for the fiscal year ending March 31, 1974, under the Department of National Health and Welfare fitness and amateur sport program. Vote 50a reads:

Fitness and amateur sport—program expenditures—to extend the purposes of National Health and Welfare vote 50, Appropria-

tion Act No. 4, 1973, to increase from $9,850,000 to $11,850,000 the aggregate amount that may be paid in any one fiscal year under section 10 of the Fitness and Amateur Sport Act for the purposes of that act.

This vote seeks to extend by about $2 million the purposes of the fitness and amateur sport program. We want to increase the amount of the program.

Mr. Nielsen: But you are amending the section.

Mr. MacEachen: And now my hon. friend wants to delete it. The question is, is that irregular in any way? May I now turn to the main estimates for 1971-72, Appropriation Act No. 3. Vote 40 reads:

Fitness and amateur sport—operating expenditures and authority to increase from $5,000,000 to $6,200,000 the aggregate amount that may be paid in any one fiscal year under section 10 of the Fitness and Amateur Sport Act for the purposes of that act... $998,000.

May I refer also to Supplementary Estimates (A) 1971/72, Appropriate Act 4. Vote 63a reads:

To increase from $10,000,000 to $20,000,000 the statutory limit set up under section 18(1) of the Canadian Film Development Act—

I have a list of supplementary estimate items which have been carried by the House which I could probably take until midnight to read if I wished. These are items which are on all fours with items to which my hon. friend has taken objection. I believe we must at some point lose patience with the kind of games the hon. member for Yukon is playing with this House.

Some hon. Members: Hear, hear!

Mr. MacEachen: If my hon. friend had a valid point of order, the time to raise it was the moment these estimates were tabled and referred to the standing committee. As Your Honour may recall, it was on a very similar occasion when these estimates were referred and not after the estmates had gone through the committee that the ruling was made to which both of us have referred. I say that if these items are deleted, not only will we take away essential services from the people of Canada, but that action will conflict, abridge and oppose precedents which have been well established in this House since the rule changes of 1968.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, even for me, we have had enough procedure tonight. However, I believe that a few more words ought to be said with respect to the point of order raised by the hon. member for Yukon (Mr. Nielsen). I share the sense of impatience expressed by the President of the Privy Council (Mr. MacEachen) and I share his concern for the programs which the hon. member on a point of order seeks to attack. Even so, if it were true that the House is being asked to do something contrary to previous rulings and contrary to our own rules, I would say the hon. member for Yukon has done us a service by raising the point of order.

I point this out because I was on the Standing Committee on Miscellaneous Estimates when we dealt with veterans affairs and I am very much aware of the dollar items we agreed to at that time. I want to say that in none of the cases, as far as I have been able to determine by looking through the books, do those dollar items amend original basic statutes. They amend previous appropriation acts.

● (2320)

Mr. MacEachen: Exactly.

Mr. Knowles (Winnipeg North Centre): I am not sure what was before us on March 10, 1971, the date to which the hon. member for Yukon referred, but I have a notion it was certain veterans legislation and that the minister of veterans affairs of that date was seeking to amend the basic acts, the War Veterans Allowance Act and the Pension Act, by the use of dollar items. Your Honour ruled that this was not proper since an attempt was being made to amend the basic statutes in which the provisions were set out. But if one looks, for example, at one of the dollar items with respect to veterans affairs, the item on page 156, we see it reads as follows:

Vote 30a—pensions—operating expenditures—to extend the purposes of veterans affairs vote 30, Appropriation Act No. 4, 1973, to amend section 3 of the Pension Act by adding thereto the following subsection—

That decision had already been made under a previous appropriation act, and I submit it is quite different from an attempt to amend the basic statute. This one happens to relate to a request of the Canada Pension Commission to be able to administer, on behalf of veterans, certain funds which had been left by veterans and others. This was completely agreed to, and my hon. friend from Humber-St. George's-St. Barbe (Mr. Marshall) wants it on record that he agreed to it as well. But apart from the substance, which is a matter of some concern, I submit that the procedural point does not stand on all fours with the ruling by the Chair on March 10, 1971.

On another aspect of the matter, I agree with the statement made by the President of Privy Council that if this point was to have been raised, it should have been raised when the estimates were first tabled or in the standing committee which dealt with the estimates. To raise it now as a point of order is, in my submission, a way of importing into the House, at a time when debate is not possible, what is really a debate on substance. We are not, in fact, debating a point of order; we are debating a contention by the hon. member for Yukon that the government does not have the right to use dollar items.

I have made many speeches on the use of dollar items, and I believe those speeches have helped in curtailing the use made of them. But I stated categorically in the Committee on Miscellaneous Estimates, when we were dealing with veterans affairs, that in my view the dollar items in those estimates were drawn quite properly and that I was pleased to support them, as indeed were all the members of the committee, including all the Conservative members who were there that day. I submit this is not a point of order. It is, really, a point of debate in the guise of a point of order. The example given is not on all fours with the case which was the subject of previous a ruling by the Chair, and I submit the argument should not succeed.

[*Translation*]

Mr. Gilles Caouette (Charlevoix): Mr. Speaker, even though I am far from being a procedure specialist like the hon. member for Winnipeg North Centre (Mr. Knowles), I

have noted one thing, that is that for the second year in a row, some hon. members have played the same little game when we have come to the debate on supplies and items like those which we are discussing tonight. I believe that tonight the hon. member for Yukon (Mr. Nielsen) is showing bad grace and a purely negative attitude. Last year, more specifically on June 26, 1973, the same reasons and explanations were given. I think that it is time for the hon. member to put an end to this hoax and to go on to concrete action.

[*English*]

Mr. G. W. Baldwin (Peace River): To use the words of a prominent member of the government recently, the government has been caught with its pants down. I do not intend to go into the question of the merits. No matter what decision Your Honour may make, the fact remains that the House of Commons has lost the power to check government spending. Shades of C.D. Howe—"Who is going to stop us?"

Irrespective of the specific points raised by the hon. member for Yukon (Mr. Nielsen), the fact remains that here are three statutes which are amended in such a way that in the absence of such amendment the ends which the estimates seek to achieve could not have been attained. The former auditor general made it quite plain: he said the House had lost control over expenditures. A statement has been made by the President of the Privy Council (Mr. MacEachen). He knows better. That statement, one which to my amazement was supported by the hon. member for Winnipeg North Centre (Mr. Knowles), simply goes to establish the auditor general's point.

I shall not take up any more time. My hon. friend from the Yukon has made his point. Hon. members across the way do not care what happens to expenditures. As far as they are concerned we should amend statutes and let the items go. They are the powers that be, and nothing else matters. That is why I rose, not to deal with specific points but to rebut the improper position taken by the minister and supported by the hon. member for Winnipeg North Centre.

Mr. Speaker: I thank hon. members for their guidance in relation to the important point raised by the hon. member for Yukon (Mr. Nielsen). The House will understand that the Chair has sympathy with the ruling which has been quoted by the hon. member for Yukon. At the time the matter was first raised in the House in March of 1971, the Chair was allowed to reserve judgment. After giving serious thought to the points raised by hon. members on that occasion—and my recollection is that as many as eight or ten members took part in the debate—the Chair made the ruling which was quoted earlier this evening. One of the relevant parts is the following:

> Since the adoption of the new rules, it seems there has been only one item with direct and specific legislative import that has been included in supplementary estimates. This particular item, included in the estimates for the year 1970-71, was allowed to go unchallenged and no point of order was raised in respect thereto. Thus, no practice has yet been established except perhaps that particular items proposing to amend directly and specifically a statute have not been included in supplementary estimates since the rules were changed in 1968 but for the lone exception just mentioned. The House therefore has not had the opportunity at this point to reaffirm the proposition that such proposals, when they are clearly intended to amend existing legislation, should come to the House by way of an amending bill rather than as an item in the supplementary estimates.

I think this was a good principle to guide the House in its consideration of legislation and estimates, and I think I have to reaffirm the principle at this time. The three items to which the President of the Privy Council (Mr. MacEachen) has alluded are clearly one dollar legislative items. My understanding is that the precedent to which he referred, particularly the one of June, 1973, was not a dollar item. My understanding is it was a $2 million legislative item. This is the difficulty, because the dollar legislative item is just that—it is just legislation by way of a dollar item in the estimates and I think it is not a practice which ought to be condoned and supported by the House.

• (2330)

The President of the Privy Council said that there are a large number of so-called dollar legislative items in the estimates. My understanding is that these are not actual dollar items which specifically amend existing legislation, but they are items which amend a previous Appropriation Act. There are many of these. In particular, before us now there are nine such items, but there is no suggestion made by the hon. member for Yukon, or indeed any member of the House or by the Chair, that these are irregular.

Hon. members might like to look at a precedent to the extent that it is relevant from the eighteenth edition of May, at page 731:

> The question has repeatedly arisen in the past whether, in a particular case, the authority given by the Appropriation Act is an adequate substitute for authorization by a specific bill.
>
> On the one hand, there is, so far as this question is concerned, no legal restraint on the discretion of the Crown in presenting an estimate, or on that of parliament in authorizing the expenditure provided by such an estimate by the Appropriation Act. On the other hand, the Appropriation Act is a general measure, containing a great many items, and is not adapted to defining the conditions, etc., of expenditure. Also, this Act only gives authority for a single year, and is therefore not appropriate for expenditure which is meant to continue for a period or indefinitely. There have been cases, too, in which the Appropriation Act has been used, not merely as a substitute for specific legislation, but to override the limits imposed by existing legislation.
>
> The Public Accounts Committee have repeatedly drawn attention in their reports to cases of what they consider the misuse of the Appropriation Act in either the above-mentioned ways, and the Treasury, in answer to such comments, have justified the practice on grounds of emergency rather than of principle.

I suggest that if such justification were put forward, it would have to be based on emergency rather than on principle. The Chair has to make a ruling on principle, and on this basis I would have to say that these three specific items are not properly before the House.

My understanding of what the hon. member for Yukon says is that the matter to be considered is this. As was done on a previous occasion when the principle was recognized by the Chair that no attempt should be made to legislate by way of dollar items, the matter was still put, and an inquiry came from the Chair whether there was consent to proceed with the item in any event, and that consent was forthcoming. If that is my understanding of the situation this evening, then I would inquire from the House whether it is the sense of the House that we allow

these three items to be included in the estimates and in the motion which would be put to the House at this time.

Mr. Nielsen: Mr. Speaker, we want to make it abundantly clear that in raising this point of order we are in no way opposed to any of the three items. But we do want to make it equally clear that the rights, prerogatives and privileges of the opposition and of parliament itself must be preserved.

Some hon. Members: Hear, hear!

Mr. Nielsen: We wholeheartedly welcome your ruling in this regard. We are prepared to consent to the inclusion of these items in the Appropriation Act on the basis of the citation that Your Honour has given us from the eighteenth edition of May, page 731. I suggest that is the way the government should proceed, and they will have our consent.

Mr. Speaker: Is that agreed?

Some hon. Members: Agreed.

Mr. Speaker: The Chair will put the motion again.

The President of the Treasury Board (Mr. Drury) moves:

That Supplementary Estimates (A) for the fiscal year ending March 31, 1974, laid before the House November 7, 1973, except the item disposed of earlier this day, be concurred in.

Motion agreed to.

[*Translation*]

Hon. C. M. Drury (President of the Treasury Board) moved that Bill C-239, for granting to Her Majesty certains sums of money for the public service for the financial year ending March 31, 1974, be read the first time and be printed.

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

[*English*]

Mr. Drury moved that Bill C-239, for granting to Her Majesty certains sums of money for the public service for the financial year ending March 31, 1974, be read the second time and referred to committee of the whole.

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

Clauses 2 to 5 inclusive agreed to.

The Chairman: Is the hon. member for Scarborough West rising on a point of order?

Mr. Harney: Mr. Chairman, I hope we have not had a surfeit of points of order tonight. Mine will be very, very brief. I have raised it before and some hon. members know what it is about. When I raised the point of order previously, on an occasion very much like this, there was general approval of the point but so far nothing has been done about the matter. My point is simply this: in every list presented to the members of this House, the alphabetical arrangement, as in the present schedule, is according to alphabetical order as the titles appear in English.

An hon. Member: So what?

Mr. Harney: "So what", an hon. member says. The "so what" is this. For a member whose only language is French, there is no order to the schedule. He has to go to the English schedule to find the item he is looking for. I think that once in a while, Mr. Chairman, we should at least alternate the procedure or provide a listing which would make it as easy for the French-speaking members to find an item as it is for the English-speaking members. At the very least, if we proceeded occasionally in French we would have "affaires" first where they properly belong.

• (2340)

[*Translation*]

Mr. Fortin: Mr. Chairman, concerning this point of order, I would like to support vigourously what the hon. member has just said.

I remember that a number of months ago, at the very time that the same ridiculous procedure was being considered, the Social Credit Party of Canada was fighting in order to get a copy of the legislation. We know that for more than 100 years, members had not even been entitled to such a copy so that they could not follow what was going on in the House. Now that we are entitled to it, they keep on writing the table of contents of the appendix in the English alphabetical order so that French-speaking members are once again being penalized. This is why, Mr. Chairman, I want to support vigourously what the hon. member has said so that at last we really get to follow in the House a bilingual procedure in keeping with Canada.

[*English*]

Mr. Peters: Mr. Chairman, I would be prepared to support the proposition put forward by the hon. member for Scarborough West, but I would suggest that we do not bother with the list at all. There is no discussion on them and there is no real reason to find any of these items, so what the hell difference does it make whether they are in the bill or not?

Schedule agreed to.

Clause 1 agreed to.

Title agreed to.

The Chairman: Shall the bill carry?

Some hon. Members: On division.

The Chairman: Carried on division.

Mr. Nielsen: I believe I heard the Chairman say that the bill was carried on division. There is no division on this side of the House.

Bill reported.

Mr. Drury moved that the bill be read the third time and do pass. Motion agreed to and bill read the third time and passed.

Business of the House

BUSINESS OF THE HOUSE

Mr. Bell: Mr. Speaker, I should like to ask what the business is for tomorrow.

Mr. MacEachen: The business for tomorrow was announced last Thursday, namely, continuation of the energy supplies emergency bill, to be followed by the Canada Pension Plan bill.

Mr. Bell: Mr. Speaker, the business might have been announced, but this government is changing things so fast that it does not even know what it is doing. Therefore, we have to keep an eye on things around here.

On motion of Mr. MacEachen the House adjourned at 11.49 p.m.

HOUSE OF COMMONS

Tuesday, December 11, 1973

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

AIR TRANSPORT

PROPOSED HEAD TAX ON TRAVELLERS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Don Mazankowski (Vegreville): Mr. Speaker, I rise under the provisions of Standing Order 43 to move a motion of urgent and pressing necessity. In view of the administrative difficulties that will arise from the implementation of the head tax on travellers that has been proposed by the Minister of Transport (Mr. Marchand), I move, seconded by the hon. member for Central Nova (Mr. MacKay):

That the House instruct the Minister of Transport to delay the implementation of the proposed airport charge in order to allow time for consideration of alternative methods of financing airport expenses, and to allow further consultation between industry representatives and officials of his department.

Mr. Speaker: The hon. member's motion is proposed under the terms of Standing Order 43 and requires unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity.

* * *

FOOD PRICES REVIEW BOARD

PROPOSED TERMINATION—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, pursuant to Standing Order 43 I rise to propose a motion in a case of urgent and pressing necessity, namely, the costly irrelevance and ineffectiveness of the Food Prices Review Board in regard to the problem of the Canadian consumer who is struggling to feed himself and his family against a 1.2 per cent increase in the consumer price index in the last month alone and a staggering 18.5 per cent increase in his food costs over the last 12 months. With consent, Mr. Speaker, I therefore propose to move, seconded by the hon. member for Edmonton Centre (Mr. Paproski):

That his House recommends that the term of appointment of the five commissioners of the Food Prices Review Board be terminated by the government on December 31, 1973, instead of the present date of December 31, 1974, and this House urges that the consequential savings in public money of over $1 million be used to assist those Canadians who are unable to buy adequate and nutritious food at present food price levels.

Mr. Speaker: The Chair has procedural reservations about the form of a motion of this kind. The hon. member for High Park-Humber Valley knows, as do other hon. members, that Standing Order 43 is used in very special circumstances and that if members choose to use the provisions of Standing Order 43 they should not take advantage of the rules to put argument on the record which, under the practice of the House, cannot be answered by hon. members who may not agree with the argument put forward in support of the motion. Having said that, I will ask whether there is unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There does not appear to be unanimity. Therefore the hon. member's proposed motion cannot be put.

ORAL QUESTION PERIOD

[*English*]

THE CANADIAN ECONOMY

CONSUMER PRICE INDEX INCREASE—REQUEST FOR CLEAR PICTURE OF GOVERNMENT'S ECONOMIC POLICIES AND NEW MEASURES TO COMBAT INFLATION

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Minister of Finance. In view of the increase in the consumer price index of 9.3 per cent from November, 1972, to November, 1973, I should like to ask whether he is going to come out of hiding before the recess and present a clear picture to the House of the government's economic policies with regard to this enormously shattering experience ordinary Canadians are undergoing?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I have been visible but the hon. gentleman has chosen to direct his question elsewhere in recent weeks. I am glad to reply to him at this time and say that of course price rises continue to be disturbing, but the recent figures again reflect a rise in food prices which is the result of an imbalance again in supply and demand. I have dealt with this issue—

Mr. McGrath: Hogwash!

Mr. Turner (Ottawa-Carleton): I have dealt with this issue thoroughly at every opportunity we have been given in the House of Commons. The government's policies have been well illustrated to the House.

Mr. Stanfield: In view of the continuing escalation in the rate of inflation in this country on a year to year basis, and month by month, with the rate increase now at almost 10 per cent, is it the intention of the minister to announce any new measures? As this condition is spreading throughout the whole economy and is not simply confined to food as the minister would like to suggest, is he going to introduce any effective measures or is he going to let inflation run away in this country?

● (1410)

Mr. Turner (Ottawa-Carleton): Mr. Speaker, the thrust of inflation continues to be an imbalance in supply and demand in food commodities, in non-food commodities and in fuel, none of which, as I have indicated to the hon. gentleman and his colleagues, is subject to the type of policy he has been advocating. What the government has done instead is to introduce policies that will increase the supply and thereby render more chance of an equilibrium in prices in this country and, second, moderate the erosion of prices on the purchasing power, and the savings of Canadians by buttressing their incomes. More cash has been made disposable by commodity tax reductions, and by protection of families in the lower and fixed income scales by raising and escalating old age pensions and raising and escalating family allowances and that type of measure.

Mr. Stanfield: A final supplementary, Mr. Speaker. When is the Minister of Finance finally going to be prepared to recognize that the policies he is following or not following are leading the country and ordinary Canadians to disaster?

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. The hon. member for Prince Edward-Hastings on a supplementary.

CONSUMER PRICE INDEX INCREASE—SUGGESTED INTRODUCTION OF SPECIFIC TAX INCENTIVES TO INCREASE PRODUCTION

Hon. George Hees (Prince Edward-Hastings): I have a supplementary, Mr. Speaker. Would the minister advise the House when the government intends to introduce specific tax incentives aimed at inducing an increase in production which will bring it up approximately to the level of the increased demand present today so that inflation may be controlled and so that the skyrocketing cost of living may be stopped?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, there is some substance in the hon. gentleman's question to the extent that he recognizes that the problem at the moment in the economy is not on the demand side but on the shortage of supply. He recognizes quite properly that we must increase productive facilities. What he fails to remember are the measures brought forward by the government and enacted by parliament by way of corporate tax incentives to manufacturing and processing industries which have had the effect of increasing capital investment intentions in this country by 15 per cent in 1973 over 1972, by an estimated 20 per cent in 1974 over 1973, and in the manufacturing and processing industry by over 40 per cent.

[Mr. McGrath.]

Mr. Hees: Mr. Speaker, as the measures which the minister has mentioned—

Mr. Speaker: Order, please.

Mr. Hees: —obviously are not—

Mr. Speaker: Order, please. I am not sure whether the hon. member was going to make a speech rather than ask a question. I know the hon. member never does that. The Chair will, of course, recognize the hon. member for a supplementary, then the hon. member for York South and then the hon. member for Témiscamingue who have supplementaries, and then we will continue with further supplementaries on this very important subject. The hon. member for Prince Edward-Hastings.

Mr. Hees: I was simply saying that as the measures mentioned by the minister are not working and as it is now evident that the government does not intend to introduce these very necessary taxation incentives, will the minister advise the House when he is going to replace his present indolence with action and get the economy of this country moving? When is he going to do that?

Mr. Speaker: The hon. member for York South.

CONSUMER PRICE INDEX INCREASE—REQUEST THAT THERE BE NO FURTHER TAX CONCESSIONS TO CORPORATIONS

Mr. David Lewis (York South): Mr. Speaker, may I direct a question to the Minister of Finance. Since the tax concessions which he introduced and which were passed by the House with the assistance of Conservative members obviously have not worked and cannot work, will the minister assure the House that he does not intend to present the corporations of this country with another half a billion dollars that will again be wasted?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I could not disagree more thoroughly with the hon. gentleman's preamble.

INCREASE IN COST OF HOUSING—POSSIBILITY OF NEW MEASURES UNDER NATIONAL HOUSING ACT TO MEET NEED OF PEOPLE ON LOWER INCOMES

Mr. David Lewis (York South): Mr. Speaker, may I direct a supplementary on the general issue of the cost of living to the Minister of State for Urban Affairs. Based on the fact that the cost of housing went up about .8 of one per cent and the statement by the president of Central Mortgage and Housing Corporation appealing to builders in this country to build homes for lower income people, may I ask the minister whether this urgent need in

Canada will be met by any new and more effective measures by his department under the National Housing Act?

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, the assisted home ownership plan which parliament passed is designed specifically to fill the needs of low and moderate income people.

An hon. Member: Is that all you have?

Mr. Basford: It is beginning to take effect and it is working extremely well in most parts of the country. The statement to which the hon. member referred concerns the metropolitan Toronto area where the president of CMHC was making a very special appeal to builders to take advantage of the program.

INCREASE IN COST OF HOUSING—SUGGESTED FISCAL ACTION TO STOP GOUGING BY DEVELOPERS

Mr. David Lewis (York South): May I put a final supplementary question, again to the Minister of Finance. It has been pointed out in statistics and in statements by leaders of the building industry that the price of houses is almost totally unrelated to the cost of land, to the cost of labour or to the cost of materials because of the way in which home builders and developers are taking advantage of the immense demand in this country and are gouging home buyers beyond reason. May I ask the Minister of Finance whether he will give consideration, if he has not already done so, to an effective fiscal measure to stop this housing gouging of people who try to buy homes by developers?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I take into full account the statement that the hon. gentleman has just made and of course I will continue to consult my colleague, the Minister of State for Urban Affairs.

[*Translation*]

SUGGESTED DISTRIBUTION OF DIVIDEND BY BANK OF CANADA TO OFFSET FOOD PRICE INCREASES

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I wish to direct a supplementary question to the Minister of Finance.

Since food prices have increased by 9.3 per cent while wages have risen by 3 to 5 per cent, would the minister seriously consider the distribution of a national dividend by the Bank of Canada in order to gear the workers' purchasing power to the actual cost of living?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I do not think that the remedy suggested by the hon. member is the appropriate one.

[*English*]

INCREASE IN FOOD PRICES—INQUIRY AS TO GOVERNMENT ACTION TO BRING IMMEDIATE RELIEF TO CANADIANS

Mr. James A. McGrath (St. John's East): Mr. Speaker, my question is for the Prime Minister. In view of the fact the annual increase in the cost of food is 18.4 per cent, which represents the highest increase since 1951, and in view of the fact parliament may adjourn for the Christmas recess very soon, may I ask the Prime Minister what steps the government will take to bring immediate relief to Canadians by lowering the price of food in this country?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the answer to this question was already given.

Some hon. Members: Oh, oh!

Mr. McGrath: Mr. Speaker, I did not hear the Prime Minister's answer. Perhaps I can redirect my question or perhaps the Prime Minister might want to answer it now. I will put a supplementary question to the Prime Minister and ask him whether his government intends to act to do something about the disgraceful rise in food prices in this country?

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Some hon. Members: Shame!

Mr. Trudeau: Mr. Speaker—

Some hon. Members: Oh, oh!

Mr. McGrath: I rise on a point of order, Mr. Speaker. The Prime Minister is showing contempt for the most serious problem facing this country today. Notwithstanding the fact he may have received the support of the NDP last night, that does not relieve him of his responsibility to do something about inflation in this country.

Some hon. Members: Hear, hear!

Mr. McGrath: It is his responsibility to answer this question right now.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please.

Mr. Trudeau: On the same point of order, Mr. Speaker, I would point out to the hon. member that I have answered both his questions but that the shouting on his own side has prevented him from hearing the answers.

Some hon. Members: Hear, hear!

● (1420)

Mr. Trudeau: I just want to add, Mr. Speaker, that it is not my habit to raise my voice, as the hon. member does, to cover the shouting as he has to do.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Stanfield: Mr. Speaker, I want to say with regard—

Some hon. Members: Oh, oh!

Mr. Crouse: Who's shouting now?

Mr. Stanfield: Mr. Speaker—

Some hon. Members: Oh, oh!

Mr. Hees: Now who's shouting?

Mr. Drury: Hees!

Mr. Stanfield: They have done their job over there. They sold out their province the other day.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Stanfield: I just want to say to the Prime Minister that I watched him very carefully and he deliberately—

Some hon. Members: Question!

Mr. Stanfield: I am speaking on a point of order. He deliberately just said one or two words very quietly. I was listening with my earphone on—

Some hon. Members: Oh, oh!

Mr. Stanfield: —and I would not have been able to hear him with my earphone if the House had been quiet. He did it deliberately to affront the House and to try to create a situation.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. McGrath: Mr. Speaker—

Mr. Speaker: Order, please. I will not attempt to rule on the points of order that have been raised, but certainly there is a great deal of noise. I am not sure whether it comes from my left or my right or from where it comes, but it is difficult to hear both the questions and the answers that are given. I think hon. members might want to give members a chance to ask their questions and ministers an opportunity to reply so that we could all hear what is being said.

Mr. Hees: On a point of order—

Mr. Speaker: The hon. member rises on a point of order. We have already spent five minutes on this matter, trying to get on with the first question. I would think that with a bit of good will we might be able to continue now with the question period.

Mr. Hees: My point of order is that if the Prime Minister would answer the questions put to him by the representatives of the people, serious questions wanting to know what the government is going to do to stop the rise in the cost of living we could get on with the question period a lot farther than we have. He sits in his chair and he sulks.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Hees: He is an absolute disgrace.

Some hon. Members: Oh, oh!

[Mr. Stanfield.]

Mr. Hees: If any of you guys want to step outside, I am ready for that too.

Mr. Speaker: Order, please. That is not a very valid point of order. Obviously it is a continuation of the dispute. I suggest to hon. members that they should forget about points of order for a moment and return to the question period which is being exhausted slowly but surely by these points of order.

Mr. Benjamin: I rise on a point of order, Mr. Speaker. My point of order is a request to you, Sir, to be good enough to deduct one question to be asked by a member of the Official Opposition each time they rise on a point of order.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Bell: You are not making the decisions.

Mr. Speaker: I will deduct one point of order from the hon. member.

Some hon. Members: Oh, oh!

Mr. McGrath: Mr. Speaker, perhaps if you deducted the New Democratic Party from the opposition you might be doing this country a real service because they show no interest whatsoever in the people of Canada and this inflationary situation. I would like to ask the Prime Minister, who sits there smugly and complacently, if he can now give the House and the country the assurance that the government is prepared to act immediately to bring relief to Canadians who are suffering as a consequence of the 18 per cent annual increase in the cost of food?

Mr. Hees: Come on, little Lord Fauntleroy. Get on your feet.

Mr. Speaker: The hon. member for Vancouver Kingsway.

Mr. McGrath: On a point of order—

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

Mr. McGrath: Mr. Speaker, I believe the House and the country are entitled to know, especially on the eve of the adjournment of parliament for perhaps a six week recess, just exactly what this government proposes to do about the most serious problem facing the country today, namely, the 9 per cent runaway rate of inflation and the 18 per cent annual increase in the cost of food.

Mr. Speaker: The hon. member for Vancouver Kingsway has been recognized by the Chair.

INCREASE IN FOOD PRICES—SUGGESTED INTRODUCTION OF EXCESS PROFITS TAX

Mrs. Grace MacInnis (Vancouver Kingsway): Mr. Speaker, my question is for the Minister of Finance. I have no intention of trying to outshout other hon. members, although I could.

Some hon. Members: Hear, hear!

Mrs. MacInnis (Vancouver Kingsway): In view of the dramatic increase in profits in the food industry so far this year, for example, the 260 per cent profit increase on a 16 per cent in sales recorded by Ogilvy Flour Mills for the past six months, instead of the proposed handouts and incentives—

An hon. Member: By the Tories.

Mrs. MacInnis (Vancouver Kingsway): Yes, by the Tories—does the minister intend to introduce legislation to institute an excess profits tax to prevent further exploitation of the consumer?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, that is the type of budgetary measure that, if introduced, would be announced at the appropriate time.

[*Translation*]

Mr. Speaker: Does the hon. member for Joliette wish to ask a supplementary question?

Mr. La Salle: No, Mr. Speaker.

[*English*]

INFLATION—POSSIBILITY OF FURTHER ACTION IN TERMS OF MONETARY, FISCAL AND EXCHANGE RATE POLICIES TO EXERCISE CONTROL

Mr. James Gillies (Don Valley): Mr. Speaker, my question is for the Minister of Finance. In view of the fact that OECD studies now show that about 70 per cent of Canada's inflation is domestically induced and as the research department of the Bank of Montreal has stated that in their opinion a large part of inflation in Canada is homemade, does the minister still contend that there is nothing that can be done in terms of monetary policy, fiscal policy and exchange rate policy in Canada with regard to the rate of inflation that is taking place?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, it is the government's position that the fiscal and monetary policies are about right in the present state of the economy and that the prime thrust of inflation is still induced by forces on the demand side from world-wide source.

Mr. Hees: And the weather is bad.

Mr. Gillies: Mr. Speaker, I have a supplementary question. In all sincerity I wish to ask the Minister of Finance how he can possibly contend that our monetary, fiscal and exchange rate policies, which are the levers that determine inflation and employment in this country, are correct when we have the inflation rate that we have and when it is now said by most students that two-thirds to 70 per cent of our inflation is coming internally and not externally?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I disagree with the hon. gentleman's contention that most observers of the economy have the same opinion as he has.

UNEMPLOYMENT IN ATLANTIC PROVINCES—CONTINUATION OF SPECIAL DEVELOPMENT INCENTIVES

Mr. David MacDonald (Egmont): Mr. Speaker, my question would have been for the Prime Minister but in view of the fact he is not taking questions today—

An hon. Member: He is sulking.

Mr. Trudeau: You are not taking the answers.

Mr. MacDonald (Egmont): —I will direct it to the Minister of Regional Economic Expansion who I hope will be concerned about this problem because it affects the Atlantic provinces. In view of the report today from Statistics Canada that the unemployment rate in the Atlantic region now stands at 9.6 per cent—

An hon. Member: Almost as high as inflation.

Mr. MacDonald (Egmont): —seasonally adjusted, and in view of the fact that as of December 31 this year the special development incentives provided in the minister's Regional Development Incentives Act will expire under section 9(3)(a), is the minister giving serious consideration to reviewing that expiration and has he initiated consultations with the appropriate provinces in order to consider whether action can be taken to alleviate the very serious situation in the Atlantic region?

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Mr. Speaker, the provinces and I have had such discussions. While I do not want to upstage them in terms of any announcements that ought to be made jointly—I think I have been consistent in making all announcements that have to do with the provinces jointly and have not tried at any point to upstage them—and do not want to be specific, I can hold out hope to the hon. member that the extension he is referring to with regard to the Regional Development Incentive Act probably will be announced before the end of the year.

UNEMPLOYMENT IN ATLANTIC PROVINCES—POSSIBILITY OF FURTHER LOCAL INITIATIVES PROJECTS

Mr. David MacDonald (Egmont): Mr. Speaker, I thank the minister for that assurance and I hope I will have additional success, in view of the short term measures that might be taken, with a question to the Minister of Manpower and Immigration. In view of the fact that the minister has said consistently that the allocation of local initiatives grants was related to the unemployment situation in the country, is his department giving serious consideration to the need for further projects in the Atlantic provinces because of the very large growth in unemployment there contrasted with other parts of the country?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, that obviously would depend on the decision whether or not to provide additional funds for the Local Initiatives Program, which decision has not yet been taken.

● (1430)

VETERANS AFFAIRS

DISPOSITION OF UNUSED PORTION OF GEORGE DERBY HOSPITAL SITE, BURNABY—PARTICIPATION BY MUNICIPAL REPRESENTATIVES IN NEGOTIATIONS

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, my question is for the Minister of Veterans Affairs. In view of the fact the minister is now in the process of disposing of over 200 acres of prime property formerly owned by the municipality of Burnaby, and in view of the fact this property was acquired for a nominal amount because of the world war II emergency, would the minister at least invite representatives of the municipality to participate in those negotiations with a view to returning this land to the municipality?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Mr. Speaker, I have met people from the municipality in question and discussed what the hon. member is suggesting. Negotiations have been in progress now for possibly two years and are still being carried on. No decision has as yet been arrived at.

Mr. Leggatt: As the Department of National Defence returned the Jericho defence property in Vancouver for a nominal sum, would the minister now consult with others in the cabinet, particularly with the Minister of National Defence, with a view to developing some kind of consistent government policy in returning these world war II emergency properties to the municipalities?

Mr. MacDonald (Cardigan): Mr. Speaker, in answer to that question, there is no comparison between the George Derby institution which looks after veterans and the munitions dump to which the hon. member has referred. There is no comparison.

* * *

[*Translation*]

ENERGY

PROPOSED SUPERTANKER PORT ON ST. LAWRENCE AND IMPORT OF OIL FROM SAUDI ARABIA—DISCUSSION WITH QUEBEC

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

Can he tell us whether he has approached the Quebec government with a view to dissuading it from reaching an agreement with Saudi Arabia on the construction of an oil supertanker port, and the purchase of the oil required for consumption in Quebec?

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

SUGGESTED ESTABLISHMENT OF CANADIAN EMBASSIES IN ALL ARAB OIL PRODUCING COUNTRIES

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I have a supplementary for the Prime Minister.

[Mr. Andras.]

Can he tell the House whether he intends to open Canadian embassies in all Arab oil producing countries in the near future since Arab countries without oil already have them?

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

* * *

[*English*]

THE CANADIAN ECONOMY

POSSIBILITY OF NEW POLICIES TO RECTIFY DISLOCATIONS INVOLVING INTEREST AND MORTGAGE RATES AND RENT INCREASES

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, as we seem to be getting some results from the Prime Minister, I will try this question on him. Is the government at least considering the introduction of policies designed to rectify the many economic dislocations in this country involving escalating interest rates, mortgage rates beyond the reach of many Canadians and rent increases that are at the origin of many domestic concerns, all caused by permitting a high rate of sustained inflation and encouraging a high level of unemployment?

Right Hon. P. E. Trudeau (Prime Minister): Yes, Mr. Speaker, we will continue to consider every measure that will permit us to improve the economic situation.

* * *

AIR TRANSPORT

PROPOSED PASSENGER HEAD TAX—REQUEST FOR DELAY IN IMPLEMENTATION

Mr. Don Mazankowski (Vegreville): Mr. Speaker, I wish to direct my question to the Minister of Transport. Having regard to the inflationary impact and the administrative difficulties which the proposed airport head tax will create, may I ask the minister if he is giving any consideration to the request by the Air Transport Association of Canada for a delay in the implementation of the proposal in order to provide sufficient time for the consideration of viable alternatives inasmuch as the proposal as outlined by the minister is administratively unworkable under present conditions?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I think this request is not reasonable. This subject was discussed at length in 1969. The problem was, at what time should this new tax be implemented. We think it is about time, if we do not want the general public to support the burden of the new tax, to put it on right now.

Mr. Mazankowski: Has the minister received a telegram from the Air Transport Association of Canada outlining their objections to this new proposal and, if so, can he indicate the nature of his reply?

Mr. Marchand (Langelier): Mr. Speaker, I have received this wire. I saw it about an hour ago. The reply has not been sent, but it will be sent today.

THE CANADIAN ECONOMY

INFLATION—SUGGESTED BETTER CO-ORDINATION BETWEEN DEPARTMENTS INVOLVED TO ACHIEVE MORE UNIFIED ACTION

Hon. J. A. MacLean (Malpeque): Mr. Speaker, may I direct my question to the Prime Minister. Can we anticipate any announcement by the government which will result in better co-ordination between departments whose policies have a direct bearing on inflation—I am thinking of the Department of Industry, Trade and Commerce, Treasury Board, the Department of Finance and the Department of Manpower and Immigration particularly—so they can act in a more unified way?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, we are very concerned about the importance of consultation between all departments. We discussed this matter again today in the cabinet committee. I cannot say that there will be any announcement made in this regard, but I do hope we will be showing more and more that the government's various policies are interconnected and interdependent.

Mr. MacLean: I thank the Prime Minister for his reply. Has the Prime Minister established a cabinet committee to deal with the problem of inflation and try to contain it?

Mr. Trudeau: No, Mr. Speaker, this is dealt with in the cabinet committee which deals with all the aspects of economic policy because we want to make sure that in the ways in which we deal with inflation we act in full awareness of the other aspects of the economy.

* * *

[*Translation*]

MANPOWER

LOCAL INITIATIVES PROGRAM—AVAILABILITY OF ADDITIONAL FUNDS

Mr. Roch La Salle (Joliette): Mr. Speaker, I should like to direct a question to the Minister of Manpower and Immigration.

Two weeks ago the minister said in the House that he was considering the possibility of granting additional funds to counter the lack of money for local initiative projects. Today being December 11 and the unemployment situation having grown even worse, can the minister tell us whether he has made a decision and, if not, when he will be able to tell the House if there will be additional funds or not?

[*English*]

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I answered a first question a few moments ago. No such decision has been made but I expect that to be done shortly.

CANADIAN BROADCASTING CORPORATION

ALLEGED COMPLAINT BY MINISTER OF THE ENVIRONMENT CONCERNING COVERAGE GIVEN GOVERNMENT IN BRITISH COLUMBIA—GOVERNMENT POLICY

Mr. Peter Reilly (Ottawa West): Mr. Speaker, my question is for the Minister of the Environment. Is he now prepared to make public, of his own volition, the text of the letter he wrote to the Prime Minister on November 8 complaining about CBC coverage of his government in British Columbia and demanding discipline and to indicate precisely what kind of discipline he had in mind?

Hon. Jack Davis (Minister of the Environment): No, I am not, Mr. Speaker.

Mr. Reilly: Mr. Speaker, first, I did not hear the minister's answer; second, I have a supplementary. My supplementary question is directed to the Prime Minister. Is he prepared to assure the House that it is not the government's policy to interfere in the affairs of the CBC because it criticizes or allows criticism of government policy?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I must apologize. I missed the previous question to which this one is now related.

Mr. Stanfield: Was it because there was too much noise on the Prime Minister's side of the House?

Mr. Trudeau: No, it is because I was speaking to the minister sitting next to me about more important things.

Some hon. Members: Oh, oh!

Mr. Trudeau: Mr. Speaker, I do wish to assure the hon. member that it is not our practice to interfere with the CBC.

Some hon. Members: Oh, oh!

Mr. Reilly: I have a further supplementary question, Mr. Speaker. I want to ask the Prime Minister precisely what it is in his view that transcends the importance in this country of freedom of speech?

Mr. Trudeau: Mr. Speaker, if I may be permitted to answer that, let me point out to the House that the previous question was not addressed to me and therefore I felt entitled to talk to the minister by my side while that question was being asked and answered. That is why I said I could not refer to the previous question. As far as the statement in general that was made is concerned, I did give the answer.

Mr. Hees: The Prime Minister is leaning over and speaking to the reporter instead of talking to the House.

Mr. Nielsen: The old arrogance is still there.

Mr. Trudeau: Mr. Speaker, I find it difficult to be accused of arrogance because I refuse to shout in this House to cover the noise that the hon. member is making.

Some hon. Members: Hear, hear!

Oral Questions

● (1440)

AIR TRANSPORT

INQUIRY AS TO DIRECTIVE TO MINISTERS AND DEPUTY MINISTERS TO USE COMMERCIAL AIRLINES IN ORDER TO SAVE FUEL

Mr. A. D. Hales (Wellington): Mr. Speaker, my question is directed to the Minister of Transport. In the interest of saving aviation fuel, has the minister, his department or any other agency of government issued a directive asking ministers and deputy ministers to use commercial airline services rather than government planes?

Hon. Jean Marchand (Minister of Transport): Yes, Mr. Speaker. All ministers were required to use Department of Transport aircraft only when necessary.

USE OF GOVERNMENT PLANE BY PRIME MINISTER FOR TRIP TO VANCOUVER

Mr. A. D. Hales (Wellington): Mr. Speaker, I wish to address my supplementary to the right hon. Prime Minister. By what authority was the government Jetstar plane used last weekend to fly to and from Vancouver, consuming 6,000 gallons of gasoline? Why was it used rather than other services?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I established the practice five years ago, and I intend to continue applying it unless the House decides to censure me, of using government aircraft for my travels within this country and, when possible, abroad in order to ensure that the inconvenience which would be caused to public users, if I were to use public transportation, would be avoided. There are many other reasons for doing this, Mr. Speaker, but I want to underline the one which is of particular importance to the public. When I have occasionally used public carriers it has happened that the carrier was delayed, sometimes for many hours, because when it is known that I am going to make a flight it does happen that there are bomb scares and it is necessary to keep the aircraft on the ground for a matter of hours. It has also happened that certain citizens have complained and have even asked the government to pay them damages for the time they have been caused to wait because of the fact I was to fly on that aircraft.

Mr. Hales: I thank the right hon. member for his explanation, but it is reported the aircraft was used so the Prime Minister could attend a Liberal rally in Vancouver. Will the cost of the use of this plane be charged to the consolidated revenue fund or will the cost be paid out of the Prime Minister's own travelling expenses?

Mr. Trudeau: Mr. Speaker, as a matter of putting the record straight I would want to indicate that I not only attended a fund raising dinner, which was extremely successful and which caused a lot of funds to be raised for the Liberal party—

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

[Mr. Trudeau.]

Mr. Trudeau: —but I also attended a public function, which had nothing to do with the party, at the city hall in Vancouver having to do with the Jericho Beach transaction and also having to do with the trip of the Vancouver Symphony Orchestra—

Some hon. Members: Oh, oh!

Mr. Trudeau: —to China as a result of my very successful trip to China.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Trudeau: Finally, I attended another public function in Chilliwack the next day, namely, a Santa Claus parade, which was important to the community of Chilliwack. If it had the by-product of helping our friend, Jerry Pringle, I am happy about that too.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. Hon. members will have noted that the question period will expire in about two minutes. It has not been a very productive question period.

Mr. Tom Bell (Saint John-Lancaster): Mr. Speaker, I have a supplementary question for the Prime Minister about the criteria he has laid down regarding the use of planes and so on for the office that he holds. Will the Prime Minister now say that in the present emergency he will be practicing conservation in the use of energy?

Mr. Trudeau: Yes, Mr. Speaker. As a matter of fact, before taking this trip to Vancouver I did suggest to my staff that we should go commercially. They verified that with the Royal Canadian Mounted Police who gave me a direct preference on their part that I not go commercially because it was well known that I was going to Vancouver. As I indicated a moment ago, the dinner had been widely publicized. When it is well known that I am travelling on a commercial aircraft, this is precisely the time when there are bomb scares, generally by crackpots because none has actually gone off under my feet.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. The hon. member for Scarborough West.

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

Mr. Speaker: Order, please. We are in Scarborough rather than Edmonton.

FINANCE

POSSIBILITY OF WAIVING OF SALES TAX ON PURCHASES OF EQUIPMENT BY PUBLIC TRANSPQRTATION COMMISSIONS

Mr. John Harney (Scarborough West): Mr. Speaker, I wish to direct this question to the Minister of Finance. In view of the fact the need to conserve energy resources dictates in part the use of public transit should be encouraged over the use of the private automobile where practicable, is consideration being given to waiving the federal sales tax as it applies to purchases of equipment by public transportation commissions? If not, why not?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, in view of the representations the hon. member has added to his earlier remarks in the House, that is something I will take into consideration.

* * *

THE CANADIAN ECONOMY

QUEBEC AND ATLANTIC PROVINCES—IMMEDIATE MEASURES TO COMBAT INFLATION AND UNEMPLOYMENT

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, my question is based on the figures for inflation issued this morning and is directed to the Prime Minister. As the rate of unemployment and inflation is incredibly high in Quebec and the eastern provinces of Canada and is affecting low income people in particular in those areas, apart from the government's two-price policy for petroleum products what immediate measures are to be taken by the government to come to the aid of citizens in Quebec and the rest of eastern Canada, especially low income people?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I do not know how immediate the hon. member means, but if he refers to the record he will see that just last week the government proposed and introduced legislation to ensure that the five eastern provinces in particular, to which the hon. member referred, would get the overwhelming share of the $190 million which was added to the budgets of the provinces by the federal government through our new equalization formula.

Some hon. Members: Oh oh!

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. The Chair will recognize the hon. member for Northumberland-Durham on a supplementary and then call orders of the day.

REQUEST THAT AGENDA OF FIRST MINISTERS' CONFERENCE IN JANUARY BE WIDENED TO INCLUDE ECONOMIC MATTERS

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, my question is directed to the Prime Minister. In view of the continuing utterances of the Minister of Finance in the House every month that the economic situation is disturbing to him, which is tantamount to admitting failure of the government's policies, and in view of the fact there are obviously no ideas coming from the government—

Mr. Speaker: Order, please. The hon. member should ask a question rather than make a speech. We have reached the end of the question period. The hon. member was recognized as we reached the end. He should ask his question because I will have to call orders of the day.

Mr. Lawrence: Because energy supply and energy prices will inevitably affect the inflation and unemployment mess, will the Prime Minister consider widening the scope of the first ministers' conference in January to include a comprehensive study not just of energy but of the whole economic mess this country is in at present?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I would like to deal with that question in a positive way, but I would first point out to the hon. member that there is another interpretation, which is the right one, of the stance of the Minister of Finance, that no matter how much better Canada is performing compared with other countries, he still wants us to improve.

● (1450)

As for the suggestion that has been made, it is a very valid one. I must say it has been anticipated by the government in the sense that the energy conference dates I have proposed are immediately before the conference of Ministers of Finance to be attended by the federal Minister of Finance and provincial Ministers of Finance. They will, of course, be wanting to discuss the very matters suggested by the hon. member, at which time the federal minister will give the usual leadership to the provinces.

Mr. Speaker: The hon. member might ask a quick supplementary, following which I will call orders of the day.

Mr. Lawrence: Mr. Speaker, this suggestion comes, of course, from one of the premiers and I understand that more are on the way. Can the Prime Minister tell the House if he has replied to the telegram he has already received about this matter from one of the premiers?

Mr. Trudeau: There must be a misunderstanding here, Mr. Speaker. If the hon. member is referring to the meeting on energy matters, he is, of course, correct in the sense that the provinces at the interprovincial meeting last summer decided to put this matter before us and to ask for a federal-provincial conference on the subject.

My response was twofold. First of all, I said that we had indeed asked that the subject of energy be put on the agenda of the Western Economic Opportunities Conference but this had been refused by the provinces themselves. Second, I said that we had already scheduled a meeting of the ministers responsible for energy. This was held a few weeks ago in Toronto and I think I wrote to the premiers—perhaps this is the letter the hon. member is referring to—who had asked for meetings at the first ministers' level, suggesting that as soon as the Toronto meeting was over I would be prepared to hear their suggestions regarding a date and an agenda for the first ministers' conference. I think I established a deadline of around December 7 to have responses from them. I have now written to them formally proposing the dates of

January 23 and 24, and I am waiting for their response as to those dates and as to the agenda.

An hon. Member: A supplementary—

Mr. Speaker: Order, please. A number of additional supplementaries have been asked and in allowing the hon. member for Northumberland-Durham to ask his question and supplementary we have gone five minutes past the end of the question period. Perhaps we might pursue this matter tomorrow when I will recognize hon. members. Orders of the day.

GOVERNMENT ORDERS

[*English*]

ENERGY SUPPLIES EMERGENCY ACT

MEASURE TO PROVIDE FOR ALLOCATION BOARD, MANDATORY ALLOCATION OF SUPPLIES AND RATIONING OF CONTROLLED PRODUCTS

The House resumed, from Friday, December 7, consideration of the motion of Mr. Macdonald (Rosedale) that Bill C-236, to provide a means to conserve the supplies of petroleum products within Canada during periods of national emergency caused by shortages or market disturbances affecting the national security and welfare and the economic stability of Canada and to amend the National Energy Board Act, be read the second time and referred to the Standing Committee on National Resources and Public Works.

Mr. David MacDonald (Egmont): Mr. Speaker, at the conclusion of the debate on Friday afternoon of Bill C-236, I had spent some time indicating the great difficulty that had been created by this government's so-called oil policy because of the increasing division in this country, not only over assurance of supply of petroleum products but also over the cost of those petroleum products to the Canadian people. When the debate concluded on Friday afternoon I expected, as I think did many hon. members, that many of the questions that had not been answered by the Minister of Energy, Mines and Resources (Mr. Macdonald), who unfortunately was not with us at that time, or by the Prime Minister (Mr. Trudeau), arising from the statement he made on Thursday, would make themselves clear over the weekend or possibly during the debate that took place yesterday. As all hon. members of the House and all Canadians now realize, not only has the situation not been clarified, but in some way the confusion and anxiety has increased.

Even a minister so directly responsible for the economic and social development of eastern Canada, Quebec and the Atlantic provinces, as the Minister of Regional Economic Expansion (Mr. Jamieson), was unable to say anything more except this, and I quote from his speech as reported at page 8590 of *Hansard*, the second column:

> Prices are being kept down where possible, and those in greatest need are being helped. If other steps are found to be necessary, they will be taken.
>
> [Mr. Trudeau.]

That, as I read it, is the sum and substance of this minister's response to the very great economic and social hardships being faced by the people of eastern Canada. As I said on Friday, since September of this year the cost of home heating fuels for those living in the Atlantic provinces had increased by early December by some 20 per cent, and the increase shows no signs of abating. With respect to the present price differential that exists between eastern and western Canada, on an average basis it is something like 40 per cent. Consumers of home heating fuels in Quebec and Atlantic Canada are paying 40 per cent more for those fuels than their fellow citizens who are able to make use of domestic petroleum products. I want it to be abundantly clear that in the days and weeks to come this government will have a great deal to answer for in the perpetuation of this inequity. It is one of the most disturbing ironies that, in introducing his remarks on Thursday, the Prime Minister should refer to this kind of oil policy as a one Canada oil policy. Nothing could be further from the truth.

Let me just give the House an example of the situation as it existed a few days ago compared with the situation existing in eastern Canada in September of this year. Beginning in St. John's, Newfoundland, which for some time now has had unusually high heating oil costs, the cost of a gallon of home heating fuel in September of this year was 31 cents; by December it had risen 3.7 cents to 34.7 cents a gallon. In Halifax, the price in September was 27.3 cents; by December the price had risen to 33.2 cents, an increase of 5.9 cents a gallon. The situation in Saint John and Fredericton I explained on Friday, so I will not repeat it. In Charlottetown, the price in September was 29.4 cents; by December it had risen to 35.3 cents. In Quebec City—I hope some of my colleagues opposite are listening closely—the price in September was 28 cents even; by December it had risen to 33.9 cents, an increase of 5.9 cents. In Montreal, the price was 27.5 cents in September; it has increased to 33.4 cents in December, an increase of almost 6 cents a gallon.

By comparison, the price of home heating fuels in Toronto, almost at the end of the distribution line for domestic oil, was 26.3 cents in September; by December it had risen exactly one cent, to 27.3 cents. The present cost of home heating fuel in Winnipeg, as reported I think by the Mohawk Oil Company, stands at 24.7 cents a gallon. If that does not represent one of the great inequities of recent time in a two Canada oil policy that has been proclaimed by the government, then I do not know what does. That this government, which has such a large number of members representing an area that is going to suffer increasingly this winter from high fuel costs, should be supported in its policy by my hon. friends to my left is just inconceivable. I wonder how much longer the country can accept the rationalization of this government that this policy makes good sense for the people of this country.

● (1500)

We have in effect two oil policies in which the price of domestic oil is now being ostensibly frozen for the duration of this winter, but the government says basically it is helpless to do anything about the cost of home heating fuels in eastern Canada. I know the Prime Minister said

there were two things in particular his government had done that would be of great assistance, and he mentioned specifically the Canada Assistance Plan. He talked about the benefits which would be there for the provinces which found it necessary to expand their programs to assist those people who were receiving welfare. We know only too well, in the first instance, that the very provinces which are faced with low income and aid-receiving families are the ones that are even less capable of increasing their own 50 per cent share in order to provide any valid assistance in this day and age of rapidly increasing costs.

Not only that, we know too that in this whole area of Quebec and Atlantic Canada, a great many of the people who will be very directly affected are not the people who would normally benefit from receiving Canada Assistance Plan payments. They are the people on very low incomes, marginal incomes one might even describe them, and I have noted no comment from the Prime Minister, the Minister of Energy, Mines and Resources or the Minister of Regional Economic Expansion indicating in what way these people would be assisted.

Mr. Stanfield: And small industry.

Mr. MacDonald (Egmont): Yes, small industry, as my leader suggests, is in exactly the same position. Perhaps no place is more adversely affected than Prince Edward Island which has a total reliance for its energy on petroleum production. All the electricity used in Prince Edward Island comes from thermo-generating plants at the present time, and up to this date the cost of electricity in Prince Edward Island alone has increased by some 25 per cent.

The response of the government is not good enough. It is not good enough for the Prime Minister to talk about the way in which indexing of the guaranteed income supplement, old age security programs or even family allowances will be of particular benefit when we know in the first instance that indexing is not carried out on a regional basis but on a national one. For the life of me, I find it is almost impossible to believe that the Prime Minister would talk about indexing as being an equitable way to deal with these rapidly rising fuel costs for one part of the country when indexing will automatically be done on a national basis.

More than that, the whole concept of indexing means basically that in the index as it is produced every month there will be a significant factor as a basis for adjusting these various social assistance programs, but such is not the case. In the first instance there is certainly a lag time in these indices which would mean that by the time there was any response whatsoever on a quarterly basis we would be long past the point of basic need. Second, because it occupies only a very small proportion of the over-all consumer price index, some 5.3 per cent, and because the establishment of that amount under the consumer price index took place at a time when home heating costs were a much smaller proportion of the domestic budget, it would take literally years for Statistics Canada to make an adjustment in the home heating costs component in the over-all consumer price index. I wonder who the Prime Minister thinks he is fooling when he says that indexing of old age security and other social security programs will be of some direct benefit to those affected by high petroleum costs, particularly home heating. This is virtually an impossibility, and I would suggest to you that if the Prime Minister has given it any thought at all he knows that it is.

What is his final response? His final response is, and here I quote from his speech of last Thursday:

> The federal government recognizes that all these higher payments will not in themselves in all cases offset the increase in oil prices, especially in the eastern provinces.

What a generous recognition! What a perceptive remark! He went on to state:

> Something more may well be required. This is a further matter I will raise at the meeting of first ministers.

That is the Prime Minister's final solution to the rapidly rising costs in eastern Canada. He is going to lay this matter before a federal-provincial conference sometime in the latter part of January. That will be quite a comfort to the millions of men, women and children who live in eastern Canada and who may find it increasingly difficult to meet their home heating fuel bills. This is the response of this government with regard to this major situation in eastern Canada.

I think it is high time this government woke up to its real responsibilities. This is not just an issue which divides political parties in debate in this Chamber. In recent days we have seen, and if people have been following the newspapers they have read, that the concept of doing something now is supported by the premiers of other political parties as well. The Premier of Nova Scotia said in a speech to the legislature a few days ago:

> I agree, as I have said, that there should be price support, but I feel very strongly that it should come from the national level.

Even more recently, the Premier of Nova Scotia, responding to the Prime Minister's remarks of Thursday, is reported to have said that:

> —he regretted there had been no indication the federal government would use its "tremendous resources" to prevent fuel prices in the five Eastern provinces from further increasing.

I believe the government has a basic responsibility, and the leader of our party indicated some weeks ago what action it could take rather than just raising its hands and saying it is helpless to act in this situation. The government has indicated that it was a prisoner of international economics and political wheeling and dealing over which it had no control. There should be a realization, in the first instance, that it has a basic responsibility to all this country and not just a part of it, and a realization that as a result of the very rapid rise in the cost of petroleum products in eastern Canada the government is increasing its own tax revenues. This is surely one of the shameful aspects of the situation. On the one hand, it says it can do nothing and it is helpless in this situation, except to use some kind of general moral suasion, yet on the other hand, it is quite willing to take increasing federal tax revenues because of the rapid rise in the cost and the necessary utilization of these products.

If this government does not have the imagination to use some of these excess profits, and even forgo some of its tax revenues until it has adequately prepared a pricing policy for this country, then it certainly should no longer set

itself up as having some kind of national oil policy. The national oil policy it is inflicting on this country at the moment will cause increasing economic hardship and, what is even more unfortunate for this country, a great deal of disunity and division.

Some hon. Members: Hear, hear!

Mr. Barnett J. Danson (York North): Thank you, Mr. Speaker, and thank you colleagues. Much of what has been discussed in this debate so far reflects our prime concern in respect of the control of our resources, keeping our homes and institutions heated and maintaining an adequate supply of gasoline for our cars. These are important and overriding considerations which I understand, and I share hon. members' concern, but we dare not overlook or treat lightly the other problems and opportunities presented to us in the manufacturing and processing sectors of our economy.

● (1510)

I bring forward this aspect of the subject at this time because of my background in this field, and more particularly because the petrochemical industry has perhaps the most significant growth factor and one that is future oriented. This involves hydrocarbons and fossil fuel derivatives extracted from oil, and gas and coal, which have resulted in new industries and revolutionized others. The potential of this industry for future growth is almost limitless, and we are now entering a unique position in which we can be world leaders because of our relative abundance of basic fossil fuels. These are not without limit, but if carefully and intelligently allocated will provide a multiplier effect because of byproduct or downstream processing and manufacturing which is perhaps unmatched by any other resource we possess. The gross product of this industry is currently $580 million, employing some 7,600 people, mostly skilled and highly paid people. Indirectly, employment and dollar volume is many times that. The multiplier effect of the basic derivatives is very high. The figures I have show a multiplier effect of 139.9. That is the multiplier of the dollar product from the basic material which in this case would represent a market value of $8.1 billion.

On ethylene alone there is a market value of $4.5 billion. That is at the market place level. This does not include some $220 million of imports to this country which are still somewhere in the range of 40 per cent for the petrochemical industry. Therefore, those multipliers are extremely great in this particular resource field and this resource which we have. The projection is that by the year 2000 the dollar volume of the petrochemical industry will reach $20 billion, which could be theoretically $200 billion or greater in the market place. The ingredients for pharmaceuticals represent a relatively small volume but are substantial in dollar terms and critical to world supply and health services.

The development of synthetics or plastics has opened up entire new fields for us. The day of the cheap plastic toys is behind us. Engineered plastics are high quality, efficient and usually of lower cost than conventional materials. Even when more costly, they offer design, fabricating, engineering and marketing advantages that far outweigh the per pound cost. In the automotive industry alone, plastics have replaced some 600 pounds of metal with something over 100 pounds of plastics per vehicle, reducing the weight of cars and usually performing their function more safely, more efficiently, and markedly reducing assembly costs and the costs of replacements and repairs.

The same applies in packaging, lighting, furniture, housing and commercial construction, agriculture, electronics, and a myriad of other activities which affect our lives and our economy. Synthetic fibres have had a major impact on our clothing and textile industries. Carpeting, drapery, furniture and floor coverings are just a few examples of their use. We take them for granted around us, but we do not realize what they are. We are not inclined to think of our oil, gas and coal reserves when we see a fibreglass boat or a snowmobile, or when we buy a suit or a shirt, or when a doctor injects a life-saving antibiotic into our arm, but that is where it all begins in the hydrocarbon reserves which we have in such abundance.

The growth of our petrochemical industry has outstripped all expectations. Even before the current energy crisis, facilities were not keeping up with demand and some 40 per cent of our needs were still imported, leaving us in a vulnerable position, vulnerable at that time but far more vulnerable now with the shortages that are worldwide, meaning that the countries from which we have been able to import some of these needs will be more restrictive in their exports. The current shortage is worldwide, not because of the energy crisis but because of the fantastic acceleration of demand as a result of new discoveries as well as new and better uses of established technology and products. It is now seriously aggravated by acute shortages which will exist for at least three years, for it takes at least three years to design and build a complex plant and laboratories to produce the products.

In Canada today, we have the feedstock, or feedstock potential, to produce ethane, ethylene, polyethylene, benzene, styrene, polystyrene, polypropylene, and others with longer names which my seat mate mentions, not to mention polytetraflurethylene as well as the many other petrochemical by-products desperately needed by ourselves and our trading partners. The more we process ourselves, the greater and faster will be the return to our economy and the skilled jobs created. I strongly urge that we take advantage of our potential and develop a world scale, integrated petrochemical industry that is second to none, first, to give our secondary industry an assured source of domestic supply at competitive prices, then spawning thousands of large and small business opportunities that will challenge the ingenuity and the initiative of the existing business and industrial community and the young men and women entering the labour market in increasing numbers.

At the same time we will be creating an immense export potential for our resources at a more refined or sophisticated stage of process for which there is an almost insatiable demand. We have the resource and we have the technology, or if we do not have it precisely we have access to that technology. We will not be alone in this race for jobs and markets. It is thus essential that we move quickly and imaginatively. The Minister of Energy, Mines

and Resources (Mr. Macdonald) with the Minister of Industry, Trade and Commerce (Mr. Gillespie) I suggest should immediately establish a task force, largely comprised of representatives of the petrochemical industry itself, because they know what this is about—I know that some of my friends opposite will say, "But they are corporations". Corporations run businesses and seem to run them successfully. That is their job and they are the people who should be on our side in this case. This task force should establish priorities and allocate projects for the maximum benefit of all. We should then give every encouragement to them and make every reasonable facility available to engage in a crash program to shorten the leadtime to build new facilities in order to get a jump on our international competitors.

This is the time to take a leaf from Alvin Toffler's book "Future Shock" in which Toffler says:

> It is more important to be imaginative and insightful than in trying to be 100 per cent right.

Polysar, in the constituency of my friend from Sarnia-Lambton owned by the Canada Development Corporation—and thus the Canadian people—offers a unique opportunity for growth. The Dow-Dome project to deliver Alberta-produced ethane to the giant petrochemical complex at Sarnia should proceed with all haste. The Sarnia Olyfins and Aromatics, or "SOAP" project, should also get underway without undue delay. Further integration of the petrochemical industry in Alberta and Saskatchewan can and should bring new and large scale economic benefits to western Canada. The Montreal refinery and petrochemical complex, plus another proposed near Quebec City and the potential from the refineries of the Atlantic provinces, should be integrated into a rationalized and regionalized industry.

Staging of these developments will be essential. Details, sometime small details, such as the training and availability of key tradesmen, such as highly skilled pipefitter-welders that are needed in building chemical plants, can be stumbling blocks but, with proper planning, can be overcome. Other than Polysar, the giants in this field are major multinational corporations, most, but not all, United States based. They have the know-how and existing world markets, plus capital to invest. I think this is one time that we should give them every reason to invest this capital and know-how in Canada rather that elsewhere. The degree to which they permit Canadian equity participation should determine the extent of the extraordinary incentives or assistance we provide. Indeed, I would suggest that we look carefully at joint ventures under Canadian control, something in which they frequently engage in other countries without nearly the resources, stability or markets available to them in a Canadian venture.

● (1520)

In speaking to these people from multinational corporations in their New York and other bases, we find they are not afraid of going in where there are strong regulations. They do this in every other country in the world. They want to know what those regulations are and they cannot afford to stay out, particularly since we have the fundamental resources. So long as it is profitable, they will come in. Other countries have much more stringent regulations than do we. The opportunity is a current and unique one. In its ultimate form, it will not always be an available and viable option. We will always have markets for our oil and gas, both domestically and in the United States. Japan will likely be an ever present market for our coal. We will likely be able to sell all the available benzene and ethane as feedstock in the more sophisticated petrochemical and secondary manufacturing industries of other countries. We might not have another equivalent opportunity to build an integrated, viable petrochemical industry and downstream process and manufacturing industries here in Canada controlled by and employing Canadians. I suggest that we have that opportunity now but not for too long.

There are other factors with which we must deal in concert with such a program. The question of tariffs is a key one. We will have to negotiate these with skill and toughness in the current GATT round of tariff negotiations. Even a carefully staged program done on a crash basis might see huge plants completed when markets are not precisely phased in. Short term but large investments can be costly if the product is not immediately saleable. Indeed, this is part of the reason that there has been some reluctance to expand adequately in the past. Another reason is that in some cases too much production awaiting markets drove prices down to the point where the profitability did not justify expansion.

No one can foresee all of the possibilities and as this program must be a bold one, some chances must be taken and backup support in the form of credits and tax relief on temporary unused capacity should be negotiated between the industry and the government. My friends in the NDP will, of course, think that this is heresy, but I can guarantee the professor from Oshawa-Whitby—whom I do not see here today—the one man band player from Fraser Valley West, my friend the poet from Scarborough West, the parson from Winnipeg North Centre and that barrister from York South, that it cannot and will not be done by any government alone or without creating the atmosphere or incentives to make it work. Certainly, there will be profits. There had better be. But the majority of these will be reinvested in new plants, more research and development, better wages for more skilled workers, and dividends for shareholders on which to pay taxes and reinvest in still more development.

The biggest share of profits will be paid in corporate taxes for better education, better health services, better housing and pensions for senior citizens which will allow them to live in security and dignity. Without profits, or with a socialistic type of managed or mismanaged economy, these things are not likely to happen. Indeed, I would guarantee that they will not happen on as great a scale and with the same speed and efficiency, if at all. I know it makes my NDP friends furious to think that someone with ability might make some money, more money than someone without the drive and dynamics to make things happen.

Some hon. Members: Oh, oh!

Mr. Danson: Well, that is a downstream by-product that produces many things, including the green envy of the NDP. They think that profits are sinful. A greater sin, in

my view, is ineptitude, inefficiency, and no profits. Excessive profits, ill-gained profits, undue wealth without social responsibility are indeed sinful in my view. There is no reason why we cannot increase Canadian equity participation in this process which I suggest. I think we should encourage it, even insist upon it, and perhaps buy at least leverage control, such as we did in Texas-Gulf through the Canadian Development Corporation. At least we would have control of something good rather than ownership of something that does not exist.

As a matter of fact, I am getting a little tired of the insufferable self-righteousness and arrogance of some of my NDP friends and their crowing, strutting and posturing. Their claims that everything done by this government is because of them make me tired. They cover the waterfront of things we are likely to do, and when we do some of them, they say "we showed them; we forced them to do it." I can assure you, Mr. Speaker, that recent moves in the energy field have been Liberal moves from start to finish. No set of policies has more reflected the expressed views of our caucus, both in concept and in detail. Now the hon. member for Oshawa-Whitby (Mr. Broadbent), I hear, is strutting around the countryside threatening to withdraw his support if we do not do things we might very likely do even if he were back in his classroom. His leader is so inflated with delusions of power that he is telling the people that he has not finished with us yet. If we were not in the House of Commons and I was not such a gentle and polite soul, I would call it what it is in eight letters.

Those pious gentlemen think they are the sole repository of virtue, that they are making parliament work and that they are keeping the government in office. Well, it is our views, our policies and our actions supported by the divisions and ineptitude of the Conservative Party that are keeping that small band of NDP in parliament at all. They support us because they find it in their own self-interest to do so. I will grant that they recognize the fact that even a minority Liberal government is far better for Canada than any Tory government, but they also know that an election will decimate their ranks. They are divided between their leader, their caucus, and the various factions of their party, very much like the Tories. It is this government with this Prime Minister (Mr. Trudeau) that is carrying the responsibility of government in this most difficult of times, but we are doing it with thoughtfulness and determination in what we believe to be the best interests of Canada and the vast majority of Canadians.

Some hon. Members: Oh, oh!

Mr. Danson: I challenge the NDP to defeat us in favour of that sad band of Tories over there made up of refugee Liberals and bewildered Social Creditors, plus a hardcore of Neanderthals—that is where fossil fuel comes from—who cannot figure out which way is up or who really speaks for them. I know that we are a unified party.

Some hon. Members: Oh, oh!

Mr. Danson: We are ready to take them on in any election, winter, summer, spring or fall. But I would rather get on with doing the serious job that needs to be done now, and that Canadians want us to do in this most serious of times, and which we wish to do in the best interests of all Canadians.

[Mr. Danson.]

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, before I comment on the bill before us may I say that I listened with interest to the remarks of my friend, the hon. member for York North (Mr. Danson). I wondered why he was smiling during the last few minutes when he was talking about the unity of his party and the Liberal policies. I suspect he got flak from his constituents about the Liberal's capitulation to NDP demands.

We have before us Bill C-236 to provide an emergency allocation of energy supplies in the event of a crisis. It seemed before Monday that certainly this country was in for a crisis of the ineptitude of the government and the lack of any concrete energy policy. To some degree, that has been changed by recent events and by the demands of the NDP being met by the government to a large extent. We are still in a rather critical situation in this country so far as energy is concerned. We talk about an energy crisis. Really, what we mean is a crisis with two aspects, one of supply and one of price. The supply aspect cannot be solved overnight. We cannot wave a magic wand and make it disappear.

● (1530)

Because of the oil policy initiated by the Conservative government in 1961, the country was divided into two regions, east of the Ottawa valley line being dependent on imported foreign oil, and west of the Ottawa valley line being dependent on western Canadian oil. But, Mr. Speaker, much of that oil was being exported. In fact, at present we are importing a million barrels of oil a day and exporting an equal amount.

Now, people in the oil industry who previously overestimated our supplies of conventional crude are admitting that we have only about ten years' supply of conventional crude left in Canada. Yet, we still continue to export oil at the fantastic rate of one million barrels per day. Because we have only ten years' supply of conventional crude left in Canada, we must seriously look at the Athabaska oil sands. Their development will have to take place soon if we are to avoid a supply crisis ten years hence.

The second aspect of the so-called energy crisis is that of price. Over the past few months we have witnessed a government being dragged, kicking and screaming, into an admission that there was no justifiable reason for an increase in the price of western Canadian crude oil. If we look over events during the past few months we find that the stand taken by the New Democratic Party has been vindicated. The Liberal government, faced with the threat of an election, was forced to accept our policy, and it has won widespread support from the Canadian people.

What did the NDP demand? Months ago we asked for export controls to be placed on crude oil. As I have said, we were exporting oil at a fantastic rate, and the United States was demanding even more of our oil. As the Prime Minister (Mr. Trudeau) admitted a few days ago in his televised speech, our exports of oil this year to the United States had increased by 18 per cent. Because we foresaw this problem, we demanded that there be a curtailment of

further large increases in exports to the United States, and the government acquiesced. Hopefully, some time in the future this will result in further oil supplies from conventional sources being available.

The other thing that we foresaw was that as the world price rose at a tremendous rate the oil companies would make a fantastic windfall profit if the government did not step in to create a two-price system. We demanded that an export tax be put on crude oil so that, while the Canadian price in western Canada would be frozen, the difference between the domestic and export price would not fall to the oil companies but would fall to the federal government in the form of this export tax. We agreed that the producing provinces should be compensated for the loss in royalties that they suffered because of this export tax, and we said that surplus funds accrued through this export tax should be used to develop oil resources in the producing provinces.

We also demanded a continuation of the price freeze. As I said earlier, Mr. Speaker, we have a price freeze on oil in western Canada and a voluntary freeze in eastern Canada. Of course, as the cost of imported oil increases there has to be some adjustment to the price in eastern Canada. I will have more to say about that later because I am rather suspicious of the way in which that price has been adjusted. But, as I say, there is no reason why domestically produced oil should rise to the inflated world price, and on behalf of the Canadian consumer we demanded that this price freeze be maintained. Finally, the government acquiesced.

Much earlier in the year, in fact in previous years, we also demanded an extension of the oil pipeline to Montreal in order to bring western Canadian oil to the eastern market. That extension would guarantee us security of supply. But we wanted something else. We wanted a reversible pipeline so that we could have true competition between the two energy markets in Canada. Without the concept of a reversible pipeline we would have another protected market. That was the case under the old oil policy, and the oil companies had a field day so far as price was concerned. If we had a reversible pipeline, and if for some reason supplies of oil from discoveries off the Atlantic coast became less expensive than other Canadian oil, then we could have true competition, and the consumers in western Canada would benefit because the producers there would have to market their oil at a competitive price.

We also asked for an ending of the Ottawa valley line which prohibited oil from coming into Canada from any other source. In the light of the growing crisis in supply, the government recently announced the removal of that line.

We asked for a national petroleum company. To me, it is very strange that countries like Italy and France can have highly successful petroleum companies working in their interests, and in fact working very successfully in western Canada, engaging in exploration and production there. How many people realize that the French have a very successful well in western Canada, and also are doing exploration work off the Atlantic provinces? The proposed national petroleum company should get into the oil market and start regulating all aspects of the industry in Canada. Here, I am thinking not only of exploration but also of production, distribution, marketing and retailing at the wholesale level. It seems to me that the best way to do this would be for the government to take over one of the existing multinational oil companies, thereby acquiring the expertise and the reserves in the ground, and through the national petroleum company sell oil at a price slightly above cost, a price from which the Canadian consumer could benefit. As a result, all other oil companies in the country would have to sell at that government price.

In addition to a national petroleum company, we also need to undertake development of the oil sands at Athabaska in Alberta, where there is a huge reserve of oil. We do not have to worry about exploration costs. The oil is there, and we know it is there. The technology has been developed. It is economically feasible to mine those oil sands. But here we are at a point where it seems to me the Alberta government, and to a large extent the federal government, are again willing to let private industry have a free hand with respect to this valuable resource. If we allow that to happen we shall be committing the same mistake that we committed a decade ago in 1961, when we did not have the kind of planning to protect the public interest that was necessary in deciding on a Canadian oil policy.

What I am saying is that because of NDP demands, because of our position in holding the balance of power in this parliament, we have forced the Liberal government, although reluctantly, into a new direction with respect to energy policy, a direction that will require public involvement, and into an acknowledgement that there is a fundamental role that the government should be playing, a role to protect present and future consumers of oil produced in this country. I think to anyone with an unbiased mind this has been a very positive role that our party has played.

● (1540)

I listened with interest yesterday to the Conservative motion of no confidence, and the speeches of members of the Conservative Party deriding the government for having a vacillating, inconsistent and incompetent energy policy. That sounded to me very much like the Conservative policy, or lack of it, itself. If anyone has been vacillating as far as energy is concerned, it has been the Conservative Party. They admit that they have no energy policy. They hope that Santa Claus will bring it to them for Christmas, although I hear it is already in its fourth draft. It seems to me that they are having problems with their cowboys from Alberta, their oil interests and other members from the consumer oriented parts of Canada.

The Conservative party has also been quite inconsistent in proclaiming recently that they wanted the pipeline extended to eastern Canada as far back as 1969, and they trot out the Niagara policy convention. I thought that resolution was buried very deeply in that thinkers' conference. It was not taken seriously and indeed during the last federal election campaign when it came, time to announce their platform about extending the pipeline we found that that resolution was watered down to such an extent that they would only "consider the advisability of extending the pipeline to Montreal".

I hear them referring very often to the hardship to the consuming public. I hear, too, that the Conservatives were against the concept of the export tax, which would have allowed prices to increase, the windfall profit to the private oil companies and the government, if we had no price freeze, Mr. Speaker. Yesterday afternoon, I heard the Leader of the Opposition (Mr. Stanfield) say that the policy of a price freeze was discriminatory against eastern Canada, but if we did not maintain that price freeze in western Canada then all Canadians would face higher prices, at least $100 more in expenses this year as far as heating their homes and running their cars and it could have gone higher. Where is the interest in the consumer if that is the kind of policy they are advocating? Surely, if we had a national energy policy and a national petroleum company, we could have the petroleum company set one price for Canada and equalize it until we get the pipeline through by combining the higher cost of eastern Canadian oil with western Canadian oil. That would be much more fair than the policy advocated by the Conservative Party.

The other thing that worries me about so much of past policy, both of the Liberals and the Conservatives, is the degree to which their policies sound like the chairman of the board of some of the large oil companies. If the price of oil goes up in this country by even a dollar a barrel, because we have reserves of some $10 billion in the ground, that is a windfall profit to the oil companies of some $10 billion minus, say, one-fifth for royalties. There is no increase in the cost of production. There is just the simple fact that the oil is there, trapped in reserves, and that world price is going up. If we allow the domestic price to rise that results in an unconscionable windfall.

Already the price of oil increased by 95 cents per barrel in this year before the government was forced to put on a price freeze. This meant a profit of 37 per cent to the oil companies, and still they are crying about low profit figures. I challenge anyone to look at the recent reports of the profit figures of the oil companies. They range from 40 per cent to 80 per cent higher than for the last quarter. All the Conservatives could do as far as controlling price was to advocate—and I do not hear them advocating it very much any more—their old policies of a 90 day price freeze. They know what would happen as soon as the price freeze was lifted.

Mr. Baker: Such socialist claptrap!

Mr. Symes: Mr. Speaker, another oil executive has just spoken! I hear the argument from the oil companies and the energy spokesmen for the Conservative Party very frequently that we must allow the price of crude oil to go up so that the oil companies will have an incentive to explore for oil. Mr. Speaker, we find that in Alberta alone there is an outflow of money to the tune of $1 billion to the oil companies in that province. Where does it go? Does it go for exploration in Alberta? No, sir. Some $300 million goes up to the Arctic and $700 million to places outside Alberta and outside Canada. We have no guarantee that if the price allotted for a barrel of oil goes up, the oil companies will spend their money looking for oil in Canada. We have no guarantee whatsoever.

Why do I say that, Mr. Speaker? In 1957, American oil companies in Canada earned $600 million and spent $176 million in exploration. In 1972, the same oil companies earned $2.5 billion and how much did they spend on oil exploration? They spent $195 million. In other words, there was an increase in profits of some 400 per cent, but only an increase of 10 per cent in their exploration activity in the province of Alberta.

I also see the advertisements in magazines of oil companies to the effect that they need higher prices because labour costs have gone up by some 400 per cent in the last decade. I think Imperial Oil has a glossy chart showing this in many magazines. But I should like the Canadian public to note that between 1962 and 1970, the cost of operating oil wells decreased by some six cents per barrel at the same time as the oil price went up by some 38 cents per barrel. These statistics can be found in the Canadian Petroleum Association statistical year book. The oil companies say they need more money for exploration, again and again. Let us look at what they have and what they are doing with this money.

In 1969, the last year for which we have statistics, out of 681 oil and gas companies in Canada, 556 paid not one cent of federal income tax—not one cent, Mr. Speaker. For the period 1965 to 1971 Imperial Oil, with net earnings of $1.5 billion and with a tax rate of only 19 per cent—that is the tax rate for a man with two children who earns $11,000 a year—that company had a cumulative total of some $170 million in deferred taxes, taxes they did not have to pay, because of our very biased tax laws. That was like a loan of $170 million to that company, yet they cry that they are not making enough money. When we look at the money they do make, and again I use Imperial Oil, 70 per cent of their dividends, the money they make in this country, is sent to the parent company Exxon Corporation. How much does Exxon return to Canada in exploration expenditures? Are you ready for it—one per cent. The parent gets 70 per cent, and sends back one per cent of that money for exploration. Where is this argument that oil companies need so much money for exploration activity in Canada? It holds absolutely no water, or should I say, oil.

• (1550)

The pricing of oil and gasoline products in eastern Canada concerns me greatly. Since the voluntary price freeze has been imposed in that area, it is argued that as the cost of imported oil goes up the oil and gas companies should be able to pass on the increased cost to the consumer. The cost of home heating oil and gasoline in eastern Canada has increased by seven cents per gallon. I have asked the Minister of Energy, Mines and Resources (Mr. Macdonald), both in the committee and in the House to make available the formula under which the federal government has accepted Imperial Oil's claim that costs have gone up by some seven cents per gallon. I can only test our figures if the minister does what we ask. Of course, he could question the figures his own officials give him. According to my figures, costs to the oil companies have increased not by seven cents per gallon but by four and a half cents per gallon. That is how much costs should have risen, I submit. If my figure is correct, it means that oil companies in eastern Canada have been getting windfall profits of about $400,000 per day. I say the increase should be only four and a half cents a gallon.

Why do I say that, Mr. Speaker? The bulk of oil imported to eastern Canada comes from Venezuela. The government of Venezuela has a system under which it sells oil to the oil companies which, in turn, sell the oil abroad. The government of Venezuela has decided to tax these companies on the basis of what it calls the tax reference price. In other words, that government says to the oil companies that they can take oil from the ground of Venezuela, but they must sell it to the Venezuelan government for the tax reference price and the Venezuelan government, in turn, will give it back to them. The point of the tax reference price is this: no matter what the price is, the government of Venezuela will tax the company at the rate of 60 per cent. I hope hon. members will be patient with me; I shall refer to many figures, but the point is important. In mid-October the tax reference price on Venezuelan oil shipped to Canada was $4.65 a barrel. Recently, that price went up to $7.25 per barrel, the increase being $2.60 per barrel. If that $2.60 increase per barrel is taxed at 60 per cent, it means that the companies should be paying an extra $1.56 per barrel.

Let me explain what has happened. Exxon Corporation has a subsidiary known as Imperial Oil operating in Canada and another subsidiary known as Creole Oil. Under a cozy arrangement, Creole Oil buys Venezuelan oil and then sells it to Imperial Oil of Canada. I think Creole Oil has not raised the price of Venezuelan oil sold to Imperial Oil merely by $1.56 per barrel, in line with the tax increase; the company has raised its price by the full $2.60 per barrel. In other words, a windfall profit of $1.04 per barrel is accruing to the parent, Exxon Corporation. So, here is a case in which the parent has one subsidiary selling to another subsidiary for a higher price. Imperial Oil can, therefore, go to the government and say, "Our costs have gone up by X dollars, therefore the price must go up by X dollars." Really however, the profit is going back to the parent company. This is a neat and cozy arrangement. That is why I wish to see some of the facts. I want to make certain that there is justification for the seven cents per gallon price increase. According to my figures, an increase of four and a half cents per gallon would be justified. Because the private oil companies control and manipulate the oil market in Canada, government agency such as the national petroleum company must be involved in the market in buying and selling, so that oil is sold at a fair price.

If I may move my attention from the East coast to western Canada, may I speak of another frustrating development. As I said, because our conventional crude oil resources are being depleted, we shall have to develop the Athabasca oil sands. We must consider the question of lead time. If we are to run short of conventional crude oil in ten years, we ought now to be making plans to bring into production the Athabasca oil sands, so that ten years from now we shall have those oil producing plants on stream. That will entail the constructon of at least one plant per year, each plant costing about $1 billion.

Mr. Paproski: That should be $1.7 billion.

Mr. Symes: If we allow the proposal regarding Syncrude in Alberta to go ahead, I maintain that we shall embark on a $2 billion sellout to that consortium under existing terms of reference. If the old Alberta royalty scheme were used, there would be a net gain to Alberta of some $4 billion over the lifetime of the project. Under the present formula of Syncrude, Alberta and the public of the province will receive a maximum of $1.8 billion. That figure is calculated at an interest rate of 8 per cent over the next 29 years.

What are some of the particulars of this deal? Mr. Speaker, our caucus went to Edmonton last week and had a private meeting with some of the directors of Syncrude. What a revelation that was. The cost of the plant will be some $800 million, some additional $200 million being spent for pipelines and supporting facilities. Debenture capital will finance 75 per cent of the cost of this plant.

Mr. Paproski: I thought it was a private meeting.

Mr. Symes: All these details are public knowledge. The government of Alberta will put in $200 million, and the company itself will put in $50 million. What will the syndicate called Syncrude get in return? It will, in return for putting up 20 per cent of the equity, gain 100 per cent control of the project and 50 per cent of the profits. The government will put up 80 per cent of the equity, without getting any control; the public of Alberta has been told that the public will get 50 per cent of the profits.

According to the Syncrude people we met in Edmonton, Syncrude will not make any profits or losses. It will not even pay income taxes, because Syncrude will merely be a transfer company. The four multinational oil companies which are the parents of Syncrude will get from Syncrude the synthetic oil and Syncrude, in return, will get from those companies the money to pay operating expenses.

How do the tax laws apply? How does one define profit? If we were defining book profits, the story would be different. But as we may be considering taxable income, as I suspect, then the four multinational companies will apply against the synthetic crude produced by Syncrude all the tax writeoffs in the existing law and all the available depletion allowance formulas. Therefore, there is no guarantee that the people of Alberta will get a fair portion of the profits. That is an example of the kind of sellout that we cannot allow to be continued in this country, if we are to protect future generations of energy consumers in this country. It is obvious that we need joint federal-provincial government development of these vast resources which belong to the people of Canada and should be exploited in the interests of the people of Canada, not in the interests of the multinational oil companies which are there to make a fast buck and, when the resource is depleted, leave Canadians high and dry.

● (1600)

As I have said on many occasions, we have reached the crossroads of energy policy in this country. We have taken a significant step in the right direction with the adoption by the government of many NDP proposals. At the same time, if we are really concerned about the future of this country and its people, we must do more. We must have more public involvement. Only in that way do we guarantee the people of Canada will be best served by the resources they own, and which should be available to all future generations.

Energy Supplies Emergency Act

Mr. Alex Patterson (Fraser Valley East): Mr. Speaker, we have heard some strange statements today. A few moments ago, I listened to the hon. member for York North (Mr. Danson) making a speech he would not have made the day before yesterday. After the NDP propped up the government in the vote last night, the hon. member for York North gave them a gentle slap on the wrist, and then waxed eloquent over the unity in the Liberal party. That was the first thing to cause a little wonderment in our minds.

We then listened to the hon. member for Sault Ste. Marie (Mr. Symes) make some strange comments. He referred to the Progressive Conservative party and what he termed the changes in policy or lack of policy. I remember a number of occasions when the leader of that party went out west and squared off, stating this government had had it; the NDP were not going to support them any longer; they had the government on the ropes and when he got back, he was going to deal a knock-out blow. When he returned, he said that because the government had taken a tiny step, his party would continue to prop them up. Instead of dealing a knock-out blow, he hit them rather gently, then wrapped his arms around them and held them up again.

The hon. member for Sault Ste. Marie referred to the situation in Alberta, and the fact there is going to be an increase in the cost of fuel there. However, he did not say anything about the increase in the cost of natural gas in the province of British Columbia, where it was announced that the cost of natural gas had increased by 81 per cent. The NDP somehow neglect to make reference to that because it does not fit in with their story.

In addition, we hear the members of the NDP talk about the monsters called multinational corporations. One day I tried to count the number of times they used the words "multinational corporations", but I lost track. I will not comment on multinational corporations except to say that I read in the paper the other night that Premier Ed Schreyer of Manitoba said some very kind words about them. Therefore, I find it extremely difficult to reconcile statements made here by members of the NDP with statements made across the country by both their national leader and premiers of the various provinces.

I am reminded of an incident that happened some years ago when I had an opportunity to attend a commonwealth conference in Jamaica. A delegate from Western Samoa stood and very sincerely but gently said something like this: In my country when a speaker gets up to make an address, he starts off by giving thanks to the Heavenly Father for all His goodness. Perhaps today we should give thanks to the good Lord for the moderate weather we are experiencing this fall, which will somehow offset or counterbalance the problems we face because of the ineptitude of the Liberal administration.

As we think of the statements that have been made in recent days, and the statement of the Prime Minister (Mr. Trudeau)—outlining the program he classed as a new national policy, it seems as though he gave a Christmas present to the New Democratic Party, promising that in the working of this program he would go to some length to meet the desires and demands of that group. This makes us think of somebody playing the tune and somebody dancing. I am not quite sure who is playing the tune and who is doing the dancing. The government said they are stating their policy and that it is a purely Liberal policy. However, a member of the NDP says the government has swallowed their proposals and therefore it is doing alright.

We cannot help but feel sorry for the Minister of Energy, Mines and Resources (Mr. Macdonald). When we consider his statements in light of the statement made by the Prime Minister, it seems as though the Prime Minister pulled the rug from under him. Those statements have, in almost every respect, negated everything the minister told the House during the past two or three months. I will not take time to quote *Hansard* for the past two months or so to try to reconcile the minister's answers with the statement made by the Prime Minister just the other day. For example, what the Prime Minister said on December 6 pre-empts the bill before us at the present time. By the way, we are dealing with a bill that is before the House. The Prime Minister said, as recorded at page 8478 of *Hansard*:

> We are confident that no Canadian need fear serious shortages of oil and fuel this winter,—

I wish the government would tell us and the Canadian people whether or not there is an energy crisis in Canada. We hear that eastern Canada is going to freeze this winter. Then, in a gross miscalculation on the part of the government, we hear that the refinery at Come-By-Chance will be able to supply most of the oil that is needed. Next, the government tells us it will not be producing products in time for this winter because it cannot get crude oil. Friday morning we heard that it already has stored some 3.5 million barrels and there are two supertankers on the way. This government has so confused the issues that they have somehow, intentionally or otherwise, alarmed the people of Canada for their own political ends. I do not think this increases the confidence that was expressed in the House last night.

● (1610)

I should like to say a few words about the proposed price freeze to which reference has been made. This myth was started by the Prime Minister on September 4. I grant that there may have been some price freeze in western Canada, but whatever freeze there was in eastern Canada was very difficult to visualize or comprehend. Is the government so forgetful that it does not realize that since the price freeze supposedly took effect gasoline prices rose nine cents a gallon here in the capital city of Canada? When the minister was questioned after the first increase by a member of this House and was told that there did not appear to be a price freeze, the minister replied: "Oh, yes, there is a freeze; it is just frozen at a different level". That seems rather strange logic, Mr. Speaker.

I should like now to make a few comments on the background to the situation we are currently facing. There are few, if any, Canadians who would disagree with the widely acknowledged fact that a global energy crisis presently exists. You never miss the water till the well runs dry is a proverb that holds true as well with regard to energy supplies. We have moved forward into the use and enjoyment of each successive type of energy on the assumption that we need not be too concerned about the

past or about the future. For in the ongoing progression of technical and industrial discoveries, mankind is destined to achieve an ever easier and more satisfying way of life. I think this attitude has caused us to consider former energy sources as obsolescent and unneeded, and has also closed our eyes to the need for new sources and types of energy for the future. We are now awakening to the fact that the supply of fossil fuels is not inexhaustible. If we are to continue to enjoy an adequate energy supply for the future, it must be through wise and all-inclusive use of all resources presently known, with research into sources which are at the moment just bursting into view or are yet beyond the horizon.

The world energy problem is not caused by a shortage of energy resources at this moment, but rather by political power plays in an endeavour to achieve national objectives. While the right to such action cannot be contested, I suggest that from the moral and ethical point of view it is neither humanitarian nor excusable. The Shah of Iran is reported to have told the Arab world: "Oil is like bread. You cannot cut it off during a time of peace. Why do you want to look as if you want the world to starve?"

As has been stated many times, the current unease in Canada is not over the question of over-all supply. My colleague from Qu'Appelle-Moose Mountain (Mr. Hamilton) last evening presented the picture quite clearly when he referred to the vast supplies of energy that we have in Canada. I should like to refer to his remarks at page 8584 of *Hansard*. He referred to the 500 billion barrels of oil, the 700 trillion cubic feet of gas, the 100 billion tons of coal, the one million tons of uranium, the hydro possibilities, the potential of the Fundy tides, the Churchill River, coal in Alberta, Saskatchewan, British Columbia and the Maritimes, and went on to say:

—we have sufficient energy sources of the non-renewable sort to last this country for 500 years or more.

So, again I say that the current unease in Canada is not over the question of over-all supply, but rather the production and transportation of this supply to all areas of the nation in volumes adequate to meet consumer requirements.

In this connection we have before us Bill C-236. I should like to associate myself with a statement made by my colleague from York-Simcoe (Mr. Stevens). Last Thursday, speaking prior to the speech of the Prime Minister, the hon. member had this to say, as reported at page 8477 of *Hansard:*

I hope the Prime Minister will attempt to indicate to us what case they have for stating that there may be an energy crisis in Canada this winter and for their belief that this crisis warrants the wide powers which the government wants under Bill C-236.

My colleague's hopes were not realized, for the Prime Minister sidestepped the issue completely. He did not explain the nature or the extent of whatever crisis might exist. In fact, as I indicated earlier, he stated outright that no Canadians will face shortages this winter.

I believe that Bill C-236 is another intrusion into business. This government, above all, has not indicated any overwhelming proof that it has the capacity properly to administer anything. Private enterprise has done a magnificent job of developing this nation, and if there is fault to be found, and if there have been areas in which that development has failed to benefit Canadians as a whole, it is because government has failed to create the proper climate and to lay down proper legislative guidelines to achieve the highest good for the nation. I do not think that we can place the blame on private enterprise.

There may be notable exceptions, but in the majority of instances government enterprise has shown up rather poorly against the combined and experienced expertise of those engaged in private enterprise activities. It has not been government bureaucracy that has provided the impetus, the initiative and momentum that have propelled us forward in the various fields of scientific research and technological development; rather it has been those individuals with initiative and determination that have blazed the trail and opened up new vistas.

Not only do I suggest that Bill C-236 is an unwarranted intrusion into business; it is also an intrusion into the provincial domain. May I suggest that this government is a government of confrontation. It is obvious that the administration is attempting to tell the people of Alberta something. Since the Liberals do not have one single member from that province, they feel they can say whatever they want or do whatever they want. It seems to me that in a sense this is blackmail. The government is, in essence, saying "You did not return any of our members so now you will pay for it". How else can we explain the politics of confrontation in which the Prime Minister and the energy minister have dabbled during the last two to three months?

The government has been guilty of a lack of consultation with Alberta, of breaking agreements, albeit verbal agreements. Now, during the last weekend we find it engaging in slander. Let me ask how the government can justify the kind of speech that its leader made in Vancouver on Friday night. No one can tell me that he had national unity at heart when he slandered a provincial premier in the way he slandered Mr. Lougheed. This is completely unacceptable behaviour for someone who occupies the position of Prime Minister of this nation. I ask, where now is the great champion of federalism? Where now is the great champion of participatory democracy? Where now is the great champion of national unity?

Then we see the lesser of the two coalition government leaders standing up in this chamber last week and involving himself in the game of name calling, calling the Premier of Alberta "Sheik Lougheed". He forgets all the while, as I have mentioned before, that the Premier of British Columbia has increased the price of natural gas by 81 per cent. Perhaps he should be called Sheik Barrett, as the hon. member for Calgary North (Mr. Woolliams) so rightly points out.

● (1620)

As for the view that we can blame the NDP for forcing its policies on a reluctant Liberal government, as stated by the hon. member for Sault Ste. Marie (Mr. Symes), this is difficult to accept. I believe the NDP has lost too much credibility across this country to have such great power on this government which sits opposite at the present time. I think, as stated in an article by Mr. Charles Lynch, that perhaps there is something more important behind the position taken by the Liberal government in this connec-

tion. I suggest that, rather than being forced to accede to the requirements and demands of the NDP, this is an outcropping of the Prime Minister's essential political philosophy, the emergence of his true colours and a large step on the road the NDP want him to follow. Mr. Lynch quotes from the writings of the Prime Minister on the seeds of radicalism and the path of socialism. I do not know whether it took Mr. Lynch quite some time to realize just what was going on, but I think possibly what we have seen in the past few days is not essentially NDP policy but rather new Liberal policy, and really there is not too much difference between the two. I wonder, therefore, why the hon. member for York North (Mr. Danson) emphasized this point so much, because really there is not too much difference.

This bill would permit the government to override any provincial legislation and regulation. The national petroleum corporation he announced could take away from the provinces the only bargaining point they have with the federal government—their natural resources. This country, thanks to the work of that gentleman since he took over in 1968, is moving steadily toward a unitary state, and I do not think Canadians want this type of situation. I suggest that the provinces must be left with control over their natural resources, and must have complete autonomy within their fields of jurisdiction. The encroachment on their rights as proposed by the bill, unless amended, are completely unacceptable.

Let me refer to a speech on this subject made in the House by the hon. member for Lac-Saint-Jean (Mr. Lessard). Apparently he is one of the few Liberals in this House who does do some very careful thinking on the subject of provincial rights. He stated, as recorded at page 8533 of *Hansard*:

> However the establishment of such an over-all Canadian energy policy compared to the former one which was partial should not be set up for the second time while ignoring the priority interests of the provinces and mainly of Quebec in this field.

That is perhaps too limiting, as I feel it should apply to all the provinces. Surely, my hon. friend would agree that if it applies to Quebec it should apply to Alberta, Ontario, Nova Scotia, my own province of British Columbia and any of the other provinces I have not mentioned by name. Later the hon. member for Lac-Saint-Jean said, as reported at page 8534 of *Hansard*:

> But I would like to sound a note of warning to all provinces: the federal government should not take advantage of the situation to assume a right which it does not need. This applies to Alberta as well as to the province of Quebec. I am pleased to find restrictions in the legislation before us, particularly the one year limit, because otherwise I would not accept it as a Quebecker. Some of my colleagues are in the same position. As members representing various areas of Canada we all are in the same position. Then we should not agree to place it under federal control unless there is a completely new understanding and distribution of powers and responsibilities between both government levels.

I wish the hon. member was able to get this point across to his leader, as it does not seem the government understands this particular principle.

In addition, this bill vests an appointed body with absolute authority in certain areas. What will happen to the already downgraded power of parliament and the circumvented and undermined role of the elected member of this House? This government has already tried to strip the members of any real role in parliament.

An hon. Member: Explain.

Mr. Patterson: You ask me to explain; I will do just that. This situation has been compounded by using defeated government members as advisers, executive assistants and consultants rather than using the people's choice—the elected member.

Some hon. Members: Hear, hear!

Mr. Patterson: This bill in its present form is a denial of the supremacy of parliament, the abdication in favour of bureaucracy and the surrender of its responsibility to a body with no accountability to the people of the nation, but solely to the government. So we have a nice, neat set-up and a real energy czar in our midst. The bill has far-reaching powers in overruling other jurisdictions and other departments. I could refer to a number of sections which give this body the authority to overrule decisions under the National Energy Board, the Combines Investigations Act, environmental legislation, the Canadian Transport Commission, the Canada Shipping Act, the National Transportation Act and I am not just sure what else. I would suggest that this is too much power without the board having some responsibility to this House.

Mr. Béchard: What about in cases of emergency?

Mr. Patterson: We have seen the use of powers in so-called emergency situations in the past, and I do not know that we want to see them used too often in the future.

This bill is far-reaching as well in its power to manipulate the economy. I know many of my colleagues and many government members would agree that control over energy at this time implies economic control. Thus the Prime Minister, disguised as the energy supplies allocation board, would have a free rein to manipulate the economy of Canada. The way this government has incompentently handled the economy in the last few years without a free rein, I wonder what we might expect in the future if this board is set up?

For instance, this bill allows allocations to be applied selectively. Let me just give an illustration of how this could be a most powerful weapon in achieving national economic policy ends. Were the government to desire the establishment of a synthetic textile industry in the Maritimes, and I use this as an illustration, it would be a simple matter to declare a shortage of certain petroleum by-products necessary to such a textile production, except in the Maritimes. So, we can see that whether the shortage was actual or declared would be a matter of opinion, and the possibilities of misuse are endless.

Certain domestic industries or commercial concerns depend upon petroleum products as part of the content of their manufactured output. Other industries rely on what is classifiable as an alternate fuel or fuel product as part of output. The supply of these materials required for production is regulated under the provisions of this bill which is currently before us. Complete control over the transportation system of the country is also provided, both through

fuel allocation and allocation of its use. The number of industries directly affected by allocation measures may be seen or understood perhaps, when one realizes that almost 20 per cent of real domestic product can be directly controlled by the Governor in Council under this particular bill. So, we see the wide powers that can be exercised through the use of this measure.

● (1630)

In conclusion, Mr. Speaker, may I say that the powers of this bill are far too great. They are far-reaching. I do not see how they could be justified under current circumstances. The government, if ever given some of these powers, should be given them only if it has been established that Canada will in fact suffer a major energy crisis. The Prime Minister has stated again and again that we are not faced with this energy crisis in Canada.

Mr. Roy (Laval): When did he say that?

Mr. Patterson: He said that. You do not listen to your own leader. If you would listen to someone you might learn a little bit. The only power the government may need now is authority to ration. The government has at its disposal adequate legislative authority to deal with most of the other energy problems facing Canada today. We must ask ourselves this question—and I include government members—

Mr. Deputy Speaker: Order, please. The hon. member's time has not expired, but I would ask that he be permitted to finish his speech. I have allowed some considerable latitude. He certainly provoked a large number of other debates in the chamber at the same time because of his remarks, but I would ask that he be heard in conclusion.

Mr. Patterson: Thank you very much, Mr. Speaker. Hon. gentlemen opposite were not disturbing me at all. I can usually shout anyone down if I have to. However, I was just drawing my remarks to a conclusion. I would say we must ask ourselves this question: Should the far-reaching powers of this bill be given to a government that has shown itself to be incompetent and incapable of handling even the situation which exists at the present time?

An hon. Member: Speak for yourself.

Mr. Patterson: I am very happy to speak for myself, and I say I do not believe we ought to give the government the authority it is requesting in the bill as it presently stands.

[*Translation*]

Mr. Jacques Olivier (Longueuil): Mr. Speaker, I want to thank you for recognizing me. By taking part in this debate I wish to enlighten some closed minds from Quebec, in particular that of my hon. colleague from the constituency of Saint-Hyacinthe (Mr. Wagner)—

Mr. Wagner: Talk about the bill.

Mr. Olivier: That's nothing. It's just the beginning. Wait a moment.

I want to point out the meanness of the hon. member's attack on his colleagues from Quebec irrespective of their party. In fact, he suggests that he can show us how to govern and especially how to assume our responsibilities towards Quebec. I will call the attention of the House to the manner in which—

[*English*]

Mr. Paproski: You should listen.

Mr. Olivier: You, too, should listen.

[*Translation*]

As I was saying, I will call the attention of the House to the manner in which this hon. member attempts by all means possible to make us forget what fate people like Borden and Bennett inflicted on the province of Quebec. I think that this is indecent behaviour on his part, Mr. Speaker.

Mr. Wagner: Talk about the bill.

Mr. Olivier: Yes, but I also will talk about the Borden line that the Progressive Conservatives forced upon us in 1961. Where was the hon. member in 1961, when that happened? What was he doing at that time? He was going from one "chair" to the other. He was getting ready to watch his positions in order to become judge, come down, move up again, come down again.

Mr. Wagner: Talk about the bill.

Mr. Olivier: Does the hon. member wish to ask a question, Mr. Speaker?

Mr. Wagner: No. Only that the hon. member returns to the bill.

Mr. Olivier: I see. I wonder, Mr. Speaker, if the hon. member for Saint-Hyacinthe would be kind enough to listen; I think that he would be happy to hear someone who is able to give a speech without letting show any partisan feelings. If you refer to his vocal diarrhea of last night, you will note that what he is getting today is a direct consequence of his flow of words.

Mr. Speaker, the hon. members who took part in this debate have shown a great deal of interest in the bill which we are now debating.

From the speeches made hon. members representing the Progressive Conservative Party, it is obvious that they have not been able to tell us what would be their policy if they were in our place.

An hon. Member: They have none.

Mr. Olivier: I certainly did not hear one. Does the Progressive Conservative Party have a policy as concerns this issue? No one can say.

An hon. Member: It has none.

Mr. Olivier: I cannot ask the Progressive Conservative members from Quebec to tell us about this policy. There are two of them, and they never agree, Mr. Speaker. For the solution to their problems they called upon Mr. Masse. They conclude: We shall be three, so we might perhaps agree.

Mr. Speaker, I think that this matter brings out the true nature of the Canadian fact. Inasmuch as we fail to understand as a whole all the factors involved in this, the farther we get from real solutions. I tried to show—

Mr. Wagner: The hon. member should come back to the subject.

Mr. Olivier: Right, I should come back to the next, as the hon. member for Saint-Hyacinthe suggests, but I would like to point out also that it is because I simply do not wish to waste anybody's time.

Mr. Wagner: The hon. member manages well in the laborious reading of his text.

Mr. Olivier: Yes. I am doing alright and I will continue.

Mr. Wagner: To me that is shorthand. I do not want to read it.

Mr. Olivier: Mr. Speaker, if the hon. member does not want to read it he can either leave or stay, one or the other. I could also remind him to read the discussions he had on bilingualism. Several members of his party disowned the French language in this country.

So, Mr. Speaker, to try and illustrate that complexity suffice it to mention first the differences in economic interests. On the one hand, we have the producers who are caught between the depletion of their resources, the necessity to ensure quality and quantity in trade supply, and the responsibility towards all Canadians.

On the other hand, consumers see prices skyrocket and are looking for a substitute to oil products. Finally, what needs to be done to solve the problem?

Second, we have the aspect of international relations where recent changes in all international trade networks certainly played a capital role in the present situation. Needless to go over the events in the Middle East and it is certainly not with the explanations from the hon. member for Saint-Hyacinthe that we are going to understand anything to what is happening there. However, Canada is at a road crossing where the interest of its citizens must be balanced against the need to preserve strong international friendships.

Third, the federative nature of this country adds to the complications. We are actually touching an important subject as well as the complex problem of every area in this country.

Fourth, the question of enterprise is indeed questioned. Some suggest that resources so vital as these should not be left at the mercy of a competitive market. On the other hand, others are crying pitifully for the state not to meddle with commercial activities regulations. In fact, this is the position of the Progressive Conservative Party which merely wants to protect the interests of big business and does not give a damn for consumers.

We must realize that our government, while taking into account every aspect of the problem, is constantly faced with an opposition which enjoys trying to topple the government. They crave for power in a sickening way, these people. They play at threatening the existence of this government. One can appreciate the usefulness of this

bill and especially the value of the minister who sponsored it.

Mr. Wagner: Which one is it?

Mr. Olivier: Apparently the Leader of the Opposition and hon. members of his party have fallen victims to the temptation of taking advantage of this problem to improve their credibility with the public.

• (1640)

I think that they did the opposite, Mr. Speaker, and that their utterly ambiguous position and their lack of policy have involved an ever increasing downgrading of that party's credibility. As a matter of fact, Mr. Speaker, they blame the government for its attitude towards the United States and they do not understand that this government is primarily concerned by the needs of Canadians, and they blame the minister for what they call a lack of national policy, while they have nothing at all to propose.

Mr. Wagner: Shame!

Mr. Olivier: In a situation where a shortage is taking place, can we satisfy both the interests of foreign countries, however friendly they may be, and home requirements? And after that we are accused of not being flexible enough, both in our positions towards the United States and with regard to Canadians.

This means calling for priority consideration of two matters that are incompatible. In that regard, I suggest that the government—by the way, Mr. Speaker I would like to outline that I do not necessarily have $200,000 or $300,000 to have my speeches prepared in order to take the floor every day and make myself known by everybody—was right to opt for the Canadian people's interest. This choice was shown at the level of the security of supplies and of the price stability. These gentlemen would like to see prices increase everywhere throughout Canada. They said eastern Canada is not going to be the only one to pay a little more, the west must pay even more. That is what they want. That is their policy.

As for supplies, the minister announced a series of steps that will certainly contribute to ease the situation in the eastern part of this country. These are short-range measures that will have some results as early as this winter. Rationalizing of oil industry, long-term planning will not solve the immediate problems of the people from Quebec and the Maritimes, should a heating oil shortage occur this winter.

And the government, far from losing itself in intellectual arguments, was fast to respond. It has encouraged the voluntary saving of energy by consumers. In addition, it has made sure that all possible means will be taken to send maximum reserves in the east. I do not think that the members opposite have made more constructive suggestions up to now. I have not seen any. When one reads the speeches which have been delivered, one realized that it is merely politicking.

Mr. Wagner: The reading of that text is laborious.

Mr. Olivier: As for price stability, this is where the Leader of the Official Opposition (Mr. Stanfield) has per-

formed his best stunts. Indeed, giving his moral support to the oil magnates of Alberta, he tries to show some concern for the interests of Canadian consumers. Is that attitude of the opposition ascribable to an unconditional allegiance to the Alberta government which seems to be strictly devoted to the interests of the great oil companies and which does not care a bit about eastern Canadians.

This question remains ambiguous and in my opinion, it is the duty of hon. members opposite to state their views. What is their position? I would like them to let it plainly known. I would also like to know what they tell the people when they go in Alberta. I would like to find out their position when they go in eastern Canada. What do they say? They constantly change their version as they move from one province to the other.

Mr. Baker: That is not true.

Mr. Olivier: Further to the problems that we meet, our political system, the very nature of our country, brought together regions whose aspirations are often contradictory. The importance of the activity of Parliament and more particularly of the members stems precisely from the existence of inequalities in the distribution of goods and the mentality of every person that we find here.

Mr. Wagner: It is written in shorthand, he cannot even read it.

Mr. Olivier: This is very well written. Of the viewpoint—

Mr. Marcel Roy (Laval): On a point of order, Mr. Speaker, I would remind the hon. member for Saint-Hyacinthe that when he was a judge he would not tolerate any noise in court. Today, he is one of the two Progressive Conservative members elected in Quebec. He was complaining yesterday of the fact that some Quebec members were not speaking. I would ask him to be at least courteous enough to listen to the hon. member for Longueuil.

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, on the same point of order, I suggest to the hon. member for Laval (Mr. Roy) that when I was a judge, people pleading before me were much more gentlemanly and respectful. But this is not what happened when I listened to the first words of the hon. member who is now holding his speech and trying to read it. If that hon. member wants to be gentlemanly, honest and straight toward his colleagues, then we will allow him to read his speech as well as he can.

[*English*]

Mr. Deputy Speaker: For some reason, the debate on this bill seems to have generated a number of subdebates, more particularly during the last hour. But I do not think they really give cause for points of order because most of these exchanges have been in subdued voice between distinct parts of the chamber. I do not have to point out where most of this is coming from, but I would ask that the hon. member who is recognized by the Chair, and who does have the floor, be allowed to speak.

[*Translation*]

Mr. Olivier: Mr. Speaker, I was never ashamed of what I said. I can repeat what I said at the beginning, I can keep on and he can keep on acting like a clown, I was never interested in that.

In any case, Mr. Speaker, the hon. member for Saint-Hyacinthe can try to prevent me from telling the truth, I will tell it just the same. He can send his police officers with their truncheons, I will tell the truth just the same. He could quote the Scripture or the words of an archbishop in 1900, I will keep on telling the truth, Mr. Speaker. I am not ashamed of what I say.

Mr. Speaker, I would like to try to make certain things clear to my illustrious colleagues. I would like my Alberta colleagues to understand that in emergencies, one must think first not of the province, but of the country one represents here in the House of Commons.

An hon. Member: That is fine.

Mr. Olivier: When there is an apparent emergency at the national level, Mr. Speaker, one should put aside local pettiness and think rather of the Canadian people as a whole.

Mr. Speaker, what we were told fully justifies the action we want to take. Moreover, it must be kept in mind that our parliamentary system is made up of several parties and that in an emergency, we must support fair and reasonable ideas in the face of an actual situation. Mr. Speaker, what would happen this winter, if people ran out of oil in Montreal? If the same thing happened in Saint-Hyacinthe? People would get up in arms and cry shame. They would tell us we made no plans, we did not act. What would happen if lives were lost because we did nothing, and did not foresee the situation?

An hon. Member: The hon. member for Saint-Hyacinthe would not be cold.

An hon. Member: He is never there.

Mr. Olivier: Someone said that the hon. member for Saint-Hyacinthe would not be cold because he is never in his riding. I wonder if he ever goes there. He can answer me when he wants to; in any event, he is always talking.

Mr. Speaker, the importance of the debate today—

Mr. Wagner: One is so smart at that age! If only he grows older!

Mr. Olivier: I am not through: I have just started.

One thing is sure: even if I do grow older, I will not let anyone buy me off; I will not change party ten times.

● (1650)

Mr. Speaker, the Progressive Conservative party, through the hon. member for Saint-Hyacinthe, is taking this crisis lightly. He is merely trying to restore his fortures in Quebec. I think also of the manner whereby the Progressive Conservatives try to present their views. In addition to the numerous frustrations we have suffered due to their position in respect of language, they are now trying to divide the country even further, they are willing-

ly trying to divide the country rather than unite it, in order to reign, that being the only way for them to attain power some day, if ever—

Mr. Wagner: You were better with your text.

Mr. Olivier: I don't need it. Anyhow, Mr. Speaker, the proposals in Bill C-236 are reasonable considering the conditions we have to face. I prefer, Mr. Speaker, criticisms at the administrative level or at the political level from one or more provinces, in order that this winter our children will be warm everywhere in Canada.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: Before I recognize the hon. member for Champlain (Mr. Matte) may I advise the House that pursuant to Standing Order 40 the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Simcoe North (Mr. Rynard)—Health—Need for increased personnel trained in geriatrics—Government position; the hon. member for New Westminster (Mr. Leggatt)—Disposition of unused portion of George Darby Hospital, Burnaby—Participation by municipal representatives in negotiations; the hon. member for Provencher (Mr. Epp)—Energy—Nuclear reactors and heavy water plants—Date of expansion in western Canada—Possible increase in research and development funds.

GOVERNMENT ORDERS

[*English*]

ENERGY SUPPLIES EMERGENCY ACT

MEASURE TO PROVIDE FOR ALLOCATION BOARD, MANDATORY ALLOCATION FOR SUPPLIES AND RATIONING OF CONTROLLED PRODUCTS

The House resumed consideration of the motion of Mr. Macdonald (Rosedale) that Bill C-236, to provide a means to conserve the supplies of petroleum products within Canada during periods of national emergency caused by shortages or market disturbances affecting the national security and welfare and the economic stability of Canada and to amend the National Energy Board Act, be read the second time and referred to the Standing Committee on National Resources and Public Works.

[*Translation*]

Mr. René Matte (Champlain): Mr. Speaker, I am pleased to participate in the debate on Bill C-236. I certainly do not intend to make a speech similar to the one of the hon. member for Longueuil (Mr. Olivier) who has just spoken; he managed to do something quite remarkable, that is sticking his tongue in oil. In such a time of crisis and when there is talk about oil shortages, we should not waste any.

Mr. Speaker, it is rather interesting to note that the government does not handle major problems till there is a crisis. That is the point I wanted to make at the outset of my remarks. The government's role is to foresee, to give directions, to make sure to meet the people's essential needs such as food, clothing, and housing and, indirectly, fuel and energy. It is, according to the very definition of a government, what it must do. It is therefore stunning to note that at a certain moment there is a crisis, or that there is the possibility of a state of crisis, since the government and the minister did not make us aware in precise terms of the successive situations which were likely to develop in recent months. As a result, we do not know precisely what is going on.

Last week, we had the impression that the oil companies were merely dictating what to do to the minister, whereas it would be the contrary for a responsible government. And last week the minister candidly admitted that the possibility of an emergency was based on reports made to him and not on specific studies and figures which could be used to assess the situation accurately. He went so far as to say that the Montreal storage facilities were completely full and that it was difficult at present to bring too much oil supplies to Montreal since no storage facilities were available. An oil shortage is unthinkable after the price of petroleum products has skyrocketed.

• (1700)

We are told that regular oil supplies to Quebec will raise a problem this winter because of ice conditions which will make it difficult for some tankers to reach Montreal. It will not be the first time in 1973 that we have a winter in Canada. How is it that this problem did not exist last year or the previous year? How is it that it is only in 1973 that there are transportation problems because of winter conditions? And yet, the minister simply told us that the transportation of winter supplies will be difficult because of ice conditions.

One would think that they want us to freeze and to stay icebound. I think the government has a policy of trial and error, a hit and miss policy, a policy dictated by high finance, so that for the last few months and weeks we have been paying extravagant prices for products that did not cost one cent more than six months or a year ago.

It is our duty to denounce this situation and to show to the people, as mentioned in yesterday's motion, that the government has proven that its policy of the last few weeks is totally inconsistent.

Should we therefore carry on with an energy policy that does not take into account any of the basic elements of any government policy? It is to be wondered whether this is an artificially created shortage designed merely to increase prices. It would be shocking, Mr. Speaker, if such were the case and yet, to date, nobody has been able to state that there was a shortage. And how could they when our own country is an oil producer? How could they when the circumstances which led to the present international oil crisis have hardly anything to do with us? Because in fact,

the Arab countries which are now turning the tap off and on as they see fit ship very little oil to Canada, 2 per cent of our imports at the most. Then we are almost not affected by the political action of the Arab nations against the whole world regarding the distribution of their oil resources.

Mr. Speaker, Canada is virtually not affected by this problem. Then, why do we have a crisis situation when we have no reason to be affected by this problem? We should get some explanations. But now we can see only one. All this area is controlled by oil corporation trusts. It seems obvious as we should not have such an oil crisis when we have in Canada the oil we need, when it seems there is no reduction in the supply in eastern Canada and particularly in the province of Quebec. Yet we know very well that Arab nations are blackmailing many countries in the world and that in any case, they provide us with little or no oil. All this gives us doubts about the way this government is administering the country.

Mr. Speaker, there is no reason for such a crisis. Let us consider our situation as would a Frenchman, an Englishman, a Spaniard, a Belgian who would look at our situation. What do they see? They see, Mr. Speaker, that we are an oil producing country, that we export at least 50 per cent of our production. They would find absolutely stupid an oil producing country which exports more than half of its production and has a crisis situation.

Canada must then be stupid since it finds itself in this situation. We have oil, we sell some to the Americans, and some people have the gall to suggest a freeze. Such a policy is incredible. Anyway, if the problem was one of transport, we would have to wonder how come no adequate policies have been developed in this field. Why, for instance, has no effort been made to create what we have long advocated, namely our own merchant navy? This has never been done. Why is it that, in the field of transportation, we have provided no facilities for supplying oil to eastern Canada?

Once again, we are faced with the fact that this government has forgotten what the government of any self-respecting country should do. But if we have been confused by the intricacies of this pseudo-crisis, Mr. Speaker—

● (1710)

Mr. Speaker, did we want at all cost to avoid offending the Americans? At times, the government is so conscious about this that it says: you, easterners, freeze a little! Turn down the heat and close the windows. Do not use your snowmobiles this winter. Do without a lot of things because we will send our oil to the United States.

Mr. Speaker, this is almost funny. In spite of everything, supposing that it became necessary for the government to supply the United States and granted that there is a transportation problem in this country, this is no reason why Canada could not find other supply sources than Arab countries and why we should freeze here to please the Americans, because we do not want Arab oil.

Mr. Speaker, in Quebec especially, people are becoming quite familiar with that problem. We know very well that Arab countries are willing to supply us with the oil we need in the East but, of course, we must understand that they are not interested in selling this oil in order that we can tranship it to the United States. It is quite understandable. This afternoon, the Prime Minister (Mr. Trudeau), during the question period, answered a question by my colleague from Shefford (Mr. Rondeau) asking whether the government was considering the possibility of establishing embassies in the Arab countries who have oil, with a barely audible no.

Mr. Speaker, is it conceivable that at a time when an oil shortage is foreseen and oil producing countries are willing to sell us some oil, the government is not even thinking of opening embassies in those Arab countries, when we have some in other Arab countries that do not produce oil? It is unbelievable but that is the situation.

In his last election campaign, the Quebec premier talked about superports to be built with Arab capital. How do you explain that the whole scheme fall through when Mr. Bourassa and Mr. Massé meet with their federal counterparts? There are strange coincidences and I would be inclined to think that the federal government, in order to save somebody or other—maybe its little brother in Quebec—refused to enter into agreements with Arab countries. It is always the same policy, to freeze everything, but the potential is there. Let us not develop it.

How is it that our country is involved in international disputes like the Israeli-Arab conflict. What business is it of ours? Why should we create bad blood between both sides and why could we not be considered a friendly country by Arab countries? I can make nothing of it. Maybe we want to freeze everything?

Mr. Speaker, those facts may be hard to take but they are true. And because they are facts, they must be brought out in order that attempts be made to find the means of remedying the present situation.

Mr. Speaker, if something positive and concrete is to be done, in view of the situation we are witnessing today, it is high time we cease to allow companies, trusts, monopolies, pools to do as they please and decide whether there is a shortage or not. It is up to us to find the means of ensuring a much more stable consumption of the energy required by all Canadians. We must put a stop to mysterious goings-on, to hesitant policies, and see things as they are: then we can remedy the situation appropriately.

Mr. Speaker, there are certainly various ways of eliminating waste in the field of energy so as to determine the action to be taken in order to live in a minimum of comfort. I think that these problems always arise from an unrealistic basic policy having nothing in common with a natural economy that can really enable all Canadian consumers to take advantage of this country's potential. I believe we have here an excellent opportunity of showing that only a government inspired by economic policies such as those we advocate could avoid these crises.

Even if someone once again argues that we are harping on the same theme, Mr. Speaker, I will answer that when we have a potential of physical natural resources as we do in Canada and when we rely on these resources that we find all over the country it is scandalous. However, with the kind of system that the Social Credit would apply, Mr. Speaker, such a situation could not exist since we would have a daily inventory of our possibilities, of our capacit-

ies. We would know exactly where we stand in such and such a field, where are our petroleum and hydroelectric resources, what are the possibilities both in quality and quantity for our energy resources and this would ensure our stability. There would never be a crisis since, in a system materially based on our real physical possibilities, a crisis is impossible.

In the present system everything is based exclusively on profit instead of needs. We wonder why we have not already begun developing the tar sands in western Canada, Mr. Speaker. It is scandalous. We should not ask this question. We have failed to do so because it is too expensive. We should ask ourselves: Do we need that? If we do, we have only to issue a line of credit. Consequently, we have a human policy. We have needs and we have the physical possibility to satisfy these needs; all we have to do is to take action. It is as simple as that! The right hon. Prime Minister (Mr. Trudeau) and the government cannot contradict such a thing. Mr. Speaker, we say that our suggestions are mathematical and scientific; we would like somebody to attempt to contradict them, not to make fun of them, it is too easy, because some people usually summarize all arguments against our policy in two words—the money machine. We are far from it but we talk about oil and energy in general.

Mr. Speaker, we do have this energy. We are too stupid to develop it. We wait for capital and investments; how many times have I repeated in the House how stupid it is to rely on investments, on foreign capital and especially on foreign products? We see what that brings with it. And this country still bases its policy on trade, and exclusively foreign trade. We have the proof that we are on the wrong track. When we estrange foreign oil producers we see that when they do not operate neither do we.

If we have an economy based on our potential and our own needs and if we develop our physical potential according to our needs we will never have to call upon Arab countries or Venezuela. And God knows that in the great majority of areas which provide for consumer needs Canada is a totally independent country. We would always be ready, Mr. Speaker, to go and bargain with other countries to get lemons, bananas, pears, oranges and grapefruits since those are the only things missing in Canada.

It is therefore always ridiculous for a country capable of supporting itself, producing everything it needs, not too populated, with nearly infinite reserves, not to be able to develop coherent and stable policies. That is unacceptable. And no matter how hard the government tries to protest by saying that it is doing as good as the others and the latter would not do better, when suggestions so clear, so explicit, so mathematical and so scientific are made, they have no other choice but to accept them.

We understand this government not wanting to accept that. It would seem to displease those who actually control this country—high finance. They are not ready to accept those reforms. If that happened we would actually see this country develop and progress on the sole strength of our real credit and not on the goodwill of foreign investors. Evidently, this is not acceptable to those who have the financial means but such is the situation.

[Mr. Matte.]

Mr. Speaker, in concluding I think that Bill C-236 may help improve conditions. In spite of the various ways to obtain imports, if nobody wants to sell us oil, we will look stupid. This is not the solution to the problem. It has been stated that through that legislation, the matter will be entirely settled, as if production and goods depended on a legislation.

I do not hope so, but in spite of the goodwill shown in the bill I hardly think that something can be done about it. The real solutions should strike at the root in order to make what is financially possible materially feasible.

• (1720)

[*English*]

Mr. Gus Mitges (Grey-Simcoe): Mr. Speaker, Bill C-236, the Energy Supplies Emergency Act, in its proposed form and the way it is worded is, in my opinion, just one more retrogressive step this Liberal government is taking to eventually deprive the Canadian people of the effect of the principles of representative government, principles which this government has continuously and progressively eroded over the years it has been in power. If this erosion is not soon abated, the people of Canada will be saddled with a government that will be as effectively totalitarian as some of those now evident in some unfortunate countries around the world.

Immigrants like myself who came to Canada from areas and countries where democratic government is anathema, came not only to better themselves economically but, more important, to regain lost civic and personal liberties and to once more breathe the air of free men. No words of mine would be adequate to describe the emotions of these people when they are no longer challenged in their every day living by bureaucratic dictatorial stooges—there is no better name—who are responsible to no one but themselves. You only have to ask groups like the Hungarians and Czechoslovaks who fled from Soviet military subjugation in their homelands, and the Ugandans who fled the dangerous and volatile General Idi Amin, to confirm first-hand accounts of the terror these people went through. That is why we must be ever vigilant and ready to uphold democracy in Canada, whether an attack originates from sources within or without.

It is imperative that this government take stock of itself if it is to extricate itself from its apathetic approaches to solving the problems of this nation, and its apathetic approach to the important needs and desires of the people of Canada. It is quite evident that this government has not lived up to its mandate, a mandate which is being violated more and more each day this government remains in power, ably aided by the conditional support of the New Democratic Party. The New Democratic Party of Canada, by their actions in supporting this inept government, is doing a disservice to the people of Canada by depriving them of their right to choose their own government and not be governed by confrontation, as is now being witnessed.

When the Minister of Energy, Mines and Resources (Mr. Macdonald) opened the debate on Bill C-236, he spoke very casually, even more casually than he does when giving his hazy replies to the many questions on energy put to him during recent question periods. The casualness

of his delivery is reminiscent of one of my professors in university who had long passed his academic usefulness and had long lost not only his own interest but that of his students and, therefore, was not of any use to himself or his students. I suspect the minister had an underlying purpose in this type of delivery. It was a lame attempt to lull the members of this House into passing this bill by playing down its dictatorial aspects if passed, this bill would give dictatorial powers to five people to allocate and govern all aspects of energy in Canada. These five people, all omnipotent, would not be responsible to the people of Canada. They would have a power that should be foreign to any country which calls itself a democracy. The word "democracy" does not mean dictate to the people, as this government would like it to mean. It means rule by the people, as advocated and established by my forefathers almost 2,500 years ago.

The way Bill C-236 is worded, with its innuendos and soft-sell approach, compares very much with the fine print one often hears about in connection with some shady contractual dealings conducted by people whose only interest is to dupe their victims for the sake of the almighty dollar, giving no thought to the aftermath of such action in terms of suffering and deprivation.

It is not my intention to dwell on this bill clause by clause. This will be done by the committee. However, I say most emphatically this government has not made a case to justify the wide-reaching powers of this bill. The only power the government may need now is the authority to ration. The government has already at its disposal adequate legislative authority to deal with most of the energy problems facing Canada today.

Perhaps the most serious energy problem we face today is that of price and price increases. This bill does not provide for a realistic policy that would alleviate fuel prices which work to the disadvantage of Canadians east of the Ottawa valley. One of the most devastating provisions of this bill is that which would give the government authority to negate provincial priorities relevant to an energy crisis. In fact, some of the powers are so far reaching that the federal government can invade areas of undisputed provincial authority.

This bill, if passed, will give all power to a board to supersede and over-rule all legislation now in effect relating to the control of pollution and pollution problems affecting our country nation-wide. Legislation that may have taken years of preparation to protect our environment would be ruthlessly swept aside, perhaps never to be enforced again, or if re-enforced, would only be in a diluted version. This bill is not a temporary measure to deal with a specific crisis and then expire. It is intended to be permanent. It does not come into effect on proclamation like the War Measures Act. It is in effect from the day Royal Assent is granted and can be used by the governor in council at any time. A much more careful look will have to be given this bill. Many changes will have to be made before it will win the respect of the majority of the members of this House.

Mr. Maurice Foster (Algoma): Mr. Speaker, I wish to say a few words on Bill C-236, the energy supply emergency bill. Surely, there can be no matter of greater importance at this time, to not only this country but other countries around the globe, than energy supplies. This bill will give the government wide-ranging powers to allocate the supplies of energy which we have available in Canada. Indeed, we are probably one of the most fortunate of all nations on earth in that we are blessed with large supplies of all forms of energy, including hydroelectric power, coal, oil, gas and, perhaps the most important in the long haul, uranium.

● (1730)

The problem is that these resources are not all arranged geographically so we can take complete advantage of them at the present time. This is why this bill is brought before the House giving the government the power to allocate these resources during the next couple of years while we construct an oil pipeline from western Canada to supply markets in eastern Canada—Montreal and the maritime provinces.

Last Thursday the Prime Minister (Mr. Trudeau) spoke in this House and outlined a series of steps that will provide the basis for a national energy policy. These include the maintenance of the price freeze on crude oil until the end of the heating season this winter. The effects of this will be felt in parts of Ontario and western Canada which receive petroleum products from Alberta and the prairie provinces.

As might be expected, the immediate reaction to the maintenance of this present price freeze from the multinational oil corporations was a strong one, since they see the windfall profits that might otherwise have been theirs slipping out of their hands. However, the benefit of the freeze will accrue to the Canadian people who require oil products in the part of Canada west of the Ottawa Valley line. In spite of the loss of these windfall profits which the multinational corporations had their eye on, they have not done badly in that the price of their products has gone up at least 30 per cent during the past year.

That is not to say, however, that the price of crude oil will remain constant or frozen for any length of time. The Prime Minister made it clear that in the long haul we must raise the price of our crude oil products if we are to develop the Alberta tar sands, the oil reserves in the Arctic and those off the east coast on our continental shelf. Indeed, I have heard it said that in order for the tar sands reserves to be developed at current prices and cost of production, the oil companies would have to receive something like $6 a barrel.

The Prime Minister also made it clear in his speech last Thursday that the federal and provincial first ministers would be meeting in January and looking at the problems caused by increased prices east of the Ottawa Valley line, especially the cost of heating oil for Quebec and the Maritimes. He indicated that some solution would be found for low-income families. I, personally, think we should be considering some form of direct assistance, whether a direct payment to compensate low-income families for the additional heating costs they are going to encounter this winter, or some other form of assistance. The Prime Minister made it clear that the old Borden-Ottawa Valley line was to be eliminated, and with the co-operation of the premiers of the provinces there would be a one-price and one-petroleum policy for Canada. However

this is worked out, whether through an oil marketing board or some other mechanism, the idea is sound and the only one suitable for Canada. We must have a unified pricing system across the country, with some differences in respect of the various areas to compensate for transportation costs.

I also welcome the government's plan to establish a national petroleum corporation. This will have definite benefits for Canada in that the government will be able to acquire supplies of petroleum products from overseas by dealing directly with the state concerned, which it cannot do at the present time, at least not in a manner that will ensure adequate supplies.

I was also pleased to note that in the government's new policy the national petroleum corporation would be given certain powers. One of its responsibilities would be to hold oil reserves for the future needs of our nation. I welcome this announcement. Most important, I feel this national petroleum corporation should be looking at the development of the tar sands. There are something like 500 billion barrels of oil locked in these tar sands, and acquiring the technology and know-how for removing it should be made one of the responsibilities of the new national petroleum corporation. Indeed, I would like to see the federal government become involved in at least one public work in the tar sands for extracting this oil. This could take place either in co-operation with the government of Alberta, as I hope will be the case, or if that is not possible I believe the federal government should go ahead and establish at least one mining and refining program in the tar sands. This would enable the federal government to develop the necessary know-how.

I was pleased, as well, that the Prime Minister said the government is giving top priority to the development of our nuclear technology and the use of uranium by electric utilities. Perhaps the nuclear technology which Canada now has is one of the greatest success stories in the country in view of the development of the CANDU reactor. Atomic Energy of Canada Limited, and Ontario Hydro with their development at Pickering, Ontario, have developed a system for bringing on stream tremendous reserves of electrical energy. The federal government has made it clear that it will provide half the financing of additional plants to be developed in New Brunswick and other provinces. The success of the CANDU reactor can be seen from the sales of the reactor to countries such as Argentina and South Korea which the Minister of Energy, Mines and Resources (Mr. Macdonald) announced last Friday.

Representing the uranium capital of the world, Elliot Lake, may I say we view the position of the government on this matter with a great deal of satisfaction and pleasure. The township of Elliot Lake has certainly suffered a great deal of economic upheaval during its brief lifetime. However, with the recent announcement of a sale by Denison Mines Limited of some $800 million of uranium, representing over 40 million pounds, for delivery during the 1980s and early 1990s, combined with the recent sale of reactors to other countries, and the announced lifting of the embargo by the United States Atomic Energy Commission in 1977, to be fully implemented by 1983, the future stability of Elliot Lake is ensured.

[Mr. Foster.]

Apart from my own interest in this matter as the elected representative for the community of Elliot Lake in the Parliament of Canada, I believe we should be moving more of our electrical utilities toward deriving their energy from uranium. It seems wrong to me that Ontario Hydro is at the present time building the Lennox generating station that will utilize petroleum products which might have to be brought in from overseas, in that we cannot be sure of adequate supply, when it could have been designed to utilize the uranium mined here in the province of Ontario. Surely uranium is the principal source of energy we now have in the province of Ontario since most of the accessible hydro dam sites have been developed.

● (1740)

Similarly, last summer Ontario Hydro announced an electric utility station to be developed in the next few years in northeastern Ontario, leaving it open whether it would utilize petroleum, coal from the United States, soft lignite coal which is located near Moosonee, or uranium. It is time that a province such as Ontario, so rich in uranium, came out forcefully and in a decisive way and said it will build future electric utilities designed to use the uranium with which it is so richly endowed.

Although the matters I have mentioned are important, perhaps the most urgent announcement last week concerned the pipeline to be built to supply crude oil to Montreal and the eastern provinces. We now have a pipeline system running from western Canada to Manitoba and then to Sarnia through the United States. This line passes through northern Michigan and crosses the Straits of Mackinaw at St. Ignace. It is my opinion that a pipeline to Montreal should be built from this location at St. Ignace, Michigan, to Sault Ste. Marie and from Sault Ste. Marie through northern Ontario to Montreal. That would be a preferable route to the Sarnia to Montreal route over United States soil. In the first instance, the distance for the transmission of this oil via the route through Sault Ste. Marie would be approximately 200 miles shorter, and the majority of the pipeline would be built through Canadian territory rather than through the United States.

Mr. O'Sullivan: Using Hamilton steel.

Mr. Foster: The hon. member for Hamilton-Wentworth (Mr. O'Sullivan) suggests that Hamilton steel should be used. I thought the minister was very kind in his response to him last Thursday or Friday when he said that the Canadian Commercial Corporation would look into the prospect of purchasing some Stelco steel. There has always been a friendly rivalry between Algoma Steel, in Sault Ste. Marie, and Stelco in Hamilton, but it is quite obvious that if the pipeline is built from Sault Ste. Marie to Montreal we would save a great deal in shipping costs if the steel and the pipe were obtained from Algoma Steel in Sault Ste. Marie; and I know the hon. member for Hamilton-Wentworth would not want to see these extra shipping charges added to the cost of the pipeline. I am sure a great deal of the pipe will come from the Algoma Steel Corporation in Sault Ste. Marie.

In his announcement last Thursday the Prime Minister indicated that the federal government would proceed as

soon as possible with a natural gas pipeline from the Alaska, Prudhoe Bay area, through the Mackenzie River delta to Edmonton having due regard to environment considerations and native rights, and would seek a reciprocal agreement with the United States for the continuity of supply for both countries. Surely this is a wise proposal.

The majority of our pipelines supplying crude oil pass over United States soil. We have the Portland pipeline from Portland, Maine, to Montreal which supplies something like 500,000 barrels a day. We have the Interprovincial pipeline from Manitoba to Sarnia which carries large volumes for the Ontario market, and we also have pipelines on the west coast. Surely we should make arrangements to build a pipeline from the Mackenzie River delta to Edmonton to carry natural gas. But if the United States decides to transship its gas in a liquified form, it is questionable whether we will have large enough volumes to justify the establishment of such a pipeline, at least for many years.

On the other hand, if a common carrier pipeline were developed which would carry United States and Canadian natural gas, the reserves in the Mackenzie River delta would be available to southern Canada. While I think the reciprocal agreement to ensure continuity of supply, proposed by the Prime Minister, is wise, in the long-run we should be looking toward the building of a maximum amount of the pipeline on Canadian soil using the Sault Ste. Marie route, thus having the greater percentage of our oil travelling over Canadian soil.

Another advantage to having the pipeline from Sault Ste. Marie to Montreal is that the long-term transmission costs of pumping would be greatly reduced because the line would be 200 miles shorter. In addition, the construction time would be shortened. Most of the territory of Northern Ontario is rural, and the difficulty of obtaining right of way would be considerably reduced. Much of this area is Crown land, and the acquisition costs are less in rural areas than in urban centres. The urgency of constructing the pipeline, and the fact that it can be built more rapidly through this area of northern Ontario, are obvious and decisive factors.

It is my understanding that the proposed pipeline would be of the 30-inch size and would have an initial capacity of some 300,000 to 400,000 barrels a day. It could be expanded by adding additional pumping stations, perhaps increasing the number from five to ten at some later date. This would provide the possibility of supplying the Montreal market via a Canadian pipeline. I understand the market in Montreal is in the nature of 500,000 to 600,000 barrels a day. This is a mommoth project amounting to an expenditure in the neighbourhood of $150 million. To put it in perspective, this is somewhat less than one-third the cost of constructing the St. Lawrence Seaway—and prices have gone up since that construction.

The advantages to the area in which the pipeline would be located are mainly related to the number of jobs created during the construction phase. From this point of view it would be most welcome in northern Ontario, where we have areas of high unemployment, especially in the northshore area of the Algoma constituency. But there may be other long-term advantages such as the possibility of a refinery to serve northeastern Ontario. It has been proposed at various times that a refinery should be constructed in the Algoma or northshore area. The location of a pipeline through this area would make this possibility even greater.

Since 1969 the federal government has been trying to diversify the economy of northern Ontario with incentive grants for regional development. The availability of an oil pipeline offers the possibility at some future time of a petro-chemical industry being established in the area, such as we now have at Sarnia—where the main Interprovincial oil pipeline terminates. If this were to occur, the location of a crude oil pipeline through northern Ontario would be one of the most important instruments of regional development that the federal government could provide. The area has many natural assets to lend itself to the development of secondary manufacturing and processing industries or the petrochemical industry, such as the availability of several locations for deep water ports along the north shore of Lake Huron.

If a refinery capacity were to be located in this area of northern Ontario, it would eliminate some of the expensive back-haul costs which now exist in bringing back refined products from the Sarnia and Toronto areas to points in northern Ontario such as Sault Ste. Marie, Thunder Bay and Sudbury. For many years the people of these areas have paid higher prices for petroleum products than those paid in southern Ontario. Perhaps the availability of a refinery capacity in northern Ontario would eliminate some of the transportation costs from the refineries located in southern Ontario.

It is my understanding that the major oil companies are now moving to establish a refined products terminal at Superior, Wisconsin, which is designed to provide the upper Great Lakes region with refined petroleum products. It would be nice to see some of the refined products for northern Ontario made in northern Ontario. If the pipeline is to be located through northern Ontario, this becomes a distinct possibility. I think the government should give serious consideration to having this pipeline located in northern Ontario. This would provide a shortened distance for transmitting oil and would reduce further the transportation costs in respect of moving crude oil to Montreal. Also, there would be a shortened time in respect of the construction of the pipeline if it were to be located there. There is, in addition, the possibility of lower prices of petroleum products in northern Ontario and some future diversification of the economy in this region.

Mr. Macdonald (Rosedale): Mr. Speaker, I rise on a point of order. Pursuant to Standing Order 60(1), I should like to lay on the table of the House notice of a ways and means motion.

The Acting Speaker (Mr. Laniel): The Standing Order provides for this procedure. Is it agreed?

Some hon. Members: Agreed.

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I do not have much time before six o'clock, but perhaps I could take a moment or two to say, in rising to speak on Bill C-236, that I am very conscious of the fact that coming from eastern Canada I do not have the degree of expertise of some of my western colleagues. I think this House of

Commons and my party are very fortunate in having the benefit of so many people from that part of the country who have a pretty good background in the petroleum industry.

Frankly, I am amused by the many one-day wonders on the government side, who all of a sudden have been making weighty pronouncements in the House about petroleum and all the ramifications this so-called crisis has in store for us all. I am particularly apprehensive that some of these policies may affect in a very detrimental way the part of Canada I represent.

I think the Minister of Energy, Mines and Resources (Mr. Macdonald) made an excellent speech last night. It was a thoughtful speech in which he dealt with a great many aspects of the problems involving energy. It is a great pity he did not make this speech even a year ago, because had he done so it would have been not only a great credit to himself but of immeasurable benefit to this nation. I wish he had had a bit of foresight rather than the hindsight he now has.

Mr. Speaker, I see it is getting close to six o'clock. Perhaps I might be permitted to call it six o'clock.

The Acting Speaker (Mr. Laniel): Is it agreed?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Laniel): It being six o'clock I do now leave the chair until 8 p.m.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

Mr. MacKay: Mr. Speaker, at six o'clock I was in the process of saying that I thought the Minister of Energy, Mines and Resources made an excellent speech yesterday in which he dealt at some length with the pertinent aspects of this country's energy policy. He mentioned some of the potential of a nuclear power strategy, he made passing reference to the potential involved in the long-range transmission of hydro power in Canada, and he dealt with possible subsidies to alleviate some of the difficulties that people in various parts of Canada will encounter. Since he is here this evening, may I point out again how much better it would have been, and how much more credit his speech would have brought him—although, granted, hindsight is easier to come by than foresight—had he made it even a few weeks ago, preferably a few months ago.

I was interested also in the intervention in this debate on Bill C-236 by the Prime Minister (Mr. Trudeau). I think that all too often the Prime Minister chooses not to intervene in the debates in this House. Of course, we are all the poorer when the prime minister of a nation does not come forward with a definitive statement of what his feelings are on important pieces of legislation.

Speaking as a member from eastern Canada, I wish to say that I was not overly comforted by what the Prime Minister had to say or, I should say, what he had to read, but it does seem clear that he has found it necessary to admit that a pipeline should have been built and, hopefully, will be built in the not too distant future. He mentioned that initiatives must be taken to develop the Athabasca tar sands. He also mentioned that if conditions in the Atlantic region deteriorate, he is prepared to discuss some sort of welfare or social measures under the existing framework to help people in that region. I commend him for all these things, but I cannot help saying—and I do not say so with malice—that I wonder where the right hon. gentleman has been and where his government has been for the last few years.

Surely if what we have now in Canada is a crisis, it has to be, at least in some measure, a crisis of neglect. I cannot help but think, since I am a new member of the House of Commons, that in the so-called good old days, which were not that long ago, when the right hon. member for Prince Albert (Mr. Diefenbaker) headed the government, he took a lot of abuse, as all prime ministers must, for some of the economic conditions that prevailed in Canada. However, at that time his administration introduced the concept of the Ottawa Valley line, and in so doing provided a useful climate for the Canadian oil industry in which to develop. Also in passing, since there has been a lot of comment made about general economic conditions, he has been recognized, at least in my part of Canada, as the first prime minister really to recognize the need and necessity for and the desirability of some meaningful measures to reduce regional economic disparities. He also controlled inflation.

● (2010)

The Minister of Regional Economic Expansion (Mr. Jamieson), one of the most able ministers in the government and a man for whom I have a great deal of respect, gave his usual speech that was full of bombast. It was a good speech, as his speeches always are, but one thing that was not characteristic of the hon. gentleman was that he appeared to deliver it from a text, as is the invariable custom of the Prime Minister. That is very unusual for that very talented minister. I could not help but think it did not quite sound like him and I had the feeling that, while he gave the speech in his usual forceful manner, his heart wasn't in it.

Nowhere in his speech did he express any reservations about what is likely to happen, in terms of the measures for which he is responsible, in attempting to reduce regional economic disparities. Nowhere did he express determination that he was going to stand up and try to persuade the Prime Minister and the cabinet that the present energy situation, by its very nature, was bound to have a serious effect upon eastern Canada. I am surprised he did not do this, because he is too astute an individual not to know that nowhere in this nation will an industry of any magnitude settle when there is a shortage of energy or any difficulty in obtaining a guaranteed source of energy.

The Minister of Energy, Mines and Resources also made note of the necessity, as I said earlier, of possibly subsidizing the consumers in eastern Canada. Obviously, this will mean the expenditure of a great deal of money. I am not qualified to pass judgment on how much, but if a million

barrels of oil per day are required for eastern Canada, and if the price differential is as great as it appears to be, say around $3 a barrel, then even a partial subsidy of $1 a barrel will mean a total of $365 million per year. If that is the effect this will have on eastern Canada and our national budget, I cannot help but wonder where the administration was, in not being able to foresee the situation, and why in heaven's name it did not build the Montreal pipeline a year ago when it had been given every indication by people who knew, including the much maligned Premier of Alberta, that this situation was likely to occur.

Although it is easy to point the finger at this side of the House and say it was the Tories who implemented the so-called Ottawa Valley line, surely in fairness it must be said that economic and social conditions have changed tremendously in the last 11 or 12 years. When the Prime Minister said on September 4—and he has made at least two subsequent pronouncements—that the pipeline is going to be built, surely that was one of the greatest obviosities ever uttered by a prime minister. Of course it must be built. I only wonder why it was not built a long time ago as conditions changed and the industry evolved. I see that the hon. member for Verdun (Mr. Mackasey) is in the chamber. He, too, knows that what is aggravating the energy crisis is a transportation problem, a distribution problem. And while this is understandable, I think it is more forgiveable than the omission by the government to take the ordinary preventive step of building the pipeline. Surely this is so obvious that it is incredible that the government did not do it.

But returning to the transportation aspect, Mr. Speaker, unfortunately the priorities in this nation are such that if we move any great amount of petroleum products it will seriously interfere with badly needed facilities to move other basic commodities such as wheat, apples, lumber and any number of things that have to be moved. To impose this burden on our transportation system at this time makes it difficult to understand how it can be done.

It seems pretty clear that the Prime Minister in imposing this policy is not to be criticized so much for doing one thing or doing another thing as for being inconsistent in what he is doing. At least the NDP policies on this matter are fairly clear. They would like to see the petroleum industry brought under government control as much as possible. That is their policy; and whether we agree or disagree with it, at least in this regard they have been fairly consistent. But the Prime Minister and the Minister of Energy, Mines and Resources have not been consistent. They have been saying one thing at one time and another thing at another time. And regardless of whether or not you agree with them, if one is to respect them and give them credit for having the courage of their convictions, one has great difficulty in doing so when one looks at the contradictory and rather inconsistent policies they have been advocating.

When the Prime Minister talks about conditions in eastern Canada he is not being consistent. I well remember, as the newest member of this House when I came to Ottawa in 1971, that the very first question I asked in this chamber was of the Prime Minister. He had just come back from the Victoria conference. I asked whether the question of offshore mineral rights had been on the agenda or had been discussed. As I recall his answer, the right hon. gentleman indicated that it was not on the agenda but there had been something done about it. Since that time I and other members from eastern Canada have asked him what he intends to do to resolve the impasse between the eastern provinces and the federal government, which was actively impeding and which continues to impede the exploration which oil companies must undertake if they are to build up our reserves.

In my opinion, the Prime Minister has tried to put the onus back on the provinces, but the Premier of Nova Scotia has been very quick to put the onus back on the Prime Minister. The latest announcement indicates that there will be an early resolution of this impasse. I am very skeptical, and hon. members will have to be a little indulgent with me because I see no reason, based on the past policies of the government, to suggest that either the federal administration or, for that matter, the province of Nova Scotia, is taking steps at this moment that will finally cure this ridiculous situation which, at a time of national energy crisis, is impeding the search for the very substance we require so desperately in that part of Canada.

This debate is on Bill C-236 and, while I understand it is not proper to go into the bill clause by clause at this time, I would like to deal with some of its provisions in a general way. In this regard I would like to say at the outset that I see no reason for any member to withhold support of the bill provided the government is willing to modify some of the very sweeping and almost dictatorial and coercive powers that are embodied in it. I have not had much time to read the bill, but from the cursory way that I have been able to go through and compare it with another piece of legislation brought forward by this government, Bill C-181, commonly known as the War Measures Act, I find they have quite a bit in common. Just as the War Measures Act, in retrospect I think, is universally regarded as one of the sorriest aspects of civil liberties in this country, I feel I am not being unfair when I ascribe the feeling to the government that if they had to do it over again they would not invoke this type of measure. I think they are indulging in the same type of overkill when they try to persuade members to pass this legislation, Bill C-236. I think it is obvious that because of the government's neglect it is necessary, if not desirable, to give them the power to allocate and ration, but I cannot see why it is necessary to have the tremendous, sweeping powers that they are asking for in this piece of legislation.

● (2020)

We have just finished a major debate on Bill C-132, the foreign investment review act, and in that piece of legislation we were given a very good example of how intransigent the government has been when it comes to giving the provinces of this country some sort of consultation in deciding their own destinies and in dealing with some things that under the BNA Act may be under their exclusive jurisdiction in less troubled times if time were taken for a judicial determination.

In any event, Mr. Speaker, this piece of legislation transcends or makes a nullity of some major bills. It supersedes the National Energy Board Act; it appears to super-

sede the Combines Investigation Act in part; it appears to ride roughshod over environmental statutes; it supersedes the Transportation Act, the Motor Vehicle Transport Act, the Export Act and the Export and Import Permits Act which has been in effect since 1947.

Mr. Speaker, one wonders why at this particular time the government seems to be in such indecent haste to pass this bill holus-bolus without, as far as I know, having any meaningful opportunity for knowledgeable people in the industry and the provinces to come before the relevant standing committee to testify and give advice. At least in Bill C-132 the government gave the provinces and the other interested parties an opportunity to do this. The hearings were quite lengthy and everyone who wished to do so had the opportunity to speak and to put their feelings on the record.

For the balance of this winter, unless the crisis is a great deal more serious than the minister has led us to believe, I do not see why the simple power to allocate and ration would not suffice for this government. I hope when this bill is sent to committee that the government and the Minister of Energy, Mines and Resources will pause and reflect on the advisability of taking a more tolerant and less dictatorial and totalitarian attitude toward this whole legislation and will give a little attention to some of the amendments that I am sure will be forthcoming from all members of the House interested in civil and provincial rights.

Since much has been said about the position of the province of Alberta, Mr. Speaker, I think the editorial in today's Ottawa *Journal* seems to stand up very well as far as it concerns reaction to the Prime Minister's remarks in Vancouver. I think it would be only fair to point out that far from being the selfish, oil-grabbing sheik that he has been portrayed to be by certain members opposite, the Premier of Alberta has given every indication that he is making every effort to achieve the maximum production, for the general good of Canada, of Alberta's petroleum resources. In fact, if he were to take a more selfish view and curtail production and leave some of the oil in the ground, thus taking a narrow, provincially-oriented view, probably in terms of future dollars and cents his province would be much better off. I think it is time that people in the House of Commons recognized this, and I think it ill behooves the leader of the federal government to go out of his way to malign the Premier of Alberta. I hope this will not happen as often in the future-hopefully, never in the future—as it has happened in the past.

Some hon. Members: Hear, hear!

Mr. MacKay: Looking briefly at some of the provisions of Bill C-236, it is very interesting to see what clause 34 says. It is a very short clause and appears to be designed to make certain that the provincial administrations are bound beyond the shadow of a doubt, because all it says is:

Her Majesty is bound by this act.

Mr. Baldwin: Anti-monarchy!

Mr. MacKay: It may well be, as the hon. member says, that it is an anti-monarchy act. If it is not, it is anti everything else. When looking at the powers given under this piece of legislation, one wonders what the minister has left out. They can practically do everything but sell fish and chips and mine gold under this act and do so at the expense of the province.

An hon. Member: Right on.

Mr. MacKay: I notice that the head office of this proposed body, that will have the great power to allocate and ration and do everything else that they would like to do, appears to be designed to be in Ottawa. That is hardly surprising in view of past experience, but one would wonder why they could not put the head office where the main supply of energy is, whether it is hydrocarbon or petroleum—that is, in the western provinces. Why must it be in Ottawa?

Some hon. Members: Hear, hear!

Mr. MacKay: Surely there should be some minimum standard on the qualifications of the people who are to sit on this board. I see that they may hold office at pleasure. There is no particular measure put in there to limit their term of office, and there does not appear to be any qualifying standard or measure of administrative, technical or procedural ability either. It would be easy to say, I believe unkindly, that it is another refuge for defeated Liberal candidates or partisans of the government. I hope this does not occur. I do not mean to be unkind by suggesting this, but surely if there is to be any amount of expertise generated particular qualifications should be laid out for the people who hope to sit on this very important board.

Mr. Patterson: Most of the defeated Liberal candidates have already got jobs.

Mr. MacKay: There is another aspect of this so-called crisis that has been dwelt upon in passing by some hon. members, but I think it should be mentioned again. There does not seem to be any unanimity amongst members of the treasury benches as to whether there really is a crisis in this country in so far as energy is concerned. If there really is a crisis, I am sure no hon. member would wish to quibble in any respect with the government's request that it be given emergency powers. We have the Minister of Industry, Trade and Commerce (Mr. Gillespie) and the Minister of Finance (Mr. Turner) saying, in effect, that we never had it so good and we are going to have a great, great year next year and there will not be any adverse effects at all; or if there are, somehow it will all turn out to be good for us. Then we hear the Minister of Energy, Mines and Resources saying at various times that there is going to be a shortfall of "X" thousand barrels, or there is likely to be a curtailment of supply from Arab sources because of political ramifications. In such a situation you wonder who to believe.

• (2030)

Is there a crisis, or is there not? The much heralded technical advisory committee to which the minister referred seems to be—I do not want to be unfair and malign his committee—like that mythical dagger in Hamlet. The quote, as I recall, is as follows: "Is this a dagger that I see before me, with its handle towards my hand? I have thee not, yet I see thee still. Or art thou a dagger of the mind, a false illusion?" That about sums up

what we know about the committee. We do not know very much about it. It is neither heard directly nor seen clearly. Why, some cabinet ministers are not even able to name their representatives on the committee.

Mr. Blenkarn: At least four of them.

Mr. MacKay: This applies to at least four of them. Again, one wonders what is going on and if the government really knows.

Mr. Blenkarn: You know the government doesn't know.

Mr. MacKay: My hon. friend from Mississauga (Mr. Blenkarn) says that the government does not know. I accept his suggestion but I hope he is wrong. I hope the government knows what is going on because, after all, it is our government. It would be a sad commentary on Canada if the government really were as incompetent as it now appears. I hope for all our sakes that it is not.

An energy crisis has been proclaimed. However, as inflation will soon increase by almost double, if the rise in December is at all significant, and as food prices have increased by 18 per cent, it is evident that there is a crisis. I suggest, however, that the crisis is a governmental and credibility crisis rather than an energy crisis. I believe the Minister of Energy, Mines and Resources is determined, and well he should be, to take steps for curing the problem in so far as those steps lie within his power. He realizes, I think, that we need a national power grid in this country. I hope he will bend every effort in making sure that such a national power grid is built and that the blanks in our energy picture are filled in. He will encounter enormous problems in this regard and it is unfair to expect him to cure these overnight. I believe he is making a sincere attempt to do something.

I wish that in his statement the Prime Minister could have indicated what tangible steps are being taken to build a pipeline. Does the government not realize that rights-of-way must be acquired, surveys done and expropriations carried out? How is the pipeline to be built? Will it be built on a cost plus basis, or otherwise? Will it be built by a consortium from the private sector, or is the government going to build it? How will this be done? It would be reassuring to know if the Minister of Supply and Services (Mr. Goyer) has made sure that there will be enough steel for the pipeline. Concrete action would reassure the people of Canada more than high-sounding announcements. I trust that the Minister of Energy, Mines and Resources, who has been under a lot of strain and a lot of fire lately, will bring forward something concrete and, will, either in the committee or in the House, reassure the people of Canada that something tangible is being done and not just being talked about.

It would be encouraging if the Minister of Finance would bring forward positive proposals, as the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton) suggested in a recent speech, for giving fast write-offs to companies and individuals erecting storage facilities so that we can have at least a 90-day oil supply in eastern Canada, instead of literally wondering where next month's fuel is to come from.

It is evident that if any board of directors or any executive of any labour union in Canada had gone before the shareholders, or before the rank and file and presented the sorry record of performance which this government has presented to the people of Canada, that board of directors or that executive would be turfed out so fast that they would not even be given the chance to say, "Thank you for giving us the privilege of serving you."

If the government is sincere in wanting to cure our problems, if it will give assurances that when this bill is sent to committee it will be receptive to constructive suggestions and sound amendments from Her Majesty's Loyal Opposition, if it does not appropriate unto itself, at the expense of the provinces and the people of this country, more power than it actually needs for dealing with the crisis for which the government itself is responsible, it will not find it difficult to get the support of most members of this House.

Mr. Jack Murta (Lisgar): Mr. Speaker, I do not intend to take my full time in speaking on Bill C-236. I just wish to make a few comments. First I wish to discuss some of the inequities which I see evident in the bill and then I shall turn to what I consider possibly a more important question, the over-all world situation as it relates to energy and to food. I say that because food and energy are interrelated questions. Then I shall refer to what may happen if the present Liberal government does not make any effort to do any long-range planning with regard to the situation in Canada.

In our discussion of Bill C-236 we must first ask ourselves this question, "Is there really an energy crisis in Canada at this time?" because that is really what the government asks us to decide. I submit that Bill C-236 is premised on the belief that Canada has a serious national energy crisis. It appears this way, certainly. While it is undoubtedly true that Canada is experiencing regional supply shortfalls of Arab oil and imported products, it is also true that much of the country is not faced with an energy crisis similar to the crisis in the United States, parts of Europe and Japan.

While the Middle East dispute undoubtedly accelerated some domestic price characteristics, many of the aspects of Canada's crisis have their roots in longstanding domestic problems which have been brought on by the present government. The principal cause, therefore, of our crisis today—if it can be termed a crisis—is not Arab cutoffs or oil embargoes but lack of federal leadership in anticipating and settling problems in an orderly and co-ordinated manner.

For example, in March this year the government stated that it saw no need for a pipeline to Montreal. By June, when the government energy "non-policy" as it has been called, was tabled, this pipeline was about the third priority. Yet on September 4, the Prime Minister (Mr. Trudeau) announced the decision to build such a pipeline. Now, over two months since that announcement, nothing has been done, no plans have been announced and the project may yet be delayed because there may be a lack of steel and other commodities which are needed for building this pipeline which is essential if Canada is to meet its total energy requirements. As I have said, we are not even sure at present if we can get the necessary steel piping. Accord-

ing to Premier Lougheed of Alberta, the federal government could have built the pipeline in a crash program this past summer. By now the pipeline could have averted the most serious supply shortfalls in eastern Canada. In my opinion, at present we are experiencing serious supply difficulties, but I do not consider these difficulties as being the same as a serious energy crisis.

May I make the following comments about the bill. First, I do not think the bill is a temporary measure which will deal with a specific crisis and then expire. I think it is intended to be a permanent measure. It does not come into effect upon proclamation, such as the War Measures Act. It is in effect from royal assent and can be used by the governor in council or the cabinet at any time.

● (2040)

In talking specifically to the bill, its scope extends over petroleum products manufactured in whole or in part from petroleum, natural gas, coal or electric power. The scope of the bill is not confined to an emergency that is Canada-wide but can cover one that affects only a region of Canada; so we could have the government acting on pressures from one region, which certainly could be to the detriment of the long-term interests of the country. The scope of the bill not only provides for control of the products mentioned, but railways, pipelines, ships, Canadian and foreign, and extraprovincial motor transport. The entire power is in the governor in council. This is something we should be aware of, not only in this House but throughout the country.

The declaration of an emergency measure, actual or anticipated, is at the sole discretion of the governor in council or, in this case, the Minister of Energy, Mines and Resources (Mr. Macdonald). I consider this to be a sham. As long as the board acts on the instructions of the governor in council, it can be used in any way the governor in council wishes.

Another area that has to be considered is where powers are given and appear to be restricted, as with the declaration of an emergency and the regulatory powers that go along with it. It will be observed that these restrictions will be apparent only since the restrictions are subject to the discretion of the governor in council or the board. Another point should be kept in mind as we are debating and eventually coming to a vote on this legislation. Once again, this word runs through virtually every clause in the bill. It is the same kind of regulation that one detected in the old Bill C-176, the national marketing legislation, which gave the governor in council virtual domination over a large segment of the agricultural industry.

The bill would give the governor in council power to enter the provincial constitutional field of legislation, to affect provincial energy revenue sources, provincial industries manufacturing products in whole or in part from petroleum and, as well, provincial primary and secondary industries through control of railways, pipelines, ships, and extraprovincial motor transportation. If this bill were implemented, the side effects upon the provinces, apart from the direct effects, cannot be foreseen except in the darkest terms. This bill is unnecessary and unwarranted. The powers of the bill are too far reaching and cannot be justified under current circumstances. The government should only be given these powers after it can be established that Canada will in fact face a major energy crisis, and not a major transportation or distribution crisis. The government to date has not made a case to justify the wide-ranging powers of this bill. The only power the government may need now is the authority to ration. The government has at its disposal adequate legislative authority to deal with most of the other energy problems facing Canada today, certainly if it acts on consultation with the provinces, which is something it has not done up to this point.

There is another point that should be remembered: Should the far reaching powers of this bill be given to a government that has shown itself to be incompetent and incapable of handling the current situation? I say no, Mr. Speaker. These kinds of powers should not be given to the present government. Perhaps the most serious energy problem we face today is that of prices and price increases. This bill does not make provision for a realistic domestic energy pricing policy. No provision is made for the post-freeze period or for the replacement or removal of the export tax on oil.

Once again we see the government reacting to short-term expediency. The bill has the authority to negate provincial priorities relevant to any energy crisis. In fact, some of the powers are so far reaching that the federal government can invade areas of undisputed provincial authority. For example, the Manitoba Hydro corporation could set a rate and the federal government could invade that provincial right, changing the rate if it deemed this to be necessary.

With regard to recommendations, the legislation would certainly be more palatable if two areas were touched on, and two areas alone. First, an inquiry should be launched into aspects of Canada's energy crisis to determine the true extent of the crisis we face at the present time. Second, we would go along with this legislation if it contained an offer to grant the government the powers needed to allocate fuel supply at the wholesale level and rationing at the retail level, if that was the limit. As I mentioned previously, that is not the case. As I stated in my opening remarks, two important areas, from a global point of view, are not touched upon by this bill. There has not been any move by the government to even recognize the possibility of the kind of situation we could be getting into as far as food and agriculture are concerned.

I have been asked how this so-called energy crisis or supply problem we are experiencing in Canada is going to affect agriculture. I think it is safe to say that because of the inaction of the government in not extending the pipeline into the Montreal area when they had a chance, east of the Ottawa Valley line there may be some shortage of fuel for agricultural purposes. If nothing is done, the over-all effect will certainly be higher prices to the consumer, as the costs incurred by the primary sector will have to be passed on. We are looking at areas directly related to the whole petrochemical industry. We are considering fertilizer, for example, in which we will see an increase in price. We are talking of 15 per cent increase in the price of fertilizer for this year, and goodness knows what will happen in the future. Gasoline and diesel fuel, oil and grease will also be going up drastically in price.

There are side industries such as tire manufacturing to be considered. Plastics are used in a good many agricultural machines at the present time. There are also the implements manufactured in the United States for large tractor and manufacturing facilities. They could not only be in short supply, but the price could increase substantially. I think these are the kind of questions to which the government must address itself.

● (2050)

What is the government going to do to deal in the long term with food prices in Canada? As I mentioned before, I should like to talk for a few moments about the use of food and fuel on a worldwide basis and how these commodities will ultimately affect Canada. There has been no indication that the government is going to take any steps in this direction until we face what might be termed a very serious situation. Fuel and food shortages on a global basis interact to increase the effect of each. It is safe to say that rising fuel costs will discourage increased output of food, thus escalating the cost of food. This in turn will force up wages and other production costs, which once again will force up energy costs. I do not intend this to be a warning to the public that higher food prices are in store for us all, but certainly the fact is that the Canadian public, as people throughout the whole world, will experience higher and higher food prices unless steps are taken now to safeguard against this.

Commodities derived from oil and grain are central to the needs of all mankind. As I have said, their production is interrelated. In various forms they are so essential to the entire human economy that their relative scarcity and their price affect and will affect the availability of all commodities. Because they are traded on a worldwide scale, the effects of scarcity and the price of these commodities will be international. Therefore, it will be difficult or impossible to shelter the economy of any nation from the effects of sudden price increases unless governments are prepared to introduce policies to offset these increases.

Because price increases have been sharp to date, and because these new high prices will prevail, sudden and sometimes startling economic disruptions can shortly be expected on a worldwide scale. One of the first effects of these disruptions will be the creation of pockets of unemployment. One industry likely to be sharply affected in North America, certainly in the United States, within the next 12 months is for example, the automotive industry. If gasoline rationing is imposed, sales of standard cars with a V-8 or six-cylinder motor will be sharply reduced and the output of automobiles will decline. This will have tremendous side effects on related industries, thus damaging the economy.

We will also see a reduction in tourism and recreation. Two effects of this will be rising costs and fuel shortages that will cut back the distance travelled as well as the number of people travelling. Carrying this assumption to its conclusion, the consumer durables industries will also be affected. If unemployment rises—and there is certainly no indication that it will not do so once we get into the new year—and if prices continue to escalate, consumer buying very likely will decline. Since the effects I have outlined are likely to spread to all of the industrial world, a major economic disruption of a new and little understood form would appear likely. I think as early as June, 1974, we can expect a good part of the world to face major problems.

So far as domestic policy implications in Canada are concerned, if we continue on our present course, applying stop-gap measures, I think we will see widespread economic disruption on an international scale, the effects of which will spill over into Canada in the form of price instability and diminished markets for manufactured goods, consequently bringing about unemployment.

Canada produces large, exportable surpluses of most of the commodities in short supply. We are self-sufficient in others and in still other cases, such as oil and natural gas, we could expand production to make surpluses available for export. In this context I think it is imperative that the nation understands that international terms of trade have undergone astonishing changes in the last 18 months and that these new terms of trade are going to be more or less permanent.

In essence, the balance of bargaining power has shifted to favour those regions or nations that have available for export supplies of food, fuels, hides, paper, wood and natural and synthetic fibres. The balance has shifted away from those countries or regions that have had available well-made or low-cost manufactured goods. The mere capacity to produce steel, automobiles, aeroplanes, colour television sets or cameras is of little value if food is short throughout the world and energy is scarce. Indeed, rapid increases in energy and food costs may make price structures so unstable as to reduce the capacity to manufacture, and may also tend to diminish markets. The terms of trade have changed not only among nations but also among regions. The regions with oil and grain and food products for exports are favoured by such terms of trade as exist at the present time. In Canada, the west and the north are so favoured, really to the disadvantage of the industrial heartland of Canada, and certainly this is a change.

Unless the government gives direction to the country and consults the people of Canada, instead of simply bringing in ad hoc and short-term measures to deal with the situation, I think we can assume four or five different eventualities. First of all, I think the price of most foodstuffs except fruit and vegetables will remain high. In fact, if nothing is done by the government to increase production—and the government has not been able to increase production significantly up to this time—the price of most of these items will probably increase. I think it goes without saying that the price of oil and natural gas will remain high. I think, also, that inflation, food costs and energy shortages will ultimately generate unemployment, leading to what could be considered an economic recession. I think lumber and paper prices will remain high for some time to come, and the price of manufactured goods will be forced down by diminishing demand.

With energy and labour costs going up and general inflation increasing, prices are likely to be erratic and confusing. Consequently, prices are likely to be very erratic and uncertain for the consuming public not only in Canada but in the total global sphere in which we are talking.

• (2100)

During the question period today a very valid question was asked in respect of consultation to begin in January when the federal and provincial energy ministers meet. I suggest a conference should be called to discuss the overall consequences of economic policy in order to determine what might happen and how it will affect Canada. Such a conference should discuss measures we can take to soften the blow for certain groups in Canada, if not for all consumers. It should decide on a policy designed to help all the nations of the world and to alleviate the plight of some of the more unfortunate nations. At that time the question was sloughed off as being irrelevant and not having much meaning.

Mr. Baker: The government doesn't have any answers; that's their problem.

Mr. Murta: In view of the situation we will be facing, unless we have meaningful consultation at this kind of conference on the broad economic base, we will face more difficulties. I think such consultation is essential if we are to experience any kind of general prosperity during 1974 and beyond.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, the hon. member for Lisgar (Mr. Murta) began his speech by asking whether there is an energy crisis in Canada. Then he proceeded to tell us there is no real crisis.

An hon. Member: We heard him.

Mr. Orlikow: He said that what we had in Canada was a shortage of oil in Quebec and the maritime provinces, and that in fact western Canada—which means all of Canada west of the Ottawa River—has more than enough oil, and the difficulties which Canadians are now experiencing are the result of the failure of this government to build a pipeline.

An hon. Member: Along with yourselves.

Mr. Orlikow: What the hon. member failed to say—he did not tell the whole story because if he did he would convict not only the present Liberal government but former Conservative governments—was that the decision not to build the pipeline to supply eastern Canada was made in 1961 by a Conservative government. That government decided it would be better for the oil companies in western Canada to leave the eastern market to the tender mercies of the multinational corporations.

An hon. Member: Oh, go back to your socialist party.

Mr. Orlikow: I presume the reason for this baying from the Conservative backbenchers is that they realize the difficulties we are in today are a result of a Conservative government's decision in 1961 that the maritime provinces and Quebec should be left to the tender mercies of the multinational corporations which would supply the needs of those provinces with crude oil from Venezuela and the Arab countries. Now that we have a shortage because the traditional suppliers cannot bring in oil, or if they can they are bringing it in at very substantially increased prices, we observe a sudden desire on the part of the official opposition to have this pipeline built. We have been calling for a pipeline for years.

An hon. Member: You have been having a pipe dream for years.

Mr. Orlikow: We have been calling for the construction of a pipeline under both Liberal and Conservative governments.

An hon. Member: You haven't called for one, really, at all until now.

Mr. Orlikow: I suggest that had this pipeline been built, we would not now expect the shortages in the eastern provinces which undoubtedly there will be this year. The hon. member for Lisgar joined his leader and the Conservative Premier of Alberta in urging increased prices. Let me put on the record what the Leader of the Official Opposition (Mr. Stanfield) said a little over a week ago when speaking in Vancouver.

Mr. Paproski: It's on the record, baby.

Mr. Orlikow: Mr. Stanfield suggested that the federal government should be meeting with representatives of the oil-producing provinces with the idea of increasing prices in stages and working out arrangements leading to a Canadian price ceiling somewhat below the international level. The hon. member for Lisgar repeated that in a slightly different way.

An hon. Member: Why not?

Mr. Orlikow: The hon. member said that when the price freeze comes off at the end of the winter season, the federal government should discuss the question of prices with the provinces. I suggest he made a slight mistake in that he did not mean with all the oil-producing provinces; he meant the government should consult with the one province, Alberta, whose premier wants an increase.

Mr. Stanfield: Mr. Speaker, would the hon. member permit a question?

Mr. Orlikow: Certainly.

Mr. Stanfield: Is the hon. member aware that the province of Saskatchewan has just imposed, or made preparations for the imposition of a tax of $2.20 on oil leaving Saskatchewan?

An hon. Member: What about B.C. and its socialist government?

Mr. Orlikow: I am glad the Leader of the Official Opposition asked me that question, because I want to spend a substantial part of my time putting on the record the policy of the province of Saskatchewan embodied in its new legislation, and the policy of the province of British Columbia in regard to gas, comparing that with the policy of the province of Alberta whose premier wants to increase the price of oil and gas not just in respect of exports to the United States but for all Canadians. The bulk of that increase will not go into the coffers of the provincial government but will go to the oil and natural gas companies. That policy is exactly opposite to the one

adopted by the governments of British Columbia and Saskatchewan, and I will prove that by putting on the record exactly what are their policies.

Mr. Paproski: You are just another phony socialist.

Mr. Orlikow: I want to put on the record—

An hon. Member: Put something on the record, will you?

Mr. Orlikow: I want to put on the record the views of a very radical, revolutionary socialist cabinet minister in the largest province of Canada.

An hon. Member: How about the socialist cabinet we have across the floor?

Mr. Orlikow: I want to put on the record the views of the Minister of energy for the Conservative government of the Province of Ontario.

An hon. Member: That well known red, Darcy McKeough.

Mr. Orlikow: Yes, that well known red, Darcy McKeough.

Mr. Paproski: Just speak about the provinces that are NDP-oriented.

Mr. Orlikow: Did you say that he is NDP-oriented?

Mr. Paproski: No, I said speak for the provinces that are NDP-oriented, because that's all you guys know about.

Mr. Orlikow: If the hon. member for Edmonton—

Mr. Paproski: Centre.

Mr. Orlikow: —Centre (Mr. Paproski) would stop interrupting me, I might have time to put on the record not only the views of Mr. McKeough, whom I am sure the hon. member for Edmonton West will not agree with, but—

Mr. Paproski: Edmonton Centre, please.

Mr. Orlikow: Let me quote from a report of a speech which Mr. McKeough made in, of all places, Edmonton, to that very radical organization, the Edmonton Chamber of Commerce, on December 4.

An hon. Member: Why don't you talk about Don Macdonald from Rosedale over there.

Mr. Orlikow: This is a report concerning what Mr. McKeough said:

• (2110)

"If we bump the price by $5 a barrel—and there are plenty of people that are talking about $9 oil in Canada at the wellhead—there'll be a windfall for somebody of $50 billion," he said.

The report continues:

"The highest price ever paid for crude oil in this century—$16.40 a barrel—has been accepted by the Nigerian government. The price is nearly double the official posted price for Nigerian crude."

Then further:

We have in this country of the order of 10 billion barrels of proven conventional oil reserves. If we bump the price by $5 a barrel—and there are plenty of people that are talking about $9 oil in Canada at the wellhead—there'll be a windfall for somebody of $50 billion. This will be a direct transfer from the citizens and industries of this nation and obviously, it will reduce the effective earnings of many wage earners. It may well drive certain enterprises out of business and this will further prejudice the earnings of other citizens.

I notice the hon. member for Mississauga (Mr. Blenkarn) has been trying to get the floor. I hope he will follow me and deal with some of the arguments put forward by Mr. McKeough. Mr. McKeough is also reported to have said:

"So we've got to say $9 is too high. Well, what isn't too high?

"In this whole matter of price and given any kind of national leadership, it should be possible for Canadians to design policies that will serve Canada. And it can be done without taking it out of the pockets of the people of Alberta . . . But it makes no sense at all to attempt to accomplish the strengthening of the economy of Alberta simply through upping the price of petroleum when, with every dollar we add to the price of a barrel of oil we create a windfall profit of $10 billion, and the bulk of this goes to the oil companies that have that ten million barrels in their inventory. The government of Alberta will get extra income from royalties, but why would the Canadian consumer give up $1 to put some 20 cents into the general revenues of Alberta. It doesn't make sense."

I hope members of the Conservative Party are listening.

An hon. Member: We will answer you.

Mr. Orlikow: Don't answer me; answer Mr. McKeough. Mr. McKeough further stated:

"I submit that there are two alternatives in the matter of the pricing of petroleum. We can hold the price on our conventional oil and gas and protect nation and people—all of the nation and all of the people. That price, by the way, should be one which more than covers the cost of production—which in terms of Alberta oil and gas will and properly so escalate."

I think I have quoted enough from Mr. McKeough to show that a very important Conservative, one speaking on energy for the largest province in this country, is opposed to an increase in the price of oil for existing stocks. That speech of Mr. McKeough last week is virtually the same speech made by the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) when he warned the government that if it increased the price of oil it would face defeat yesterday.

Mr. Speaker, the Leader of the Official Opposition asked, "What about Saskatchewan?" Let me summarize what the Saskatchewan legislation, which was introduced yesterday, proposes to do. Incidentally, the bill of the Saskatchewan government was attacked by the Canadian Petroleum Association as being probably the most vicious piece of legislation ever enacted in North America.

An hon. Member: What is wrong with that?

Mr. Orlikow: I like to know who opposes me, because very often when I know that I know whether I am right or wrong. If the Canadian Petroleum Association is opposed to the bill, then in all likelihood we can assume it is a good bill. The government of Saskatchewan proposes that the present wellhead price in Saskatchewan, currently about $3.38 a barrel, will continue to be the maximum the oil

producers will receive. The price of Canadian oil in the United States at the present time is $5.58 a barrel, the $3.38 which the government of Saskatchewan proposes to continue to pay to the oil producers plus the federal export tax of $2.20 a barrel.

The Premier of Saskatchewan says that the oil producers will be allowed to continue to receive the current wellhead price, but that the government of Saskatchewan proposes to take all increases in price over that figure and add them to the provincial revenues. An exception would be allowed in the form of incentives for exploration and development. Industry minister Kim Thorson said that the revenue from the special tax—which could produce $160 million a year if the tax is $2 a barrel—would be used for subsidies to keep consumer oil prices down, for financing the operation of Crown-owned Saskoil, for research and other steps to improve energy supplies and for bolstering general government revenue. He went on to say that the $3.38 maximum price for oil producers could rise if their costs rise, and added:

> Twice a year we will review the costs of producers and operators in Saskatchewan and where we are satisfied that those costs have actually increased, then the operator will receive a rebate or exemption. His basic price will go up.

That is what Saskatchewan is doing. Let us compare that with the proposals of the Premier of the province of British Columbia under which price increases would apply to all the people in Canada as well as the users in the United States, and under which the major portion of the price increase would go not to the government or to the people of the province of Alberta to help pay for the services they require but to the producers of the oil, the multinational corporations which control virtually all the oil and natural gas in Alberta.

Yesterday when my friend the hon. member for Kootenay West (Mr. Harding) was speaking he was asked about the increase in the price of natural gas in British Columbia. I wish to place on the record what has happened. Let us look at the situation with respect to British Columbia and see who is to be affected and who will pay more money for natural gas in British Columbia, and compare the situation there with the situation in Alberta. The British Columbia government will collect $100 million a year extra through the sale of petroleum resources, particularly natural gas. The government of British Columbia has set up a Crown agency, the B.C. Petroleum Corporation, which has the power to produce, market, distribute and transmit petroleum products in British Columbia. Through this agency the government has taken over the role of middleman in the natural gas industry, which role formerly was performed by Westcoast Transmission company. Producers will now sell their gas to the B.C. Petroleum Corporation, which will then resell it at a profit to Westcoast Transmission for distribution to the domestic and foreign markets.

The government of British Columbia urged Westcoast Transmission to raise the price being charged for natural gas so that it would more accurately reflect the real value of that resource to the province's economy. Westcoast Transmission received approval from the National Energy Board in Ottawa to increase the price of natural gas to 58 cents per thousand cubic feet from 32 cents. Who is paying that increase? That is the important question. More than 60 per cent of the natural gas produced in British Columbia is exported to the United States.

• (2120)

Mr. Taylor: Shame.

Mr. Orlikow: The hon. member for Churchill (Mr. Taylor) says "Shame". I say, more credit to the government of B.C. which is making the American consumers pay the same price for natural gas as they would have to pay if they got it from any other source in B.C.

Some hon. Members: Oh, oh!

Mr. Orlikow: The remaining 40 per cent of natural gas in B.C. is consumed by commercial and industrial operations and by residential consumers in the province. In some cases it would be difficult for gas-using home owners to escape the effects of so drastic a price increase as that imposed by Westcoast Transmission. But in British Columbia a Crown corporation, B.C. Hydro, distributes the vast majority of natural gas to residential users, and this year B.C. Hydro has enough surplus cash left over from sales of electricity to the power-hungry northwest United States to subsidize the increased cost of natural gas.

In other words—and I hope members of the Conservative Party are listening—the government of B.C. will get substantial increases in their revenues but the B.C. consumer will not pay more for natural gas than he has been paying. The net effect is a profit from the sale of natural gas to Westcoast Transmission, the collection of an increased corporate income tax as Westcoast reaps the benefit of higher prices, and no price increase to the public.

I suggest to members of the Conservative Party, and particularly to members from Alberta, that they should consider how the terrible socialist governments of British Columbia and Saskatchewan have dealt with the problem and compare it with the solutions to the problems of oil and natural gas that have been suggested—

Mr. Epp: That is a socialist rip-off.

Mr. Orlikow: I want to tell the hon. member for Provencher (Mr. Epp) that I, and I am sure all my constituents, would be very happy with a rip-off the benefits of which go to the people of the province concerned, rather than a rip-off the benefits of which go to the corporate, multinational corporations.

Some hon. Members: Hear, hear!

Mr. Orlikow: I make an offer to the hon. member for Provencher. I am willing to have him debate this subject at a meeting in my constituency, and I will debate the subject in any town in his constituency that he wants to name.

Some hon. Members: Hear, hear!

Mr. Orlikow: This is the kind of policy which we believe should be followed, a policy which brings the benefits of the resources with which this country has been blessed to the people, rather than giving the benefits to the multina-

tional corporations as has been argued by members of the Conservative Party in the House and as has been argued by the premier of Alberta. We say that there is no excuse for an increase in the price of the oil which we now have. That oil has been searched for, drilled for, discovered, tapped, piped and collected. It is still oil that can be obtained whenever wanted. The oil companies were selling oil a year ago at $2.50 a barrel and were making a legitimate profit. Today, they are getting $4 a barrel and they are not satisfied; they want more.

We do not say that the price of oil which is yet to be discovered should cost $2.50 a barrel or $4 a barrel. We know that the price of oil discovered in the Arctic will be much higher than oil found in Alberta and Saskatchewan, and the smaller amounts in Manitoba, in years gone by. We know that the price of oil to be extracted from the tar sands will probably be substantially higher than the present price. I will not repeat the argument in detail tonight, but we have said that we believe it would be more efficient and cheaper for the people of Canada if the oil which we need was searched for an developed by Crown corporations organized jointly by the federal and provincial governments. But whether that happens, or whether we develop future oil by the traditional method of permitting private companies to search for it, discover and develop it, the oil will cost more money. We do not question that and we do not question that whichever way oil is found, the new oil will cost more than the oil we now have.

What we are saying, and what we will continue to say, is that the oil which Canada now has belongs to all the people of Canada, not just to the multinational corporations which have title to it. Since it belongs to the people, it should be delivered to the people to meet their needs, at a fair price. We say that the price of oil is high enough—the oil which is now in reserve. As I said a few moments ago, the oil companies were making money a year ago when the price was $2.50 a barrel. We are saying that they are making more money now that the price is $4 a barrel. It has been estimated that the increased revenues of the oil companies in a full year, as a result of this increase of $1.50 a barrel, is in the neighbourhood of $700 million, which is added to the more than adequate profits which the oil companies were making a year ago.

Mr. Blenkarn: Who determines the profits, the NDP?

Mr. Orlikow: No, the shareholders of the oil companies who were very happy when they were making the profits which the oil companies showed in 1971 and 1972.

Mr. Blenkarn: Do you think the shareholders were happy? Were you a shareholder?

Mr. Orlikow: I was not a shareholder and it is immaterial whether I or the hon. member for Mississauga are shareholders, although I am inclined to believe, without any other evidence, that such is the vehemence of the interjections of the hon. member in defence of the oil companies that he is in fact a shareholder of Imperial Oil. If he is not, because he is so vehement in their defence perhaps they ought to make him a gift of some shares, because nobody could be more avid in the defence of the oil companies than is the hon. member for Mississauga.

● (2130)

The fact is that the profits of the oil companies went up by some 37 per cent in the last year. As I said, Mr. Speaker, this is an increase of $700 million. If you calculate the increase in the assets of the oil companies just on the basis of the oil which they have in their proven reserves, we are talking about an increase in this one year, on the basis of $1.50 a barrel, of $9½ billion. And the Leader of the Opposition and the other oil sheiks from Alberta want to double that price: they want to give the oil companies increased profits in the neighbourhood of $40 billion to $50 billion.

That figure of $50 billion is not one which I conjured out of the air. I assume that the very competent, cautious Conservative, both with a small "c" and a large "C", the Minister of Energy in the province of Ontario, was not talking through his hat, as members of the official opposition think I am doing, but was talking on the basis of adequate and detailed research when he made the speech to which I referred earlier in which he said that an increase to $9 a barrel would be a windfall of $50 billion. He did not say to whom it would be a windfall, but obviously it would be the multinational corporations. Who would pay for this windfall, Mr. Speaker? It would be the western Canadian consumer. My constituents would pay for it in increased costs of gasoline for their cars. They would pay for it in the increased cost of oil for their homes.

The hon. member for Lisgar talked about how it would affect some people. His constituents would be affected in the same way as I have already indicated. In fact, his constituents would be hit much harder than mine because they operate farms; they have tractors and combines. They are the ones who would be hit with an increase in their operational costs of something in the neighbourhood of $500 to $1,000 a year. Yet, Mr. Speaker, the hon. member for Lisgar forgets about his constituents and their needs: he thinks about the oil companies and joins the Leader of the Opposition in calling for an increase in the price of oil. It is obvious that Mr. McKeough was thinking about the Ontario citizen, the Ontario consumer, the Ontario farmer, the Ontario businessman.

Mr. Blenkarn: Are you campaigning for us in the next Ontario election?

Mr. Orlikow: If I thought you meant it, I might. Mr. McKeough knew how much the Ontario manufacturer will have to pay in increased costs for the fuel to operate his factories, and how much the consumer will have to pay for the by-products of the petrochemical industry which, to a large extent, are processed and manufactured in the province of Ontario. He is worried, and that is why he goes to Edmonton and uses the opportunity of speaking to the Edmonton Chamber of Commerce to appeal to the Premier of Alberta, his fellow Conservative, to be reasonable, to be moderate and not to demand the pound of flesh which that premier is demanding, the bulk of the profits of which will go to the multinational corporations rather than to the people of Alberta.

Mr. McKeough understands what is at stake here. He takes the trouble to think through the problem. He takes the trouble to think through what are the needs of the

people of Ontario. He calls on the federal government and the government of Alberta to keep the price of conventional oil where it is at the present time.

Mr. Blenkarn: And Mr. McKeough calls for the people of Ontario to vote Tory.

The Acting Speaker (Mr. Laniel): Order, please. Is the hon. member for York-Simcoe (Mr. Stevens) rising for the purpose of asking a question, or on a point of order?

Mr. Stevens: To ask if the hon. member would permit a question, Mr. Speaker.

The Acting Speaker (Mr. Laniel): This could only be done with the consent of the hon. member who has the floor.

Mr. Orlikow: Certainly.

Mr. Stevens: I was wondering if the hon. member could inform the House when he intends to speak specifically on Bill C-236, and specifically why he thinks that bill is needed with respect to any energy crisis in Manitoba.

Mr. Orlikow: Mr. Speaker, I suggest to the hon. member that I am as much in order as was the hon. member for Lisgar, or as was the hon. member for Central Nova (Mr. MacKay), in that what I am doing is discussing the question of oil, including the price of oil and the allocation of oil.

I am going to vote for this bill because there is an emergency that must be met. It is an energy crisis caused by the failure of this Liberal government and of the former Conservative government to adopt a national oil policy which would build the pipeline to Montreal. It is the lack of that pipeline which is creating this crisis. Of course, the hon. member for Mississauga is uncomfortable because I am quoting the words of a Conservative minister.

The discomfort of the Conservative Party with respect to its position on the question of oil involves the impossibility of its meeting the desires of the Ontario Conservatives, so ably expressed by the Ontario Minister of Energy, and the stand of the Alberta members of parliament, all of them Conservatives—all 19 of them—who are here to back up the unconscionable, unjustified demands by the Premier of Alberta who has one objective and that is to increase the profits of the multinational oil corporations.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Orlikow: Mr. Speaker, in almost 12 years as a member of parliament I cannot remember ever being interrupted or heckled as much as I have been tonight. It does not bother me but I ask, what is the explanation? Is it a coincidence, or is it because the questions I have raised are touching some very sensitive nerve? Is it due to the fact that the Conservative members still have not figured out how they are going to explain to their constituents why they are supporting the Premier of Alberta when he demands, in every way he can, an increase in the price of oil, which will be paid for by every resident in this nation if he has it his way?

As I said a few moments ago, Mr. Speaker, I am going to support this bill because although I recognize that the crisis is the result of the negligence, the criminal negligence of the former Conservative government and of this and past Liberal governments, the fact remains that we have this crisis. The people of Quebec, Newfoundland, Nova Scotia, New Brunswick and P.E.I. are facing oil shortages. As long as they face possible oil shortages, I am going to support this proposal which the government has introduced so late. But, Mr. Speaker, better late than never. This proposal will give the Canadian government, even this incompetent government, the legal means to deal with the shortages which may occur. That is why I am going to support the bill.

● (2140)

But, Mr. Speaker, support of this bill does not mean continued support of the government. The hon. member says, "Careful, careful". I say to him as my colleague the hon. member for Nanaimo-Cowichan-The Islands said last Wednesday, that members of parliament in the New Democratic Party will not agree to a price increase. We would not have agreed to it yesterday; we would have brought the government down.

Mr. Blenkarn: You don't have the guts.

Mr. Orlikow: And you did not have the courage. Mr. Speaker, the hon. member for Mississauga and I hope the *Hansard* reporter has been able to—

Mr. Blenkarn: You give it out, baby. You don't have the guts.

Mr. Orlikow: I hope the *Hansard* reporter has been able to get the interjections made during my speech by the member for Mississauga, because I hope the record will show—

Mr. Blenkarn: You love the Liberal bed.

Mr. Orlikow: —how these interjections are a continued defence of the Conservative government and the Conservative Premier of Alberta in their demands for an increase in the price of oil. We have said that we are opposed to an increase in the price of oil and I say tonight, as the hon. member for Nanaimo-Cowichan-The Islands said last week, that if and when this government moves to remove the freeze on oil prices, whether it be at the end of March or the end of April—

The Acting Speaker (Mr. Laniel): Order, please. I regret that I must interrupt the hon. member, but the time allotted to him has expired.

An hon. Member: Continue. It is a good speech.

An hon. Member: Oh, sit down.

An hon. Member: Now we will never know what will happen.

Mr. Epp: Mr. Speaker, would the hon. member permit a question?

The Acting Speaker (Mr. Laniel): Order, please. The hon. member for Provencher (Mr. Epp) wishes to ask a question, but because the time of the hon. member for Winnipeg North (Mr. Orlikow) has expired it can only be done with unanimous consent. Does the House agree that the hon. member may answer the question?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Laniel): I would remind hon. members that this would automatically give extended time to the hon. member.

Mr. Epp: Mr. Speaker, I should like to ask the hon. member a question. He said that the Conservative caucus was supporting the Premier of Alberta. I should like to know, as a fellow Manitoban, how he reconciles the statement of the Premier of Manitoba and the Minister of Industry and Commerce, Mr. Len Evans, who have said that there is no energy shortage in Manitoba and that Manitoba should use all the energy it can.

Mr. Orlikow: Mr. Speaker, there is no contradiction between what the Premier of Manitoba or the Minister of Industry and Commerce said and what I said. I said there is no crisis—

An hon. Member: You said there was. You would vote for this bill.

Mr. Orlikow: I said there was no shortage of oil west of the Ottawa River, and that is precisely what the Premier of Manitoba and the Minister of Industry and Commerce of Manitoba have said. There is, or there may be, or there will be a shortage in the provinces east of the Ottawa River. It seems very strange to me, as a member of parliament from Winnipeg and as a member of a party that does not have a single member east of the Ottawa River and is concerned about the possible shortage in those provinces, that members of parliament from the official opposition who have a majority of the members from Newfoundland, all but one of the members from Nova Scotia—

Some hon. Members: Order.

Mr. Orlikow: —and half the members from—

An hon. Member: There will be some from Winnipeg the next time, too.

Mr. Orlikow: —and even two members from Quebec, do not seem to think there is a crisis. They do not seem to think there is a possible shortage. They do not seem to be very concerned at all about whether on not the citizens of that part of Canada are going to suffer this winter. Mr. Speaker, let me conclude by saying that I am concerned about the welfare and the needs of the people of Canada from whatever area they come.

An hon. Member: Even Alberta.

Mr. Orlikow: Even Alberta, Mr. Speaker. And if there is a possibility of shortages in those provinces, if there is an possibility that rationing is required, if there is a possibility that allocation of supplies will be necessary, I am more than willing to give the government the authority to do the job which is necessary. I do not think it would be in the interests of the people of those provinces to leave the allocation of oil to Imperail Oil, to Shell, to Gulf or even to the former resident of New Brunswick, K. C. Irving. If some agency must take the responsibility for allocation of short oil supplies, I would rather trust the government of Canada, even an imcompetent government like this, than the multinational corporations.

Mr. Charles E. Haliburton (South Western Nova): Mr. Speaker, as one of my hon. friend says, an answer like that deserves a speech. I am sure it is apparent to all hon. members this evening that there is a crisis in Canada. The crisis is certainly not in gas; the crisis is one of confidence in this House.

Some hon. Members: Hear, hear!

Mr. Haliburton: The crisis is mainly concentrated in the area to my left. This is quite apparent from the speech we have just heard. The hon. member for Winnipeg North (Mr. Orlikow) supported this government last night. Tonight, Mr. Speaker, he rises to condemn the very policies of this government which were the subject of a vote of confidence yesterday. Listening to the speech just made, one would think that the debate tonight was not about any crisis in relation to energy in this country or any crisis in relation to oil or petroleum supplies; one would think we are dealing with a resolution to put the oil companies of Canada in their place. That is not the question before the House, Mr. Speaker. The question before the House is whether this House can endorse what the government would have us believe is the initial opening volley of some kind of oil policy for Canada, of some kind of energy policy for Canada that would have some meaning, some continuity which would assure the people of this country of reasonably priced energy during years to come.

The performance of the government to date, and I speak of the party from 1963 to the present, is such that one cannot have any confidence whatever in the ability of that party on the opposite side of the House to make the policy that would benefit Canada. Why should we support such far reaching powers as are contained in this legislation? The powers contained in the legislation are as great as any that were contained in wartime measures, powers that will give the government absolute control, absolute discretion to choose between companies, to favour regions and otherwise to interfere with the normal operation of the oil market. What is the basis for their request? Is there an anticipated shortfall this season of 75,000 barrels? There was one day, but another day it was an anticipated shortfall of 200,000 barrels.

One day, Mr. Speaker, we had the situation where there was no blacklist as far as Saudi Arabia and Canada were concerned. According to my information derived from an oil company, officials of the company were advised by officials of Saudi Arabia that although Canada perhaps was not on any Arab blacklist, there would not be any oil shipments to Canada from that country. So although it may be suggested that we are not on any blacklist, we would be fooling ourselves if we took that suggestion seriously, as our consumers need relief.

● (2150)

We are suffering from lack of foresight on the part of the government. The government should have foreseen difficulties this year. We barely escaped difficulties last year when it was apparent to the world that energy was running out. Certainly, for several months this year members on my side of the House suggested that energy may be running short. Even the Liberal government should have foreseen three years ago that certain measures were needed to preserve energy supplies in this country.

I wish to make a couple of suggestions which I have made before. These things could have been done by the government to alleviate the situation. For instance, the government might take advantage of certain storage facilities in various areas, especially in the eastern part of the country from which I come, and thereby make limited amounts of oil available in time of need. We have salt mines in Nova Scotia. I understand, from my slight knowledge of the west, that there are abandoned gas wells there which could be used to store oil and gas. I suggest that the Minister of Energy, Mines and Resources (Mr. Macdonald) should consider using the salt mines in Nova Scotia which could hold tremendous quantities of oil. I do not think we can expect commercial companies to store the quantities I am speaking of; however, I do not see why the government should not build up significant inventories of oil which could be of substantial help in times when supplies are temporarily disrupted.

Another suggestion I wish to make, which perhaps is not new, relates to oil pipelines. Surely the advantages of an electrical grid are now apparent. The need for a national electrical grid system is apparent to all. I do not see why some kind of national grid for transmitting oil and gas should not be built as well. That ought to be investigated. The grid should be designed, not to supply all the needs of any market but to supply the top end of the market which the commercial companies seem reluctant or unable to supply. It is apparent that all commercial companies fulfil their supply commitments in a similar way. Therefore, what is required, I suggest, is some sort of publicly-owned system which would provide a supply cushion in the event of shortfalls.

May I mention something else. I have heard it suggested a number of times in this chamber and elsewhere that eastern Canada, which to my mind includes the maritime provinces, has for some years enjoyed cheap oil while parts of Canada west of the Ottawa Valley line have been required to pay higher prices for oil in order to foster the Canadian industry. I do not know of the experiences of other hon. members; however, if my experience of oil prices in the maritime provinces is the same as that of other hon. members, I suggest that that allegation will not strike a responsive cord in the hearts and minds of consumers in those provinces. There may have been some slightly cheaper prices in the eastern provinces; I am not qualified to comment on that. According to my information, in Nova Scotia the price of heating fuel has been one cent lower, at the maximum, than the price in Ontario. By the same token, for the past five or ten years since I have driven a car I have found when driving through Ontario and the western end of Quebec that gasoline has been between 10 and 15 cents cheaper in Ontario, or in the area

[Mr. Haliburton.]

west of the Ottawa Valley line. It was much more expensive in Nova Scotia, where I have done most of my driving. That higher price may be a distortion resulting from federal or provincial taxes: there may be some very good reason for it. I merely say that the suggestion that eastern consumers have benefited for some years from the expenditures undertaken west of the Ottawa Valley line will not bear examination in my area.

What moves has the government made in this alleged energy crisis? It has instituted a price freeze. Again, speaking as a consumer from the maritime provinces, may I suggest to the hon. member for Winnipeg North (Mr. Orlikow) that the price freeze which he endorsed a few moments ago in fact is not a price freeze in the maritime provinces. If the government has imposed a price freeze, certainly the consumer in the maritime provinces is not overly aware of it. We are told that oil companies have been asked to freeze prices and not increase the margins under which they operate. At the same time, the consumer in eastern Canada is being asked to shoulder the full cost of increases of petroleum products imported into the country. There is no price freeze, then, east of the Ottawa Valley line; there is only a price freeze west of the Ottawa Valley line and, as I suspect, it is more apparent than real.

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

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

HEALTH—NEED FOR INCREASED PERSONNEL TRAINED IN GERIATRICS—GOVERNMENT POSITION

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, I bring up this subject of aging and its problems in order to focus attention on the need for increased knowledge in the field of aging, its prevention and treatment. Many people, many of them professional, believe our knowledge is entirely inadequate to meet the demand. The need for this knowledge has grown because of the greater number of people who have avoided the pitfalls of acute diseases from infancy to 40 years of age as a result of the discovery of vaccines and serums. Diseases have been prevented by innoculations and the treatment of acute diseases has been controlled by sulphas, penicillin and antibiotics. For those principal reasons people now live longer. Actually, accidents now are the principal causes of death up to 40 years of age and over. That is why today the average span of life is nearly 75 years, as compared with just over 40 years at the turn of the century.

About one person in ten today in Canada is 65 years old or over. There are nearly two million such people in Canada. Hospital admission rates for those 65 years and over are three times greater than for younger people. Today, Mr. Speaker, 60 per cent of all deaths are owing to

chronic diseases such as cardiovascular disease, respiratory disease, cancer, diabetes, arthritis, etc. We run into these chronic diseases after 40 years of age. Therefore it follows that with the increased life expectancy and the falling birthrate there will be an increase in chronic illnesses.

Perhaps in future we shall need to provide, not so much schools and recreational facilities for the kids as work for the aged who are able to work and homes and hospitals for them when needed. Therefore, medically the problem is to prevent the onset of chronic disease as long as possible and to rehabilitate people if possible, even those 65 or over who have suffered from disease, if it can be done. As I said just now, sicknesses and hospital admissions are three times greater for older people than for younger persons. I suggest to the Minister of National Health and Welfare (Mr. Lalonde) that economics demands that more research be undertaken in the field of aging. Chairs in geriatrics should be established in medical schools and should be similar to chairs in pediatrics established just over half a century ago.

● (2200)

Research should be carried on from childhood to old age. When, and why, does arteriosclerosis set in? What can be done to delay its progress by treatment and diet, and that of many other diseases? When studies show that 50 per cent of a group of young men 20 to 30 years of age who were killed in action had evidence of arteriosclerosis, it is time research endeavoured to find out what we can do about it, what is the cause and whether it can be prevented. Geriatric medicine must stimulate research to prevent illness, suffering and loss of manpower. We lose many people at the peak of their earning power because of coronaries and so forth. Within the past two months in my home town we lost two dentists, both around 50 years of age.

I am sure the minister is aware of this problem. I urge him to make available the money and the leadership to establish geriatric chairs of medicine so that we may prevent, not only the huge economic loss of men and women at the peak of their earning power in their forties and fifties but we will meet the challenge of an aging population. I say to the minister or to his parliamentary secretary, give the necessary leadership and the funds to establish with the provinces the necessary teaching and research so that people may continue to work and enjoy good health, even well beyond their retirement age, happily adding to the resources of their country in the sunset of their lives.

It is not enough for the minister to say this is a provincial matter. He knows that the whole economics of this social structure may be threatened. This social structure has been built up by the federal government and no one else. There is not only that, but the increased costs of medical care and hospitalization fall in the national medicare field. This he knows. Action and leadership must be given or we will find ourselves floundering in a sea of enveloping social discontent and unrest, unable to meet our social liabilities to those we have promised to look after.

Mr. Norman A. Cafik (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, I listened with great interest to the remarks of the hon. member for Simcoe North (Mr. Rynard). There is no question of his concern for the aged of this country and the problems that are unique to their particular group in society. The health resources fund is being used to build high quality educational and research facilities from coast to coast for the training of all types of health manpower. The greater part of this national investment is being used to develop our 16 university health sciences centres. These centres include, of course, teaching hospitals and ambulatory care centres where training in geriatrics is possible.

Since 1966, when the health resources fund became operative, the total output of physicians from Canadian medical schools has risen and is rising dramatically. In 1966 we produced 881 physicians, and in 1972, 1,292 physicians. Plans for 1978 indicate an output of 1,904 physicians. Furthermore, increased immigration has added to our supply of physicians in Canada to give us at the beginning of this year a total of 34,508 active physicians, which is equivalent to a physician-to-population ratio of 1:633.

The decision as to the use of our education institutions is, of course, for provincial governments to make, and I believe they are making good decisions. We are endeavouring to help them make their decisions by determining what the actual requirements are for physicians of all types. A task force in our department, making use of the unique information arising out of the medical care program, is working closely with a committee set up by the national physician manpower committee, and with each of the specialty associations, to come to a more precise understanding of requirements. This would include, of course, requirements for physicians with specialized training in geriatrics.

Probably the best person to care for older people is the family physician. We are fortunately experiencing in Canada a change in attitude and a swing of the pendulum away from the traditional specialities. More and more of our new graduates are moving into family practice after taking a two-year residency training program in family medicine. We should be grateful to the College of Family Physicians of Canada for its leadership and dedication in this important area and to the faculties of medicine for developing the residency training programs. With all these things happening in Canada through the collaborative method of governments and other concerned agencies, I believe we can look forward to better care for our older people. Our department is cognizant of the tremendous needs in terms of the health care of and the unique problems faced by our elderly people in Canada, and as a federal government we are doing everything within our jurisdictional power to solve these problems.

VETERANS AFFAIRS—DISPOSITION OF UNUSED PORTION OF GEORGE DERBY HOSPITAL SITE, BURNABY—PARTICIPATION BY MUNICIPAL REPRESENTATIVES IN NEGOTIATIONS

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, this afternoon I asked a question of the Minister of Veterans Affairs (Mr. MacDonald) which was really in two parts. First of all, I asked whether he would see fit to invite the municipalities of Burnaby to participate in negotiations for the transfer of a very large area of land, some 200 acres, in that municipality. I also asked whether

he would consult with the Minister of National Defence (Mr. Richardson) in view of the precedent this government set in the transfer of the Jericho lands in Vancouver, lands which were returned to the city of Vancouver for the price originally paid by the federal government.

Let me give a very brief history of this Burnaby property, for in order to see the injustice that is probably being rendered to the municipality of Burnaby one has to look at the history. When this land was acquired in 1945 for $70,000, about 75 per cent of its market value, it was acquired because of the war emergency and the many veterans who were returning and in severe need of rehabilitative facilities. At that time the facility was very successful, but in course of time, of course, the number of veterans who needed this facility diminished. Therefore, negotiations were commenced for the acquisition of the main veterans hospital on the lower mainland, the Shaughnessy hospital, and with that went the George Derby site.

The problem is simply this, that in its negotiations with the municipality the federal government incurred either a legal or a moral obligation to include the municipality in the transfer negotiations, and the government has a moral obligation, I submit, to return a substantial part of this property. I think it is key to the position that I take that we are not asking that the whole site be returned. What we are asking is that the site exclusive of the hospital area itself, the Derby site, be returned to the municipality.

Why is this desirable? It is simply that this area is one of the fastest growing areas, in terms of population, on the North American continent. It is absolutely bursting at the seams and the need for recreational and park facilities is simply tremendous. If this land does not go back for that purpose, there is no doubt that the municipality will have received a severe setback, not only in respect of its planning but the whole lower mainland will receive a severe setback in terms of providing green recreational space for the one million population of the lower mainland.

● (2210)

Somebody once said that confederation set things up so the federal government had the money, the provinces had the jurisdiction and the municipalities had the problems. With the present attitude of the minister, he is not doing a great deal to solve the problems of this particular municipality. I can understand that the minister has difficulty. He is being pressured by the municipality and the province and in a sense he is in the middle. I can appreciate that it is a sensitive and a difficult problem for him; but with the greatest respect, the solution is staring the minister in the face. The solution is to subdivide the Derby section of that site and include the municipality in the negotiations for the retransfer of this land back to the municipality at the price the federal government paid. Only in that way, it seems to me, can we solve this situation.

It is interesting to note that in 1959 correspondence was exchanged between the municipality and the Department of Veterans Affairs and in one of those letters this was written:

> Certainly during the negotiations Mr. Ker intimated to the council that in the event of the government abandoning any portion of the land this corporation would be given first opportunity to repurchase at approximately the price per acre finally agreed upon.

That was contained in a letter from the municipality to the ministry. That was never rejected and never commented upon, and certainly the municipality at that point was left to believe that would be the kind of treatment accorded the municipality; but in the long run this has not been the case. There is either a moral or a legal duty, in these circumstances, to return this land to the municipality. We are talking in terms of $5 million in property, so it is a matter of vital concern to the whole lower mainland area and not merely to the municipality of Burnaby.

I would urge the minister to reconsider the position he has taken. That position, by the way, was set forth in a letter from the minister to the municipality on November 9 in which it was stated:

> We have also agreed that the departmental property, both in Vancouver and Burnaby, will not be partitioned in any way as long as negotiations are in process for the transfer of Shaughnessy Hospital.

What I am asking through you, Mr. Speaker, is that the minister reconsider that somewhat inflexible position, involve the municipality in negotiations and agree to the partitioning of the Burnaby site so the hospital itself can go along with the Shaughnessy complex, obviously a logical conclusion, and that the rest of the site, being in the neighbourhood of 160 acres, be returned to the municipality. The municipality cannot afford to burden the people who reside there by increasing taxes in order to obtain more recreational land. We can no longer treat municipalities as poor cousins of confederation. This government should set forth a decent and consistent policy in respect of the disposition of surplus Crown lands acquired in this way so that municipalities are no longer discriminated against as they have been in the past.

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Mr. Speaker, in talking about George Derby centre I think it must be made clear at the outset that we are talking about Shaughnessy Hospital since George Derby is considered as a wing of that hospital even though it is located a few miles away. The George Derby property was acquired by the federal government after the war, and the municipality and other owners were then paid the full market price for it. As hon. members know, a decision to transfer veterans hospitals to the provinces was made ten years ago. So far three hospitals have been transferred and negotiations are under way as far as some of the others are concerned.

Negotiations with the government of British Columbia have been going on for a number of years concerning the transfer of Shaughnessy Hospital. Ever since negotiations have been under way it has been made clear that the George Derby property was offered as part of the negotiations. Of course, as was the case in other transfers, the value of any property that is attached to the hospital transferred will be fully taken into account.

ENERGY—NUCLEAR REACTORS AND HEAVY WATER PLANTS—DATE OF EXPANSION IN WESTERN CANADA—POSSIBLE INCREASE IN RESEARCH AND DEVELOPMENT FUNDS

Mr. Jake Epp (Provencher): Mr. Speaker, at the outset I should like to thank the minister for his presence tonight to speak on the topic of heavy water. In respect of the energy crisis, which we have all come to know possibly more as the delivery crisis, one matter which gives me satisfaction and which has come to the attention of many Canadians is the potential of Canadian use of nuclear reactors as an energy force.

Many people, possibly unknowingly, have had a feeling that nuclear energy brought with it many dangers. In many respects such a view is unfounded. One thing which seems to have developed from this energy crisis is that it is necessary to have adequate research and development in the area of nuclear power in order that Canada can take leadership in the world in respect of nuclear development. In this regard we have the capability and are well on our way toward this goal. I think that is one of the positive things resulting from the energy crisis.

The question of heavy water has been with us for some time. The Minister of National Defence (Mr. Richardson) has been quoted as saying that he would even find it difficult to live in the cabinet if the next such plant did not come to western Canada. Last Friday, the Minister of Energy, Mines and Resources (Mr. Macdonald) made a statement to the effect that the sale of a CANDU reactor had been made to Korea and that an option had been taken out by that government for a second one. This followed on the heels of continuing discussions in respect of a sale to Argentina.

In order to make the CANDU reactor it is necessary to have heavy water. In Canada we use a system involving heavy water and natural uranium, whereas in the United States conventional water and uranium is used. On the international scene, countries are directing their attention in respect of self-sufficiency with regard to supply to the CANDU reactor. I am thankful for this situation. On Wednesday, November 21, we find the following in an article which appeared in the Ottawa *Journal*:

> Federal nuclear experts have predicted Canada will need three of four more heavy water plants during the next 15 years if Canada's fledgling nuclear industry is to continue expanding domestically, let alone on the international market.

The question of a fourth heavy water plant, specifically in western Canada, is one of very great interest to western Canadians as well as to Canadians generally. In Manitoba, specifically eastern Manitoba, unfortunately many people are unaware of the tremendous expertise that is available there and the research that has taken place concerning the CANDU reactor and the research that has taken place in respect of the development of the hardware for the CANDU reactor. In western Canada, specifically eastern Manitoba, the deuterium content in our water, particularly in the Winnipeg River and that area, runs at approximately 140 to 145 parts per million. This is very adequate in light of the amount of deuterium we would use. The content generally is 20 parts to the million. Canada has enormous uranium deposits, and various countries have asked us to enter bids in respect of the CANDU reactor. I commend the government for presenting this international theme.

One problem exists in relation to the CANDU reactor. If this program is to expand, specifically in respect of CANDU reactors, then we do need a larger supply of heavy water. Presently, along with the Gentilly announcement possibly we have sufficient heavy water production capability for the immediate future, but the minister is well aware of the lead time that is needed. If the CANDU reactor receives greater international acceptance, plus the fact that in Canada we are starting to look more and more to nuclear reactors because of the success at Pickering, I suggest to the minister that the decision as to where a heavy water reactor will be placed in western Canada should be made relatively soon because of the lead time that is necessary to make the decision, finish the research and build the plant. If the decision is made relatively soon, it would be to the advantage not only of Manitobans but also Canada's international trade and the development of CANDU.

● (2220)

Eastern Manitoba has excellent water resources, and this is the number one requirement. The other one, of course, is energy. The Saskatchewan site does have energy, but there are various energy sources that we could use in Manitoba and personally I would like to see research done regarding the viability of the movement of adequate energy supplies for the eastern Manitoba market in relation to the building of a heavy water plant. Another aspect that has concerned me somewhat is that we must have adequate scientific support capabilities in that area. There has been a question from time to time in the installation at Whiteshell as to whether or not the government was really concerned with regard to directives—

Mr. Speaker: Order, please. I regret to interrupt the hon. member, but his time has expired.

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I thank the hon. gentleman for his continuing courtesy in phrasing this question in particular. He has touched upon a number of significant aspects of the heavy water program, not the least of which is the importance of giving adequate lead time for the construction of additional heavy water plants to meet the expanding demand.

As I mentioned to the hon. gentleman the other day, Atomic Energy of Canada Limited has been active in seeking both domestic and international business for the highly successful CANDU nuclear reactor. As the hon. gentleman has mentioned, we have received a letter of intent for one and possibly for two reactors from the Republic of Korea. The Minister of Industry, Trade and Commerce (Mr. Gillespie), along with the president of Atomic Energy of Canada, has been active in attempting to persuade the British government to adopt the CANDU system for its nuclear program, and there is considerable optimism in the company about the possibility of setting up in Italy the CANDU system in partnership with an Italian firm.

All of this indicates, along with the prospect of the additional use of the CANDU system in Canada, that there

will be an oncoming increased demand for heavy water in this country. It has been the government's decision that when the time comes for an additional heavy water plant—that is to say, additional to the one at Gentilly—it should be placed either in Manitoba or in Saskatchewan. The choice of a heavy water plant site is dictated by two economic factors: first, by the deuterium content of the water supply which, as the hon. member has mentioned, is favourable from the standpoint of Manitoba, and second by the cost of the power that is available for extracting the deuterium from normal water systems, which is an advantage that the Estevan site has in Saskatchewan. But the Estevan site is subject to the difficulty of not having adequate water supplies.

Under the circumstances, I think it will be interesting if, through programs administered by my colleague, the Minister of Regional Economic Expansion (Mr. Jamieson), there is an extension of the water supply from the Saskatchewan River system down to Estevan where there is a possibility of a plant. But the site mentioned by the hon. gentleman, I think I am correct in saying, in the Winnipeg River region of eastern Manitoba is indeed a very competitive one and will receive very active consideration by Atomic Energy of Canada and the government of Canada at the relatively early date when we expect an additional heavy water plant will be required.

Motion agreed to and the House adjourned at 10.28 p.m.

HOUSE OF COMMONS

Wednesday, December 12, 1973

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

EXTERNAL AFFAIRS

IMPRISONMENT OF THOMAS SERJEANT IN TANZANIA—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Walter C. Carter (St. John's West): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity.

In view of the fact a Canadian citizen, Thomas Delair Serjeant, while flying from Tanzania to Cape Town, South Africa was forced to land by Tanzanian officials, and subsequently imprisoned for more than two months before any action was taken against him, and in view of the fact Mr. Serjeant suffered considerable mental and physical frustration as well as financial loss, I move, seconded by the hon. member for St. John's East (Mr. McGrath):

That this government instruct the Canadian High Commission in Tanzania to undertake immediately a full investigation concerning this matter, and upon completion of its report table it before the House; I further move that this government instruct the Tanzania government to pay compensation in full to Mr. Serjeant for mental and physical hardships suffered as well as the financial losses incurred during his imprisonment.

Mr. Speaker: This motion proposed to the House under the terms of Standing Order 43 requires unanimous consent. Is there unanimity?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent.

* * *

ENERGY

USE OF GOVERNMENT AIRCRAFT BY CABINET MEMBERS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Tom Cossitt (Leeds): Mr. Speaker, I rise under the provisions of Standing Order 43 to request permission of the House to move the following motion which would be seconded by the hon. member for Hastings (Mr. Ellis):

That it is the opinion of this House that the Prime Minister and members of the cabinet in the interests of curtailing fuel consumption should use wherever possible regular scheduled airlines when travelling on official government business rather than government owned aircraft, and it is also the opinion of this House that the Prime Minister discontinue the use of government owned aircraft for travelling to and from Liberal Party gatherings at public expense and that the Liberal Party of Canada should be billed for the cost of all such trips made by the Prime Minister since October 30, 1972.

Mr. Speaker: This motion requires unanimity. Is there unanimity?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity.

* * *

TRADE

CANADA-UNITED STATES AUTOMOTIVE AGREEMENT—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I rise under the provisions of Standing Order 43. The matter of urgent and pressing necessity is the revelation today of trade figures under the Canada-United States automotive agreement which show that Canada now has a $182 million deficit so far this year. The motion I am going to propose has the consent of the Official Opposition and I am sure it expresses the views of the Minister of Industry, Trade and Commerce—

Mr. Speaker: Order, please. Perhaps the hon. member might indicate what the motion is rather than argue in support of the motion, since the practice does not permit him to do so.

Mr. Broadbent: I just say that, Mr. Speaker, to remind the minister's cabinet colleagues because he is not here. I would move the following motion:

This House expresses the view that the Canada-U.S. automotive agreement should be changed by including in it a requirement that the purpose of the agreement is, among other things, to ensure over a three-year period that both Canada and the United States produce in the dollar value of automobiles and parts that percentage of the North American production which they actually consume.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity.

[*Translation*]

ENERGY

SUGGESTION THAT QUEBEC BE PERMITTED TO BUY OIL FROM ARAB COUNTRIES—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, under the provisions of Standing Order 43, I ask for the unanimous consent of the House to discuss an important and pressing matter.

In view of the present oil shortage, I move, seconded by the hon. member for Bellechasse (Mr. Lambert):

That this government seriously consider the possibility of allowing the Quebec government, if it so wishes, to negotiate with Saudi Arabia and any other oil producing country to ensure that Quebec people will have sufficient oil supplies at reasonable prices.

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

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is no unanimous consent; the motion cannot be put.

* * *

[*English*]

UNEMPLOYMENT INSURANCE

SUGGESTED INQUIRY—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. In view of the mounting criticism and concern being registered about the effectiveness, cost and role of unemployment insurance, I move, seconded by the hon. member for Hastings (Mr. Ellis):

That the House recommend that the whole question of unemployment insurance be subjected to an inquiry or at least be referred to the Standing Committee on Labour, Manpower and Immigration in order that it examine the existing act, regulations and cost with a view to bringing about amendments and report thereafter.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent.

[Mr. Speaker.]

WAYS AND MEANS

DESIGNATION OF ORDER OF THE DAY TO DEBATE WAYS AND MEANS MOTION

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I should like to request on behalf of my colleague, the Minister of Finance (Mr. Turner), pursuant to Standing Order 60(2), that an order of the day for the consideration of a ways and means motion be designated for tomorrow.

* * *

HEALTH

ALCOHOLISM—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Reg Stackhouse (Scarborough East): Mr. Speaker, I rise under the terms of Standing Order 43, seconded by the hon. member for Lambton-Kent (Mr. Holmes), to move a motion on a matter of urgent and pressing necessity. In light of the fact there are in Canada 750,000 persons suffering from alcohol addiction, in light of the fact the annual cost of hospitalizing cases related to alcohol abuse amounts to $1 billion, in light of the federal revenue from alcoholic beverages being $426 million a year in excise duties alone, exclusive of federal and provincial sales taxes, and in light of the federal government now spending only $335,235 a year on programs combatting alcoholism, although the LeDain Report—

Mr. Speaker: Order, please. I do not wish to interrupt the hon. member but it seems to me the hon. member is making a speech and presenting argument in support of a motion. That is irregular. I appeal to all hon. members who have motions to present from day to day under Standing Order 43 to ensure that these motions are motions and not speeches or arguments in support of a proposed motion which requires unanimous consent. I am sure the hon. member will want to take that under advisement and indicate what the motion will be.

• (1410)

Mr. Stackhouse: Mr. Speaker, I will come directly to the motion. The previous information was by way of a preamble explaining the requirement. The motion is as follows:

Be it resolved that this House recommends that the government give a higher priority to programs aimed at reducing alcohol addiction.

Mr. Speaker: Hon. members have heard the motion proposed by the hon. member for Scarborough East. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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

OLYMPIC GAMES, 1976

STATEMENT ON OLYMPIC COIN PROGRAM

Hon. André Ouellet (Postmaster General): Mr. Speaker, of all mankind's collective endeavours, few offer such concrete expression of the universal brotherhood of the peoples of the world as the Olympic games. In providing the only arena where all nations, classes, colours and creeds can come together on an equal footing in fierce but friendly competition, the Olympic ideal is thus at once the great forum of international co-operation and of individual development.

Over the past few decades, however, an inevitable upward spiralling of costs has accompanied the physical expansion of the games themselves. The unfortunate result is that the staging of the Olympics is becoming increasingly the prerogative of large and wealthy nations which can absorb the costs of the event without placing an undue burden on the taxpayer. Needless to say, such restriction because of financing runs contrary to the basic Olympic tradition of equality of opportunity for all. This is why Canada's initiative in the field of financing the games of the twenty-first Olympiad in Montreal is of such crucial importance to the survival of the entire concept. Nations across the world will be keeping a close watch on the developments in this country between now and the summer of 1976.

In this context, therefore, I am particularly happy today to submit to the House a report on the progress of our Olympic coin program which, as hon. members know, is designed to provide revenues to meet the major portion of the costs of the staging of the twenty-first Olympiad in Montreal and Kingston.

[*Translation*]

Since Bill C-196 was passed by this House July 27 this year work has been going forward steadily to establish the production, marketing and distribution systems for our Olympic coins both in Canada and throughout the world.

I am at present engaged in a series of personal visits to key centres across the country, with the dual purpose of disseminating information about the Olympic Coin Program and of assessing initial reaction from opinion-leaders, the media and the public in general. In this latter area, I am very happy to be able to report that enthusiasm everywhere appears to be running high and all indications are that our Olympic Coin Program will be an immense success. As a matter of fact we may have difficulties in keeping up with demand. It is against this background that I can now inform this House that the 1976 Olympic Coin Program was officially launched at noon today with the presentation to His Excellency the Governor General of the first set of coins to be released.

That this self-imposed deadline has been met, despite scepticism and many difficulties, is a tribute to the dedication of all those involved in getting the program under way.

I would ask hon. members to join with me in offering the olympic coin team our hearty congratulations. I would like to mention the name of Mr. Austin Page, Managing Director of the Olympic Coin Program. Mr. Page was recruited from private industry where he was a senior

partner in a leading Canadian management consulting firm. Assisting him are André Morin, Director of Marketing for Europe and a former Vice-President of a large Quebec-based manufacturing firm; Christie Arnold, Director of Marketing for the United States and Mexico, a senior civil servant with wide experience in international trade; Mr. Henk Hoppener, Director of Marketing for the Pacific regions, a corporate planning consultant from private industry.

[*English*]

The coins on sale today represent the forerunners of some 60 million to be minted between now and the close of the games in 1976. The entire operation involves international marketing and distribution on a scale never before envisaged by this country. The coins are to be made available in all of the countries sending Olympic athletes to Canada, some 130 in all.

[*Translation*]

I would like to draw the attention of hon. members to another very important related aspect—spin-off benefits to Canada.

As the momentum of the entire Olympic Coin Program grows, it becomes increasingly evident that it will generate a whole host of additional advantages, destined to have a considerable long-term impact on this country.

The immediate benefits arise from the stimulation of activities related to the direct production, packaging, distribution, communications and similar operations over the next three years.

The longer term benefits involve an enormous wealth of experience in international marketing which Canada will accumulate in connection with the program.

Finally, Mr. Speaker, there is, of course, the intangible but very important aspect of the enhancing of Canada's image abroad. In the eyes of the other nations, our Olympic Coin Program represents an imaginative innovation, attesting to Canadian resourcefulness and pointing the way for others to follow. This is something of which, I am sure you will agree, we can be justifiably proud.

In the light of all this, Mr. Speaker, I would ask all members of the House to join in offering unanimous support for Canada's 1976 Olympic Coin Program.

I might add that hon. members will have an opportunity to offer concrete evidence of this support. When they return to their offices, they will find order forms enabling them to acquire a complete set of coins from the first issue which is on sale today. I urge them to be the first to take advantage of this opportunity to show their own confidence in the future of the olympic spirit across the world and in this country's role in helping to keep it alive.

● (1420)

[*English*]

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, in response to the minister's statement, I join with him in offering the Olympic coin team the heartiest congratulations for their achievements so far in getting this program under way. I want to assure the minister that I will be filling out my Olympic coin application upon return to my office.

Olympic Coin Program

Congratulations are due to the Olympic coin team for its efforts to date, particularly when one considers the government's constant delays and the surrounding confusion and secrecy which the government has permitted in the entire Olympic program from as far back as 1969 when the Prime Minister (Mr. Trudeau) first extended Canada's acceptance of the idea of hosting the 1976 Olympics in this country. Had the Prime Minister realized from the beginning that his signature on that letter of acceptance was a financial commitment, there can be no question that we would not have been subjected to the difficulties and contradictions which subsequently arose not only during the debate on Bill C-196 but also prior to and since the passage of the bill.

Because of the government's tactics and inaction, the Canadian public is still confused as to the financing of these games. Had the Prime Minister and the government come out in the open at an early stage as well, we might have had the opportunity to decentralize the Olympic games. This gives me an opportunity to repeat what I said in the House as far back as January of this year. On January 16, 1973, I said in this House:

> We all know that today's magnitude of the games could become a costly proposition and thus, most probably, a problem with far reaching consequences. I suggest that the government . . . has been most obvious in trying to evade this issue, and therefore I should like to make some suggestions regarding this matter through this House.
>
> Realizing the possibilities of incurring high costs, we must look for some options or alternatives. The Olympic games in recent years have become much too large and complicated, both in regard to facilities and the number of participants, to be held in any one city. They are no longer the games consisting of a small scattering of individual athletes . . .
>
> I believe that Montreal is the city best able to cope with the multitude of problems that would be faced by staging the games in Canada. However, because of the costs and added possible benefits to our country, we should consider partially decentralizing the games somewhat along the lines of the Munich Olympics, which in fact took place in as many as seven different cities, one as far away as 550 miles from Munich.

It is too bad that because of the government's lack of action and interest in this matter there will not be any coast to coast physical facilities in the wake of the Olympic games in 1976. I am convinced that future Olympic games will incorporate the idea of decentralization in the host country, and by so doing curb exorbitant expenditures and eliminate the high risks of financing the games through such programs as the ones we are now facing. I might add that the risk does exist, particularly when we notice that at this late date the minister still states that a face value of $450 million of coins will be needed to net a profit to the Olympic organization of $250 million.

Since Bill C-196 was passed this July, the inflationary problems that we are currently facing will certainly have an effect on the originally planned seigniorage, which ultimately will effect COJO. It is because of this party's amendments to the bill that the House will have an opportunity to study the program and to make any necessary adjustments between now and 1976 to further protect not only COJO but the taxpayer.

There are still many unanswered questions regarding the Olympics as a whole, such as the proposed expenditures by the CBC, the proposed expenditures by CMHC, additional security, immigration costs, and many others.

[Mr. Jelinek.]

While we admit to our complete support for the Olympic games and for the benefits that will accrue to Canada and Canadians—and, as the minister said, they will be many—we also do not hesitate to point out our intention to remain watchdogs for the taxpayer and I shall be the first to attack any unnecessary expenditure of public funds.

I shall also, on the other hand, attack at every opportunity those individuals or groups of individuals such as the NDP who would seek to discredit the Olympic movement for the sake of personal or party gain by appealing to bigotry and envy and by trying to play one section of this country against another. The Olympics, Mr. Speaker, belong to Canada. They will reflect Canada to the world and will bring to Canada a sense of pride and unity.

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, may I begin by thanking the minister for making copies of his statement available to opposition parties some time before he presented it in the House. I feel this is very important because it gives us an opportunity to put our arguments in order, even if we have to re-order some of them, as the hon. member did who spoke just before me.

I suggest that although the minister spoke about the Olympic ideal, which he did in suitably reverential, if not counterfeit tones, he should be reminded that the original Olympics were not confined to athletics only but included poets, rhapsodists—

Mr. Turner (Ottawa-Carleton): Musicians.

Mr. Rose: —yes, musicians and other exciting people. I therefore urge the minister and those people who are responsible for this presentation, such as COJO, to make certain that Canadian cultural aspects in their broadest sense are properly presented and made manifest at the 1976 Montreal Olympics.

I also remind the minister that, although at this moment we are considering $250 million for what has been described as a carnival of sweat, the Montreal Symphony Orchestra is begging all over North America for money to ensure its survival. I hope, therefore, that some of the seigniorage from this program will spin off for the benefit of the Montreal Symphony Orchestra.

Some hon. Members: Hear, hear!

Mr. Rose: I and the members of my party welcome the statement made by the Postmaster General Mr. Ouellet launching the Canadian Olympic Coinage Program. I say this despite the fact that my party fought vigorously against this method of financing, both in committee and in the House of Commons. We fought the scheme not because our party is anti-sport or—I say this incidentally since it was brought up—bigotedly anti-French; we fought the scheme because we believed that the method of financing the Olympics through coins and lotteries, while perhaps appealing to two basic human instincts, hoarding and gambling, was not satisfactory. We felt the idea was worth fighting because we could not see how the sales target could be met, and it followed that any shortfall in the sales of these coins would have to be met by those Canadians who are among the most economically deprived in our country, Canadians living in the province of Quebec.

Through a deal involving complicity, I might say, concerning amendments concocted by the government and the Official Opposition over one weekend, committee hearings on the bill were hurriedly closed without any opportunity being provided for the committee to examine any witnesses other than those two hon. gentlemen, the Postmaster General, and the President of the Treasury Board (Mr. Drury). Because of that deal in which the Tories were found in bed with the Liberals, the committee hearings were concluded with undue haste and the bill was reported back to the House.

● (1430)

Our misgivings about the Olympic financing proposals were outlined in detail at that time. I do not believe they need repeating on this occasion. We believed then and still believe that $250 million spread across the country for fitness and amateur sport to build rinks, swimming pools, coaching facilities and track and field outlets would have had far more spin-off effect than putting millions in one spot. In terms of four years, Canada could not only have expected to be host to a world athletic extravaganza but Canadian athletes would have had a genuine opportunity to win a suitable number of events for a change.

That argument is now behind us. Our party lost the fight on the Olympic bill, although the NDP track record on other energetic policies has improved considerably lately.

Some hon. Members: Oh, oh!

Mr. Rose: We lost out on the Olympic bill. We do not intend to cry about that today. On July 26 I concluded my third reading remarks by saying:

> I would love to have been in cabinet and overheard the discussions on this bill. I hope the optimists will be accurate and the pessimists will be wrong. If we are going to have the Olympics, we want them to be a success.

Having said those words on July 26, I can say no less today. We, of course, want to be assured that, should there be a shortfall in the $250 million coinage expectation, the federal government will not, I repeat not, accept further responsibility beyond the $100 million already committed for security, housing and broadcasting.

There is little more that can appropriately be said at this time, except to extend our unequivocal best wishes to the minister and his promotional staff.

[*Translation*]

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I should like to draw the attention of the House to the fact that from the beginning when Montreal authorities took the first steps regarding the Olympic Games and coins, the Social Crediters in the House have given all their support to the proposals of His Honour the mayor of Montreal and His Excellency Mr. Rousseau, who are at the origin of the Olympic Coins Program for the 1976 Games.

Mr. Speaker, I congratulate the members who supported Bill C-196 and also the minister, who has just said that hon. members will be able to give concrete support to this program. I would like him to note that for the 16 employees on my staff I will order Olympic coins for the coming Christmas season.

However, Mr. Speaker, there are always contradictory details in the projects submitted to us, contradictory not for us but for the minister. When he said, for instance, that the Olympic Coins Program will increase revenues to $500 million, this means half a billion dollars of new credits, which greatly resembles the theories of the Social Credit, which the minister does not want to recognize ordinarily, but which he recognizes for the Montreal Olympic Games.

The minister also said:

> I am at present engaged in a series of personal visits to key centres across the country, with the dual purpose of disseminating information about the Olympic Coin Program . . .

Next Sunday, the minister will be at Nédelec, in my riding, to deliver a political speech or distribute olympic coins to my electors.

Mr. Speaker, we are convinced that this undertaking will be highly successful in Canada and throughout the world and are happy about it.

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

[*Text*]

OPERATION OF SUBMERSIBLE VESSELS INSIDE THE JURISDICTIONAL PURVIEW OF THE GOVERNMENT

Question No. 2,328—**Mr. Forrestall:**

1. To the knowledge of the government, how many submersible vessels of all types, and by such types, have operated inside the jurisdictional purview of the government, in each calendar year since 1963 inclusive?

2. Does the government have knowledge of the approximate locations and courses of the United States submersible vessels that might from time to time come into waters that would normally be considered under the jurisdictional purview of the government and, if so, through what other department or agency of the government than the Department of External Affairs would such information be handled and available?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): I am informed by the Department of National Defence as follows: 1. The following is a list of military submersible vessels of all types operating with Maritime forces in the years in question: 1963, 1964: 1 U.S. Submarine on loan, 2 R.N. Submarines on loan; 1965, 1966: 1 U.S. Submarine on loan, 1 'O' Class submarine; 1967: 1 U.S. Submarine on loan, 2 'O' Class submarines; 1968: 1 U.S. Submarine on loan, 3 'O' Class submarines; 1969, 1970: 1 former U.S. submarine, 3 'O' Class submarines; 1971, 1972, 1973: 1 former U.S. Submarine, 3 'O' Class submarines, 1 SDL-1.

2. In so far as U.S. Naval submersibles are concerned, this information is known to the Department of National Defence.

Order Paper Questions

HARBOUR MAINTENANCE COSTS—ELECTORAL DISTRICT OF GREY-SIMCOE

Question No. 2,826—**Mr. Mitges** (Supplementary)

How much money was spent for maintenance and repairs of harbours in the electoral district of Grey-Simcoe for 1969, 1970, 1971, 1972 and to October 1, 1973?

Hon. Jean Marchand (Minister of Transport): Ministry of Transport expenditures on maintenance and repairs of harbours in the electoral district of Grey-Simcoe were: 1969, $334. 1970, $144. 1971, $1099. 1972, $323. 1973, $767. (to October 1).

UNEMPLOYMENT INSURANCE COMMISSION—PUBLICITY EXPENDITURES

Question No. 2,890—**Mr. Nystrom:**

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

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

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

Mr. Mark MacGuigan (Parliamentary Secretary to Minister of Manpower and Immigration): 1. 1972-73: $142,872.00; 1973-74, to date: $388,832.08.

2. Names	Addresses	Amounts	Purposes
1972-73		$	
John Doherty & Co.	46 Elgin St., Ottawa	54,309.00	Social Insurance Number, Claimant Assistance Program and Separation Certificate Information
1973-74, to date			
Omnicom	1110 Sherbrooke W. Montreal	227,469.08	Advertising services to inform all Canadian Citizens who have received UI benefits during 1972 of the importance of the Commission's forms T4U and TP4U.
Information Canada	171 Slater St. Ottawa	38,000.00	Exhibit on UIC programes

3. Publicity and/or information for the UIC programs or activities is carried by the individual newspapers, radio and television stations:

For 1972-73	$	
Newspapers	88,563.00	Regional and local activities, mainly public meetings.
For 1973-74, to date		
Newspapers	33,363.00	Regional activities such as office openings etc.
Radio	90,000.00	To back up newspaper campaign to inform claimants of tax deductions.

WIARTON AIRPORT

Question No. 3,090—**Mr. Mitges:**

1. What is the total acreage of the Wiarton Airport?

2. Has any consideration been given to increase the facilities for national and international air traffic stopovers?

Hon. Jean Marchand (Minister of Transport): 1. The total acreage of the Wiarton Airport is 794.5.

2. To date no indication has been received by the Ministry that additional or expanded facilities are required at the Wiarton Airport. Therefore, no new or expanded facilities are presently planned for this location.

NATIONAL DEFENCE—AIRCRAFT EQUIPPED WITH EMERGENCY LOCATOR TRANSMITTERS

Question No. 3,156—**Mr. MacLean:**

Are all aircraft operated by the Department of National Defence of a class or kind required to be equipped with emergency locator transmitters (ELTS) by July 1, 1974, now so equipped and, if not (a) how many such aircraft are so equipped (b) on what date will the remainder be so equipped?

Hon. James Richardson (Minister of National Defence): Since 1957 all aircraft operated by the Department of National Defence have carried emergency locator transmitters (ELTS).

[Mr. Reid.]

NATIONAL DEFENCE—CL-41 TUTOR AIRCRAFT

Question No. 3,163—**Mr. McKinnon:**

Of the 190 CL-41 Tutor aircraft purchased by the government (a) how many (i) are in storage (ii) are in use (iii) have crashed (b) what became of the balance, if any?

Hon. James Richardson (Minister of National Defence): Of the 190 CL-41 Tutor aircaft purchased by the government: (a) (i) 59 aircraft are in storage (ii) 25 aircraft are currently being transferred into active operation from storage; (iii) 73 aircraft are in use as pilot trainers; (iv) 20 aircraft have crashed and been deleted from inventory. (b) The balance of 13 aircraft are used for technical training purposes. Twelve of these aircraft, located at Canadian Forces Base Camp Borden, are used to train aircraft technical tradesmen in their basic training for jet aircraft maintenance. One aircraft, located at Canadian Forces base, Moose Jaw, is used for on-the-job training of technical tradesmen employed on Tutor aircraft maintenance and for familiarization training or aircrew trainees.

DREE GRANTS IN CONSTITUENCY OF BELLECHASSE

Question No. 3,173—**Mr. Lambert (Bellechasse):**

1. In the period April 1 to October 31, 1973, how many applications for grants did the Department of Regional Economic Expansion receive from the constituency of Bellechasse?

2. What were the names and addresses of persons, corporations or companies who made such applications?

3. How many grants were allocated during that period?

4. Who were the persons, corporations or companies who received such grants and in what amounts?

Mr. Marcel Prud'homme (Parliamentary Secretary to Minister of Regional Economic Expansion): The answer for the Department of Regional Economic Expansion is as follows: 1. From April 1 to October 31, 1973, six applications were received for industrial projects in Bellechasse constituency under the Regional Development Incentives Act.

2. The identity of persons, corporations or companies who apply for grants cannot be revealed without breach of agreement between the department and applicant to maintain such information confidential until such time as an offer, if made, is accepted by the applicant.

3. Six offers were accepted during the period.

4. The names of the persons, corporations or companies who accepted offers and the amount of each offer are as follows: Abattoir Gosselin Limitée, $32,440; A. Bélanger Ltée, $642,000; La Coopérative de Dorchester, $28,586; Laiterie Etchemin Inc., $33,576; Les entreprises Désourdy Inc., $68,599; O. Fortier Limitée, $51,340. As grants are not disbursed until a new, expanded or modernized facility has reached commercial production, payments of the above grants have not necessarily been received by the concerns involved.

FARM CREDIT CORPORATION LOANS—ELGIN CONSTITUENCY

Question No. 3,192—**Mr. Wise:**

1. How many applications were filed by farmers in the constituency of Elgin for Farm Credit Corporation loans for each year 1970, 1971 and 1972 and, of these, how many were approved?

2. What was the total amount of money loaned to (a) farmers (b) dairy farmers (c) beef farmers (d) hog farmers (e) cash crop farmers (f) tobacco farmers in the constituency of Elgin for the years 1970, 1971 and 1972 by FCC?

Hon. E. F. Whelan (Minister of Agriculture): The Farm Credit Corporation advises that statistics are not maintained on a constituency basis. However, the constituency of Elgin approximates the lending area for Elgin County and the answer is as follows. 1.

Applications	1970–71	1971–72	1972–73
Filed	38	42	61
Approved	33	36	47
Withdrawn or Rejected	5	6	14

2. *

Fiscal Year	(a) Total $	(b) Dairy $	(c) Beef $	(d) Hogs $	(e) Cash Crop $	(f) Tobacco $
1970–71	1,209,000	202,800	52,100	141,500	119,000	513,700
1971–72	1,058,500	192,800	150,300	133,300	362,000	143,800
1972–73	1,598,000	427,800	161,200	229,700	409,900	234,400

*Classified in accordance with the principal source of gross income, 50 per cent or over.

CANADIAN GRAIN COMMISSION—APPOINTMENT OF ASSISTANT COMMISSIONER FOR ONTARIO

Question No. 3,202—**Mr. Frank:**

1. On what terms were the recent appointment of an Assistant Commissioner for Ontario to the Canadian Grain Commission made?

2. Is the salary of the Ontario Assistant Commissioner the same as the salary paid to the Western Assistant Grain Commissioners?

3. What are the specific duties and responsibilities of the Ontario Assistant Commissioner?

4. What are the qualifications of the newly appointed Ontario Assistant Commissioner?

Hon. E. F. Whelan (Minister of Agriculture): 1. By the Governor in Council to hold office during pleasure.

2. Yes.

3. (a) To inspect elevator facilities in Ontario as defined in Schedule 2 of the Canada Grain Act. (b) To investigate farmers' inquiries or complaints in regard to grain sampling, grading and moving into export positions. (c) To ensure that the role and function of the Commission is known to the farm and business communities. (d) To investigate the presence of unlicensed varieties, insect infestations, or contaminated grain in shipments from primary elevators. (e) To engage in special surveys, investigations or projects as requested by the Commission, and co-operate with the directors of the various divisions in regard to special problems arising in the grain trade or rural community.

4. Twenty-five years experience in farming, together with nine years experience in supervision as manager of a supply company.

NATIONAL DEFENCE—ANNUITY PAYMENTS TO RETIRED SERVICEMEN

Question No. 3,206—**Mr. McKinnon:**

1. To how many retired servicemen are annuity payments being made as of November 15, 1973?

2. How many will be entitled to an adjustment pension after January 1, 1973, as a result of the amendment to the Public Service Superannuation Act and particularly to that portion known as the 85 rule?

Order Paper Questions

Hon. James Richardson (Minister of National Defence): 1. 40,687.

2. 1,487.

NUMBER OF COMPLAINTS FROM CANADIANS RELATING TO POLITICAL PRISONERS IN SOUTH VIET NAM

Question No. 3,209—**Mr. Mather:**

How many Canadians have communicated to the Secretary of State for External Affairs either by letter, telegram or telephone, expressing concern about General Thieu's treatment of the political prisoners in South Viet Nam.

Hon. Mitchell Sharp (Secretary of State for External Affairs): As of November 29, 1973 approximately 1,350 letters and telegrams had been received concerning this situation and related aspects. Further, approximately 2,000 form letters and petitions had been received with the petitions usually carrying about 10 signatures. The number of telephone calls received about detainees have been minimal.

PURPOSE OF TRIPS MADE BY IVAN HEAD, 1971-72

Question No. 3,260—**Mr. Knight:**

1. In the fiscal year 1971-72, what was the purpose of the trip made by Ivan Head of the Prime Minister's Office (salary range: $30,000-$35,000), to New York, Washington, London, USSR, Nigeria, Zambia and Tanzania ($3,669)?

2. In what month of the year was this trip made?

Right Hon. P. E. Trudeau (Prime Minister): 1 and 2. New York: November-December, addressing Conference on Canadian-American Relations at New York University and engaging in consultations with Canadian Consul General. March, addressing Council on Foreign Relations, New York City, and engaging in consultations with Canadian Permanent Representative to the U.N. Washington: December, accompanying Prime Minister on official visit. London: August-September, attending Anglo-Canadian Coloquium and engaging in official discussions with senior officials of British government. U.S.S.R.: May, accompanying Prime Minister on official visit. Nigeria, Zambia, Tanzania: January-February, engaging in official discussions with the Presidents of Tanzania and Zambia and the head of the federal military government of Nigeria.

PURPOSE OF TRIPS MADE BY J. M. DAVEY, 1971-72

Question No. 3,261—**Mr. Knight:**

1. In the fiscal year 1971-72, what was the purpose of the trip made by J. M. Davey of the Prime Minister's Office (salary range: $30,000-$35,000), to New York, Washington ($528)?

2. In what month of the year was this trip made?

Right Hon. P. E. Trudeau (Prime Minister): 1 and 2. New York: May-June, to attend Hudson Institute Conference. Washington: December, to accompany Prime Minister on official visit.

[Mr. McKinnon.]

PURPOSE OF TRIP MADE BY R. G. ROBERTSON, 1971-72

Question No. 3,262—**Mr. Knight:**

1. In the fiscal year 1971-72, what was the purpose of the trip made by R. G. Robertson, Secretary of the Privy Council Office (salary range: $45,000-$50,000), to London ($169)?

2. In what month of the year was this trip made?

Right Hon. P. E. Trudeau (Prime Minister): 1 and 2. London: May, to accompany the Hon. J. N. Turner, Minister of Justice, and other officials in discussions with British ministers and officials concerning possible procedures for patriation of the Canadian Constitution, such patriation to be dependent on agreement being reached at the Constitutional Conference subsequently held on June 14-16, 1971, in Victoria.

PURPOSE OF TRIPS MADE BY M. A. CROWE, DEPUTY SECRETARY OF PRIVY COUNCIL OFFICE, 1971-72

Question No. 3,263—**Mr. Knight:**

1. In the fiscal year 1971-72, what was the purpose of the trip made by M. A. Crowe, Deputy Secretary of the Privy Council Office (salary range: $34,000-$40,000), to USSR, New York and Washington ($431)?

2. In what month of the year was this trip made?

Right Hon. P. E. Trudeau (Prime Minister): 1 and 2. U.S.S.R.: May, to accompany the Prime Minister on official visit. New York: April, economic consultations with U.S. officials. Washington, D.C.: August, economic consultations with U.S. officials.

PURPOSE OF TRIPS MADE BY O. THUR, VICE-CHAIRMAN OF THE ECONOMIC COUNCIL OF CANADA, 1971-72

Question No. 3,264—**Mr. Knight:**

1. In the fiscal year 1971-72, what were the purposes of the trips made by O. Thur, Vice-Chairman of the Economic Council of Canada (salary range: $34,000-$40,000), to (a) Washington ($303) (b) Alicante, Spain ($520)?

2. In what months of the year were these trips made?

Right Hon. P. E. Trudeau (Prime Minister): 1 and 2. Washington: May, to attend a conference on "Dimension of the Future". Alicante, Spain: June, to attend an international conference on the "Family".

PURPOSE OF TRIP MADE BY J. D. LOVE, DEPUTY MINISTER OF REGIONAL ECONOMIC EXPANSION, 1971-72

Question No. 3,269—**Mr. Knight:**

1. In the fiscal year 1971-72, what was the purpose of the trip made by J. D. Love, Deputy Minister of Regional Economic Expansion (salary range: $37,500-$45,000), to England, Switzerland ($582)?

2. In what month of the year was this trip made?

Mr. Marcel Prud'homme (Parliamentary Secretary to Minister of Regional Economic Expansion): The answer for the Department of Regional Economic Expansion is as follows: 1. Mr. J. D. Love went to discuss regional development policies with officials in the United Kingdom and to

attend meeting of the International Labour Office Governing Body in Geneva.

2. November 1971.

PURPOSE OF TRIPS BY W. J. LAVIGNE, ASSISTANT DEPUTY MINISTER OF REGIONAL ECONOMIC EXPANSION, 1971-72

Question No. 3,270—**Mr. Knight:**

1. In the fiscal year 1971-72, what was the purpose of the trip made by W. J. Lavigne, Assistant Deputy Minister of Regional Economic Expansion (salary range: $28,000-$35,000), to US, Switzerland and Germany ($1,138)?

2. In what month of the year was this trip made?

Mr. Marcel Prud'homme (Parliamentary Secretary to Minister of Regional Economic Expansion): The answer for the Department of Regional Economic Expansion is: The amount of $1,138 involved two separate trips, one to New York, N.Y., U.S.A., $150; the other to Europe, $988. Our reply by trip is as follows: (a) New York Trip: 1. To speak at seminars for financial investors, and meet industrial prospects. 2. May, 1971.

(b) European Trip: 1. To make prospecting and appraisal trips to plants and industrial parks, together with speaking engagements and interviews with industrialists, financiers and consultants, in Switzerland, Austria, Germany and Belgium. 2. December, 1971.

PURPOSE OF TRIP MADE BY E. C. AQUILINA, ASSISTANT DEPUTY MINISTER OF REGIONAL ECONOMIC EXPANSION, 1971-72

Question No. 3,271—**Mr. Knight:**

1. In the fiscal year 1971-72, what was the purpose of the trip made by E. C. Aquilina, Assistant Deputy Minister of Regional Economic Expansion (salary range: $28,000-$35,000), to Malaysia ($465)?

2. In what month of the year was this trip made?

Mr. Marcel Prud'homme (Parliamentary Secretary to Minister of Regional Economic Expansion): The answer for the Department of Regional Economic Expansion is as follows: 1. Mr. E. C. Aquilina went to Malaysia at the request of CIDA in connection with a proposal to set up a regional development authority for one of the Malaysian states.

2. November, 1971.

PURPOSE OF TRIPS BY J. J. CARSON, CHAIRMAN OF THE PUBLIC SERVICE COMMISSION, 1971-72

Question No. 3,278—**Mr. Knight:**

1. In the fiscal year 1971-72, what was the purpose of the trip made by J. J. Carson, Chairman of the Public Service Commission (salary range: $40,000-$45,000), to Australia, South Africa, Zambia, England and New York ($4,170)?

2. In what month of the year was this trip made?

Hon. James Hugh Faulkner (Secretary of State): I am informed by the Public Service Commission as follows: 1. Australia—Establishing an agreement with the Public Service Board of Australia for the interchange of Canadian and Australian public servants through the CAP program. Together with speaking engagements for the Royal Australian Institute of Public Administration in Canberra, Sydney and Perth. South Africa—Only an airplane stop. Zambia—Liaison discussions with the Public Service of Zambia. England—Consultation with the Permanent Head of the U. K. Public Service, Sir William Armstrong, and with the Chief Commissioner of the Civil Service Commission of the U. K., Exchange visits with the Civil Service College at Sunningdale and the College of Administrative Studies at Hendley on the Thames.

2. In January, 1972, Mr. Carson went to New York for discussions with the Assistant Under Secretary General of the UN on the proposed creation of an International Civil Service Commission. Australia, South Africa, Zambia, England, March 1972.

PUBLICATION OF DOCUMENT ENTITLED "DISCUSSION NOTES ON THE INDIAN ACT"

Question No. 3,318—**Mr. Howard:**

Was a document published under the name of the Department of Indian Affairs and Northern Development, Indian Affairs Branch, entitled "Discussion Notes on the Indian Act" with Information Canada Catalogue Number R32-2871 and bearing the date 1971 and, if so (a) how many copies were printed (b) how many copies were distributed (c) to whom were the copies distributed (d) what was the cost of printing and distributing (e) what happened with respect to the copies which, to date, have not been distributed?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Yes. (a) 5,000; (b) 1,155; (c) distribution was made to Indian bands, departmental officials, other government departments, and the public upon request; (d) $920.32; (e) the balance is still in stock and is kept as shelf material and distributed when requests are received.

PRINTING AND DISTRIBUTION OF SPEECH MADE BY MINISTER OF AGRICULTURE TO HALTON AND HALTON EAST LIBERAL ASSOCIATION

Question No. 3,331—**Mr. Cossitt:**

1. On what information was the answer to Question No. 3,129 based that the address by the Minister of Agriculture to the Halton and Halton East Liberal Association on Friday, November 2, 1973 and printed and distributed to 1,845 persons at public expense, was not a political address?

2. What is the specific name of the person who made the decision that this was not a political address?

3. What is the specific name of the person who made the decision that the Department of Agriculture does not intend to seek reimbursement in printing and distribution from the Liberal Party of Canada?

Hon. E. F. Whelan (Minister of Agriculture): 1. On information contained therein. The public is invited.

2. The Hon. Eugene Whelan.

3. The Hon. Eugene Whelan.

Order Paper Questions

PRINTING AND DISTRIBUTION OF SPEECH BY MINISTER OF AGRICULTURE TO DAVENPORT LIBERAL ASSOCIATION

Question No. 3,332—**Mr. Cossitt:**

1. On what information was the answer to Question No. 3,100 based that the address by the Minister of Agriculture to the Davenport Liberal Association on Wednesday, October 31, 1973 and printed and distributed to 1,845 persons at public expense, was not a political address?

2. What is the specific name of the person who made the decision that this was not a political address?

3. What is the specific name of the person who made the decision that the Department of Agriculture does not intend to seek reimbursement in printing and distribution from the Liberal Party of Canada?

Hon. E. F. Whelan (Minister of Agriculture): 1. On information contained therein. The public is invited.

2. The Hon. Eugene Whelan.

3. The Hon. Eugene Whelan.

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QUESTIONS PASSED AS ORDERS FOR RETURNS

OIL EXPLORATION PERMITS

Question No. 2,556—**Mr. Yewchuk:**

1. Which companies (a) Canadian-controlled (b) American-controlled (c) British-controlled (d) French-controlled (France) (e) German-controlled (f) Japanese-controlled (g) Russian-controlled (h) others have been granted oil exploration permits by the government to explore in (i) the Yukon Territory (ii) the Northwest Territories (iii) each of the provinces?

2. Which department is responsible for granting oil exploration permits?

3. Did the government always consult with the natives before granting these permits and, if not, for what reasons?

4. To date, how many charges have been filed under the federal pollution-control laws against companies exploring in Canada's North?

5. (a) Who were these companies (b) what was the fine in each case?

6. Did the government, at any time, find a need to enforce the (a) Arctic Waters Pollution Prevention Act (b) Northern Inland Waters Act (c) Territorial Lands Act and, if so, on what date and against whom?

Return tabled.

SALE OF PRINCESS STREET SLIP, KINGSTON HARBOUR

Question No. 2,750—**Miss MacDonald (Kingston and the Islands):**

1. Was the Princess Street slip in Kingston Harbour sold by the City of Kingston to the government and, if so (a) what was the approximate square footage of land (b) on what date did the sale take place (c) under what Order in Council was it purchased?

2. Did the government secure permission to fill the slip and, if so (a) from whom did they request permission (b) on what date was such permission granted?

3. Who used the slip between 1966 and 1972 and how much was paid for the use of the slip for each of those years and to whom was the money paid?

4. Was there a transaction between the government and the firms, Dunleary Investments Limited and Murney Development Limited, with regard to the federally-owned slip and, if so, on what date did the property transfer take place and in what manner?

[Mr. Whelan.]

5. If the property transfer did in fact take place, did the government consult with the Government of the Province of Ontario and the Kingston City Council prior to the sale and, if so, on what dates did such discussions take place?

6. (a) What were the names of the officers, directors and shareholders of Dunleary Investments Limited and Murney Development Limited in November, 1972 (b) have there been any changes in the directorship of these companies since November 1972?

7. What are the names of the signatories to the agreement or deed that transferred the slip in Kingston Harbour from the government to the firms of Dunleary Investments Limited and Murney Development Limited?

8. What sales, quit-claims, leases or other transfers of property have been made of Kingston Harbour lands since the 1955 quit-claim from the City of Kingston (a) to whom were they made (b) what were the locations and sizes of the parcels (c) how much money was received for each parcel (d) what is the length of the leases (e) what were the dates of the transactions (f) who were the directors and shareholders of the companies involved (g) which transfers were made for lands that were under agreement or purchase contracts to other companies or individuals (h) who were the directors and shareholders of these secondary companies?

9. Was the Department of Transport requested by the City of Kingston to straighten out the ownership problems in Kingston Harbour and, if so (a) on what date (b) what action has been taken since then?

Return tabled.

RECIPIENTS OF GRANTS UNDER THE PROGRAM FOR EXPORT MARKET DEVELOPMENT, 1972-73

Question No. 2,813—**Mr. Rodriguez:**

What were the names of the recipients of grants or loans under the program for Export Market Development in each of the fiscal years 1972-73 (January 1, 1973 to end) and 1973-74 to date and what were the amounts in each case?

Return tabled.

POLLUTION—NAMES OF CORPORATIONS BENEFITTING UNDER ACCELERATED CAPITAL COST ALLOWANCE PROGRAM

Question No. 2,816—**Mr. Rodriguez:**

1. What were the names of corporations benefitting from the Accelerated Capital Cost Allowance Program (ACCA) for pollution-control structures and equipment, in each of the fiscal years 1965-66 to 1972-73 (January 1 to end) and 1973-74 to date and, in each case, what were the costs allowed under the program for rapid write-off?

2. What are the qualifications of the staff employed in assessing whether the equipment or structures specified in an application for cost allowance are capable of reducing, abating or eliminating a pollution problem and what standards are used in defining reduction, abatement and elimination?

3. What inspection reports have been prepared assessing the performance of the equipment or structures in reducing, abating or eliminating a pollution problem?

4. Where performance has been found to be unsatisfactory, what measures have been taken to ensure improvement or recover cost allowances?

Return tabled.

NATIONAL RESEARCH COUNCIL—PUBLICITY EXPENDITURES

Question No. 2,874—**Mr. Nystrom:**

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

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

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

Return tabled.

NATIONAL RESEARCH COUNCIL—RESEARCH EXPENDITURES

Question No. 2,922—**Mr. Nystrom:**

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

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

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

Return tabled.

FIRENZA AUTOMOBILE DISPUTE WITH GENERAL MOTORS OF CANADA

Question No. 2,954—**Mr. Atkey:**

1. Does the government intend to intervene as a friend of the court in the class action No. 3495—73 now before the Supreme Court of Ontario against General Motors of Canada on behalf of Helen Naken, Stephen Cranson, William Pearce, Robert Vandiera and all others who purchased new 1971 and 1972 Firenza automobiles?

2. Were Firenza owners forced to rely almost solely on the Automobile Protection Association for aid in their attempt to obtain redress of their grievances from General Motors and, if so, is the government considering the permanent provision of funds to APA, which now operates under a LIP grant, to guarantee its continued existence or the provision of funds to other similar automobile consumer groups?

3. What criteria were employed to select the seven Firenza automobiles chosen for the study by the Department of Transport, Road and Motor Vehicle Traffic Safety Branch of July 16, 1973?

4. For what reason did the Road and Motor Vehicle Traffic Safety Branch consider that seven was a sufficient sample on which to conclude that the safety of the highways was not endangered by the Firenza automobiles?

5. Has the government considered increasing the powers and facilities of the Accidents and Defect Investigations Division of the Road and Motor Vehicle Traffic Safety Branch of the Department of Transport to avoid a continued reliance on the defect monitoring system in the United States and, if not, for what reason?

6. Has the Accident and Defect Investigations Division of the Road and Motor Vehicle Traffic Safety Branch suggested that the electrical system of the Firenza is a cause of concern and, if so, does the possibility of such defect justify the safety recall of all 1971 and 1972 Firenzas?

7. Has the Minister of Transport considered broadening the interpretation of and/or introducing amendments to the Motor Vehicle Safety Act to provide for the safety recall of those automobiles which display a reasonable probability of endangering the safety of Canadians on the highways?

8. Does the Minister of Consumer and Corporate Affairs intend to propose any legislation or exercise any powers to prevent the importation of defective automobiles into Canada in the future and, if so, what steps are being or will be taken?

9. Did an independent vehicle engineering consultant examine a sample of Firenza automobiles for the Department of Transport and find that all vehicles had deficiencies which he concluded did not constitute a grave and immediate hazard to the safe operation of the vehicles and, if so, does the Minister of Consumer and Corporate Affairs intend to take any action concerning such performance-related defects?

10. What action, if any, does the Minister of Consumer and Corporate Affairs intend to take against automobile dealers who allegedly incorporated the $250 note of credit offered by General Motors to Firenza owners into their trade-in offers?

11. Does the Department of Consumer and Corporate Affairs intend to lay charges against General Motors under the provisions of the Combines Investigation Act for misleading advertising on the basis of the failure of the Firenza automobile to fulfil General Motors' advertised assurances of stout performance, sustained reliability, rugged durability and all-round GM engineering?

Return tabled.

SUSPENSION OF PART XV OF CANADA SHIPPING ACT

Question No. 2,982—**Mr. Forrestall:**

1. In how many instances has Part XV of the Canada Shipping Act been suspended pursuant to sections 663 and 665 of the Canada Shipping Act, on what dates, affecting what vessels for what length of time since January 1, 1970?

2. What were the reasons for such exemptions granted in each instance?

Return tabled.

Mr. Stackhouse: Mr. Speaker, I rise on a point of order. Since last January I have had question No. 420 on the order paper. I have drawn this to the attention of the parliamentary secretary. As this is the month of December, I think it is high time that a question asked last January was answered. I appreciate that the information may be embarrassing to the government; nevertheless, it should be made available to parliament.

I am impressed by the parliamentary secretary's defence against criticism of this kind on other occasions, namely, that he and his colleagues have answered 87 per cent of the questions asked. However, we are also interested in the other 13 per cent. Impressed as we may be by their success to the extent of 87 per cent, I wonder what the government's reaction would be to anyone who paid only 87 per cent of his income tax.

Mr. Reid: Mr. Speaker, the hon. member's point is well taken. I expect to have the answer next week.

Mr. Cossitt: Mr. Speaker, I rise on a point of order with regard to certain unanswered questions on the order paper. On June 19 I asked question No. 2316 concerning the details and cost of trips made by the Prime Minister (Mr. Trudeau) at public expense since October 30, 1972. I can see no valid reason why approximately six months later there should still be no answer to a very legitimate question asking for information to which a member of parliament is entitled.

I also refer the parliamentary secretary to questions Nos. 2598 to 2601 inclusive asking for details of public expenditures at both Harrington Lake and 24 Sussex Drive. These questions were placed on the order paper about threee and a half months ago. It seems to me the government should no longer delay in making quite clear whether or not we have in Canada our very own Key Biscayne and San Clemente.

● (1440)

Mr. Forrestall: I very seldom do this, Mr. Speaker, but I rise on a similar point of order. I can understand the reluctance to answer some questions, but I wonder whether the question standing in my name, dated June 11, which has to do only with expenditures within the National Museum of Canada, could be answered before Christmas. Perhaps you could find out, Mr. Speaker.

ORAL QUESTION PERIOD

[*English*]

ENERGY

OIL—SUGGESTION THAT GOVERNMENT SEEK AGREEMENT WITH SASKATCHEWAN ON TAXATION BEFORE FIRST MINISTERS' CONFERENCE

Mr. Walter Baker (Ottawa West): Mr. Speaker, I should like to direct a question to the Minister of Energy, Mines and Resources. On Thursday, December 6, as reported on page 8480 of *Hansard*, the Prime Minister said in reference to oil prices: "The federal government will continue to levy a tax, or, after February 1, a charge, equal to the difference between our domestic price and the export price as determined by the National Energy Board." In light of the recent announcement by the Premier of Saskatchewan that beginning next year Saskatchewan will dispose of provincial oil at prices which are essentially export prices, is the minister prepared to seek an agreement with the province of Saskatchewan to resolve any possible differences which may arise between the two levels of government on this issue and, if so, is he prepared to try to reach such an agreement before the first ministers conference in January?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): It seems to me the January conference provides an admirable opportunity for Saskatchewan and any other province interested in oil to discuss these important questions of taxation and pricing.

OIL—FEDERAL GOVERNMENT PROPOSALS ON PRICING POLICY—REQUEST FOR PUBLICATION AND CONSULTATIONS WITH PROVINCES BEFORE FIRST MINISTERS' CONFERENCE

Mr. Walter Baker (Grenville-Carleton): Yesterday, in answer to a question by the hon. member for Moose Jaw about a specific government proposal for a domestic pricing policy, the minister said: "We shall be bringing forward some alternative proposals in this regard to the conference". Will the federal government announce these proposals now, and will the minister hold consultations with the provinces before the January conference in an attempt to achieve a consensus on options for a domestic pricing policy before the conference takes place?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): There may well be exchanges between officials but it seems to me, if I understand what the provinces have in mind, that the conference is concerned precisely with consultation.

Mr. Baker: Has the federal government made any specific proposals for a domestic pricing policy to the premier of Saskatchewan and, if not, will the government now make such proposals having regard to the pricing policy proposals of that government?

Mr. Macdonald (Rosedale): I have made no proposals to the premier of Saskatchewan. As I say, it may very well be advisable to have our officials consult in preparation for the conference, but probably the most effective way of dealing with this question would be to discuss with all ten provinces the difficult question of oil pricing in Canada.

OIL PIPELINE EXTENSION TO MONTREAL—ACTION TO ACCELERATE PROJECT TO ENSURE COMPLETION BY 1975

Mr. Steven E. Paproski (Edmonton Centre): Can the Minister of Energy, Mines and Resources tell the House what action the government has taken to accelerate the Montreal pipeline project in order to ensure that it will be completed before the 1975 deadline?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): We have been in consultation with the Interprovincial Pipeline Company and with the government of Quebec on the factors involved. For this purpose we have constituted a special group within the government of Canada to be led by the Deputy Minister of National Defence, Mr. Sylvain Cloutier, who will be seconded from his present post and given specific responsibility for the pipeline project.

Mr. Paproski: When will the government announce definite plans in connection with this project?

Mr. Macdonald (Rosedale): At a relatively early date, I would hope.

POSSIBILITY OF DISCUSSIONS WITH PROVINCES PRIOR TO FIRST MINISTERS' CONFERENCE

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I direct a question to the Minister of Energy, Mines and Resources. It arises from the statement by Premier Blakeney of Saskatchewan—

Some hon. Members: Sheik Blakeney!

Mr. Douglas: —that if the federal government wants Saskatchewan oil to be sold in Canada at less than its international value, the government of Saskatchewan will co-operate. The premier went on to say that if Saskatchewan were prepared to do this, the federal government, in

its turn, ought to be prepared to deal with the matter of discriminatory freight rates against western Canada, the development of secondary industries and agricultural stability—

Mr. Speaker: Order, please. I wonder if the hon. member wishes to ask a question?

Mr. Douglas: I want to ask the minister whether it is the intention of the government to hold discussions with the provinces prior to the first ministers' conference in order to deal with some of these matters which are of such vital concern to the western provinces.

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): As I indicated in reply to the hon. member for Grenville-Carleton, I would expect there would be consultation between officials and it might well be desirable to consult at the ministerial level before the meeting, but it does seem to me that the most appropriate level for such discussions would be at the conference when all the provinces are there. If Saskatchewan is indeed in favour of lower prices for Canadian consumers I would hope these would be available unconditionally. In any event, as I understand our constitution, the question of trade and commerce being under federal jurisdiction, it should not be a matter of condition as to whether any commodity is offered for sale on the Canadian market or not.

Mr. Fairweather: Blackmail!

OIL—DISPOSITION OF REVENUE FROM POSSIBLE PRICE INCREASES

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I direct a supplementary question to the Prime Minister. In his speech to the House on December 6, as reported on page 8480, the right hon. gentleman indicated that if and when the freeze on oil prices expires it is not intended that at any time the price should go beyond what is needed to ensure the development of the Alberta oil sands and other Canadian resources. If there is any increase in the price of oil, will this money go to the provinces or is it his intention that it should go to the oil companies in the hope they may use the additional revenue for the purpose of developing the oil resources of Canada?

Right Hon. P. E. Trudeau (Prime Minister): I am surprised that the hon. member, a member of the federal parliament, should have forgotten the third possibility, that some of it might go to the people of Canada through the federal treasury.

Some hon. Members: Hear, hear!

OIL—PRICE INCREASE BY IRAN—IMPACT ON CONSUMERS OF EASTERN CANADA

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I have a supplementary for the Minister of Energy, Mines and Resources. Inasmuch as Canada imports 117,000 barrels of crude oil per day from Iran, and noting that Iran has increased the price of crude to between $16 and $17 a barrel, can the minister state what is likely to be the impact of this price increase on the consumers of eastern Canada, and whether he has any relief measures in mind to recommend to cabinet?

● (1450)

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, my understanding is that the recent price was an oil auction price for participation oil from Iran, and the oil imported into Canada from Iran comes on long-term contracts with various Canadian refineries. I have had no indication yet that this auction price will find its way into the general price for crude oil in this country.

OIL—LEVEL TO WHICH GOVERNMENT WILL ALLOW PRICE TO RISE BEFORE TAKING ACTION TO ASSIST PEOPLE OF EASTERN CANADA

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I have a further supplementary for the Prime Minister. Would the right hon. gentleman tell the House whether he has yet determined to what level the government will permit offshore prices to rise before considering the implementation of some sort of domestic pricing policy to protect the people of eastern Canada, perhaps some sort of partial subsidy or measures of that nature?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I may have misunderstood the question, but surely offshore prices are not determined by the federal government but by the producers of oil offshore.

Mr. Speaker: The Chair will recognize the hon. member for Central Nova on a supplementary question and then try to complete the first round of questions by recognizing representatives of the other two parties. I will then return to the number of hon. members who wish to ask supplementary questions on this matter.

Mr. MacKay: Thank you, Mr. Speaker. I will be brief. I am sorry if I did not make my question clear to the Prime Minister. I realize, of course, that offshore prices are not determined by the federal government, but I am wondering whether the Prime Minister has in mind any unacceptable level beyond which he will not permit the people of eastern Canada to be victimized by these prices? Does he have any plan that, if necessary, he will eventually introduce some sort of relief measures such as a partial subsidy or other domestic assistance?

An hon. Member: Like removing the federal sales tax.

Mr. Trudeau: Again, Mr. Speaker, we may be on different wave lengths. It seems to me that the federal government can in no way determine the price—

Some hon. Members: Oh, oh!

An hon. Member: No policy.

An hon. Member: I could get you a bumper sticker to describe that policy.

Mr. Trudeau: We cannot determine the price at which Venezuela decides to send the oil to us. The only remedy we or the provinces have if we do not want to pay that price is not to take the oil.

Some hon. Members: Oh, oh!

Mr. Bell: Wait till Premier Reagan hears that.

Mr. Speaker: Order, please. The hon. member for York South.

An hon. Member: Now we will hear from Sheik Lewis.

OIL PIPELINE EXTENSION TO MONTREAL—INQUIRY WHEN APPLICATION WILL BE MADE AND BY WHOM—FINANCIAL ARRANGEMENTS

Mr. David Lewis (York South): Mr. Speaker, I wish that some hon. members would stop elevating me. I should like to ask the Minister of Energy, Mines and Resources one or two questions about the pipeline. When does he expect an application to be made to the National Energy Board with regard to the extension of the pipeline, and by whom?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, one thing I promise not to call the hon. gentleman is a blue-eyed Arab.

Some hon. Members: Oh, oh!

An hon. Member: Explain.

An hon. Member: How cosy can you get?

Mr. Macdonald (Rosedale): Mr. Speaker, I would hope that an application for the pipeline will be made to the National Energy Board early in the new year. I would anticipate that the best way to achieve the construction of the pipeline would be by an extension of the Interprovincial line and therefore the application would be made by that company.

Mr. Hees: Say it with flowers.

Some hon. Members: Oh, oh!

Mr. Lewis: Mr. Speaker, may I as a blue-eyed Canadian—

Some hon. Members: Hear, hear!

Mr. Lewis: My wife has told me I have blue eyes.

An hon. Member: How sweet it is!

Some hon. Members: Oh, oh!

An hon. Member: You make beautiful love together.

Mr. Hees: Oh David, you are just darling.

Mr. Crouse: Oh, my blue-eyed baby.

Mr. Bell: This is getting unparliamentary. You should go behind the curtains.

Mr. Muir: It is getting a little nauseating.

[Mr. Trudeau.]

Mr. Lewis: Mr. Speaker, may I ask the minister whether the financial arrangements have already been completed, whether the financing of the extension of the pipeline will be done entirely by Interprovincial or will the federal government participate, and if there is any financing by the federal government, will the federal government have any equity in that part of the pipeline?

Mr. Macdonald (Rosedale): Mr. Speaker, the financing details of the pipeline are not yet determined. Indeed, that is one of the questions under intensive discussion at the moment.

[*Translation*]

POSSIBILITY OF GUARANTEE THAT ARAB OIL WILL NOT BE EXPORTED BY CANADA TO UNITED STATES

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I wish to put a question to the minister of what energy we have left, the Minister of Energy, Mines and Resources.

Since Arab countries are willing to supply Canada with all the oil products it needs, provided those products are not exported to the U.S.A., does Canada intend to continue refusing that guarantee to the Arab countries in the face of the new reductions in Arab exports to Canada from January 1, 1974?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, as I mentioned to the House a few days ago, we made inquiries in Saudi Arabia in order to know their opinion and policy with regard to exports to the U.S.A. As yet, we have not exported Arab oil products to the United States but we will continue to export oil products coming from the other countries.

OIL PIPELINE EXTENSION TO MONTREAL—REQUEST FOR ASSURANCE THAT OIL PRICE WILL NOT BE HIGHER THAN OFFSHORE CRUDE

Mr. Roch La Salle (Joliette): Mr. Speaker, I should like to put a supplementary question.

Mr. Speaker: The hon. member for Joliette.

Mr. La Salle: Mr. Speaker, I should like to put a supplementary question to the Minister of Energy, Mines and Resources.

Since the construction of a pipeline is taken for granted, in his negotiations with the Quebec government, has the minister asked for the assurance that the prices of western oil products will not be higher than those of products from abroad and if not, can he assure us that Quebec will obtain prices similar to those of imported products?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, we have discussed with the Quebec government the price of imported oil and it is one of the main questions which will have to be solved before the construction of such a pipeline.

[*English*]

REQUEST THAT DISCUSSION OF ENERGY SUPPLIES EMERGENCY BILL AND TAX MEASURE BE POSTPONED UNTIL FIRST MINISTERS' CONFERENCE

Mr. G. W. Baldwin (Peace River): Mr. Speaker, agreeing with the minister's statement that the first ministers' conference is the proper forum for discussion of these matters which are of joint interest to both levels of government, in light of the effect of Bill C-236 and the bill founded on the ways and means motion he designated today, will he give very serious consideration to postponing further discussion of these bills until the first ministers' conference for the sake of promoting national unity and in an attempt to arrive at a reasonable settlement in a congenial atmosphere on January 23 and 24?

Some hon. Members: Hear, hear!

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): With regard to Bill C-236, Mr. Speaker, we cannot fully anticipate all the events that may occur in the near future, but certainly one of the grave concerns is that there may be a sufficient interruption in the supply of oil coming to the eastern Canadian market that the customers in that market may, indeed, be prejudiced later in the winter. On that basis, rather than delay the bill I think it would be in the interests of all members from all parts of the country, perhaps even the hon. member for Peace River in particular as a member from Alberta, to make sure that some of our fellow citizens do not suffer because of events beyond our control.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Baldwin: Mr. Speaker, I rise on a point of order to say that the member for Peace River, like most people in Alberta, is far more concerned about doing something for the people of eastern Canada than is the Prime Minister who is willing to let them freeze.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

● (1500)

Mr. Trudeau: Mr. Speaker, on the same point of order, I am very happy that the member for Peace River is indicating that the Alberta members are interested in assuring a supply of oil to Quebec and eastern Canada. I wonder if he could assure a supply of Alberta members to Quebec on the bilingual policy.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

POSSIBLE EMBARGO ON OIL EXPORTS FROM UNITED STATES TO CANADA—GOVERNMENT POSITION

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a supplementary question for the Minister of Energy, Mines and Resources. In view of statements made in the last few days in the United States that the government of that country is prepared to impose embargoes on the export of petroleum products from the United States to Canada, and in view of the importance to our energy supply of those exports to this country, has the minister been in touch with the United States government to find out whether or not that is the intention of that government and, if so, what effect does he think it will have on the energy supplies of this country?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, it has been a matter of concern that supplies of certain refined products, particularly those going to the lower mainland of British Columbia, not be interrupted by any United States domestic policy. We will make certain that viewpoint continues to be indicated to the United States government.

* * *

UNEMPLOYMENT INSURANCE

REQUEST THAT OPERATION OF UNEMPLOYMENT INSURANCE COMMISSION BE STUDIED BY STANDING COMMITTEE

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I should like to direct a question to the Prime Minister regarding unemployment insurance. In light of the mounting criticism and concern about the cost and the effectiveness of the whole plan, and in view of conflicting statements by ministers on this matters, would the Prime Minister seriously consider having the whole question of the Unemployment Insurance Commission directed to the Standing Committee on Labour, Manpower and Immigration so it can delve into the act and the regulations in order to bring about suggested amendments which perhaps could make this act more acceptable?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, as the House leader has indicated to the House of Commons, we hope we will be able to end this part of the session before Christmas and I think it would be unwise at this stage to charge the parliamentary committees with more work than is already assigned to them.

SUGGESTION THAT QUALIFYING PERIOD BE INCREASED

Mr. Lincoln M. Alexander (Hamilton West): I have a supplementary, Mr. Speaker. In view of the fact the Prime Minister has evaded that question, I should like to direct a question to the Minister of Manpower and Immigration. In light of the fact that many concerned persons and experts have indicated that the qualifying period of eight weeks is too short, would the minister seriously consider bringing in legislation to increase the minimum qualifying period?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, any contemplation of legislation regarding the Unemployment Insurance Act surely must be based on a much more profound and comprehensive examination than singling out one small aspect. I point out that there was ample opportunity in the spring to deal with these matters when the supplementary estimates were before the committee on estimates, and there

will be ample opportunity when the main estimates are again before the committeee. I for one will welcome that opportunity to dispel some of the myths being spread by many.

Mr. Speaker: Order, please. The hon. member for Vancouver South and the hon. member for Hastings seek to rise on supplementaries and will be recognized for that purpose. Then I will see the hon. member for Oshawa-Whitby.

REINTRODUCTION OF BILL RESPECTING ADMINISTRATION

Mr. John A. Fraser (Vancouver South): Mr. Speaker, my question is directed to the Minister of Manpower and Immigration. Can the minister advise whether it is the intention of the government to reintroduce Bill C-125 concerning the administration of the Unemployment Insurance Act now, or in 1974?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, the position of the government was stated by me on November 11, as recorded at page 7611 of *Hansard*. If the hon. member will read it in full, I think he will find that is the position of the government, which has not changed.

Mr. Fraser: Mr. Speaker, I have a supplementary for the minister. The minister is aware of the statement made by the Minister of the Environment. Is the minister in agreement that is government policy?

Mr. Andras: Mr. Speaker, I discussed this with my colleague. I think the reports are incorrect. There is no disagreement. The statement I made as recorded at page 7611 of *Hansard* is the policy of the government.

REQUEST FOR INQUIRY INTO RELUCTANCE TO PAY INCREASED PREMIUMS

Mr. J. R. Ellis (Hastings): Mr. Speaker, about a month ago I asked, in the absence of the Minister of Manpower and Immigration, his stand-in for that day whether or not, in light of the growing number of employees and employers who are reluctant to pay the excessive increase in benefit premiums, the government would undertake an inquiry into the matter. In view of the Prime Minister's answer today, I again ask that question of the minister since I have not yet received an answer.

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I think the hon. member has had an answer to that question several times, also augmented by the answer the Prime Minister gave a few moments ago.

[Mr. Andras.]

EXTERNAL AFFAIRS

REQUEST FOR REPRESENTATIONS TO CHILEAN GOVERNMENT TO EXTEND DEADLINE FOR APPLICATIONS FOR SAFE CONDUCT

Mr. Andrew Brewin (Greenwood): Mr. Speaker, my question is addressed to the Parliamentary Secretary to the Secretary of State for External Affairs. In view of the fact that apparently there are 45 Chilean refugees at the Canadian Embassy in Santiago, and that the Chilean government apparently has fixed a deadline for applications for safe conduct as of yesterday, which has been met in respect of the 45, does this ruling exclude new applicants and, if so, will the Canadian government make representations to the Chilean government to extend the deadline so that the humanitarian policies announced by the Canadian government in respect of refugees may be fully implemented?

[*Translation*]

Mr. Pierre De Bané (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, I can confirm to the hon. member that indeed 45 Chileans are in the Canadian chancery in Santiago. As for the second part of his question the Under-Secretary of State for External Affairs conveyed yesterday to the chargé d'affaires of Chili here in Ottawa the feelings of the Canadian government on the matter.

* * *

[*English*]

UNEMPLOYMENT INSURANCE

INQUIRY AS TO OPERATION OF COMPUTERS

Mr. W. C. Scott (Victoria-Haliburton): Mr. Speaker, my question is directed to the Minister of Manpower and Immigration. Can the minister assure the House that the computer systems of the Unemployment Insurance Commission pay centres have been upgraded to eliminate the errors and over-payments that have been so prevalent in the past?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, the overpayments, contrary to some distorted information given by some people, were not due to computer error but were identified by control measures which discovered, for example, that some people were drawing unemployment insurance when they already had jobs and should not have been drawing benefits. That is the sort of situation that was corrected on the basis of interviews. The computer was not, as indicated by one hon. member, the guilty party. The answer to the general question is yes, the computers are performing just as well as the people who put the information into them.

CENTRAL MORTGAGE AND HOUSING CORPORATION

GRANVILLE ISLAND, VANCOUVER—DESIGNATION FOR PUBLIC USE—REASON FOR APPOINTMENT OF LIBERAL AS PROJECT MANAGER

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, my question is directed to the Minister of State for Urban Affairs. In view of statements made by the minister that Granville Island, Vancouver, will be designated for public use, and in view of the fact that some industrial leases on this island have over 20 years to run, will the minister explain to the House why this property has already been transferred to the Central Mortgage and Housing Corporation, since there will be no mortgages and no housing involved, and would he further explain why the former president of the British Columbia Liberal Association has been hired already as project manager at a salary of $25,000 per year?

Mr. Speaker: Perhaps that question could be placed on the order paper or considered at the time of adjournment.

* * *

UNEMPLOYMENT INSURANCE

NUMBER OF PEOPLE DRAWING BENEFITS IN LIGHT OF REPORTED JOB OPPORTUNITIES

Mr. Ian Arrol (York East): Mr. Speaker, my question is for the Minister of Manpower and Immigration. In view of the fact that in Toronto and elsewhere throughout the country employers say they cannot get workers, how does the minister explain the tremendous number of people who claim they cannot get work and who are receiving benefits which will cost the country well over $2 billion this year?

● (1510)

Mr. Speaker: Order, please. I am sure the hon. member will agree with the Chair that a question asked in those terms is debate and invites argument. Certainly, a question asked in such terms cannot be accepted from the point of view of procedure.

* * *

ENERGY

MEETING OF FIRST MINISTERS IN JANUARY, 1974—INQUIRY AS TO TELEVISING AND ACCESS FOR PUBLIC

Mr. J. H. Horner (Crowfoot): Mr. Speaker, I should like to direct my question to the right hon. Prime Minister. Can he inform the House and the country whether or not the first ministers' meeting in January will be open to the public and perhaps even televised on the French and English channels all across Canada?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I would hope so, but I cannot make any decision without consultation with and agreement by the provinces.

Mr. Horner (Crowfoot): Is the right hon. Prime Minister's office carrying on that consultation now to ascertain the wishes of the provinces?

Mr. Trudeau: At this stage I am just beginning to receive replies from the provinces on the dates that I propose, on the subject matter for the agenda and on the form of the conference. When I am in a position to gather all these replies, perhaps I will then be able to assist the hon. member by replying to his question.

[*Translation*]

Mr. Henry Latulippe (Compton): Mr. Speaker, I wish to direct a question to the hon. Minister of Manpower and Immigration—

Mr. Speaker: Order, please. I apologize to the hon. member, but one of his colleagues is rising on a question of privilege.

[*English*]

Mr. Roche: Mr. Speaker, I rise on a question of privilege. A few minutes ago the right hon. Prime Minister made a remark which tarnished Alberta members of parliament as bigots on the bilingual issue. I have deliberately let a few moments go by in order to cool my emotions on hearing that remark which was an outrageous slander on members of parliament from Alberta who are second to none in their desire for true national unity.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. Perhaps the hon. member would resume his seat for a moment. I think I must remind the hon. member that he has risen on a question of privilege and he himself mentioned that it relates to a statement made earlier.

Mr. Fairweather: Yes, two minutes earlier.

Mr. Forrestall: What is wrong with letting your temper cool off when something like that riles you?

Mr. Speaker: Order, please. As I said, I would invite the hon. member to resume his seat for a moment while I caution him that a question of privilege should be raised at the moment when there is occasion or reason to bring it forward. I am sure the hon. member has that in mind.

Mr. Roche: As I said, Mr. Speaker, I simply wanted to think about the matter for a moment or two and allow my temper to cool. My question of privilege, which I repeat to you, is that the Prime Minister is trying to isolate Alberta as the villain in the energy crisis in order to cover up his own lack of policy and programming in securing energy supplies.

Some hon. Members: Oh, oh!

Mr. Roche: Finally, I am hesitant to dignify the slander on Albertans that we have suffered by a question of privilege, but we are not going to sit quietly in this chamber and be called bigots by the Prime Minister.

Some hon. Members: Hear, hear!

Mr. Trudeau: Mr. Speaker, it will be up to you and the House to decide whether there was indeed any slander, but I must indicate to the gentleman opposite that my reference did not in any way indicate that he or his colleagues from Alberta are bigots. What I did indicate was that in their value judgments it is more important to Quebec to have acceptance by Canada of the bilingual policy than to have a gallon of oil from Alberta. I would hope the hon. member would support that along with all his colleagues.

Some hon. Members: Hear, hear!

Mr. Speaker: The hon. member for St. John's West.

Mr. Carter: Mr. Speaker—

Mr. Speaker: I apologize to the hon. member for St. John's West. Before the Chair recognized the hon. member for Edmonton-Strathcona on a question of privilege, the hon. member for Compton had the floor.

* * *

[*Translation*]

MANPOWER

LOCAL INITIATIVES PROGRAM—AVAILABILITY OF ADDITIONAL FUNDS—FORMULA FOR ALLOCATION OF GRANTS

Mr. Henry Latulippe (Compton): Mr. Speaker, I wish to direct a question to the hon. Minister of Manpower and Immigration.

Would he advise the House whether local initiatives projects will be maintained and, if so, whether additional funds will be made available? Otherwise, will the LIP policy be abolished?

[*English*]

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, the Local Initiatives Program is, of course, current now. Money is being allocated and projects approved. If I have missed the point of the hon. member's question, I apologize. Most certainly it is alive, well and living in Canada and it is being vigorously pursued at the present time.

[*Translation*]

Mr. Speaker: Does the hon. member for Compton wish to ask a supplementary question?

Mr. Latulippe: Mr. Speaker, have the hon. minister and the government reviewed the LIP formula which they have established over the past few years? Does it meet real needs? Is it warranted? If so, why are as many as 90 per cent of the projects turned down?

[*English*]

Mr. Andras: Mr. Speaker, I rise on a point of order.

Mr. Speaker: Order, please. Things are becoming somewhat confused.

Mr. Andras: Mr. Speaker—

[Mr. Roche.]

Mr. Speaker: Order. I was going to suggest to the hon. member for Compton that the question might be placed on the order paper in both French and English in view of the difficulty with the translation service.

* * *

FISHERIES

ASSISTANCE TO NEWFOUNDLAND FISHERMEN TO COMPENSATE FOR LOSSES DUE TO SEVERE ICE CONDITIONS—REQUEST FOR EXTENSION OF PROGRAM

Mr. Walter C. Carter (St. John's West): Mr. Speaker, my question is directed to the Minister of Fisheries. It concerns the statement made by him on November 9 in which he announced a program of assistance for Newfoundland fishermen who suffered losses because of ice conditions last spring. In view of the fact this program discriminates against many hundreds of Newfoundland fishermen in that those who do not live within the defined areas will not receive assistance although they suffered the same type of losses under the same conditions, would the minister give an undertaking to have this program extended so that all fishermen who have suffered losses because of the ice conditions in Newfoundland will be compensated?

Hon. Jack Davis (Minister of Fisheries): Mr. Speaker, I would be glad to give the hon. member that assurance. However, I can also tell him that, prior to the announcement of areas in which the benefits will be paid an analysis was made of the catch of the fishermen. The hon. member will be glad to know that in Newfoundland as a whole the value of the catch was up by 20 per cent.

Mr. Carter: I am aware of the formula used by the minister and his officials in arriving at this decision, but in view of the fact the formula discriminates against inshore fishermen, will the minister reconsider and extend the program to these people?

Mr. Davis: Our financial support is aimed primarily at inshore fishermen.

* * *

UNEMPLOYMENT INSURANCE

STUDY OF RELATIONSHIP BETWEEN NUMBER OF JOB VACANCIES AND NUMBER OF PEOPLE RECEIVING BENEFITS

Mr. Ian Arrol (York East): Mr. Speaker, I should like to ask the Minister of Manpower and Immigration whether he is studying the relationship between the high job vacancy rate and the increasingly high unemployment insurance benefits and, if so, when might we expect the results of such investigation?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, this problem is under constant examination. I have announced before the miscellaneous estimates committee the several steps which we are taking. I might say that the unemployment insurance claim board is diminishing in relation to the diminishing

unemployment. If the hon. member would care to examine the statistics, he would find they support what I have just said.

ACTION TO FIND JOBS FOR UNEMPLOYED

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, my question is for the Minister of Manpower and Immigration. In view of the fact the whole of the country does not just circle around big "TO"—

Some hon. Members: Oh, oh!

An hon. Member: He does not know his geography.

● (1520)

Mr. Muir: —would the minister make special arrangements to see that the Manpower Offices in many other parts of the country, where many people are unemployed and where unemployment is drastically high, will do their utmost to find jobs for people who cannot find jobs? Would he also entertain the idea of bringing before the cabinet more plans and efforts to provide industry in those areas where there are no jobs and people are desperately and seriously trying to find jobs?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, as to the first part of the question I think I did indicate, again in my statement, before the Miscellaneous Estimates Committee our plans to convert all the CMC's to job information centres by early 1975. As to the second part of the question or representation, I have total confidence in my colleague, the Minister of Regional Economic Expansion, and in the many other programs that are trying to do exactly what the hon. member wishes to see accomplished.

AVERAGE BENEFIT AND PERIOD OF PAYMENT

Hon. Bryce Mackasey (Verdun): Mr. Speaker, I wish to direct a supplementary question to the Minister of Manpower and Immigration. In light of the suggestion that unemployment insurance is in some way contributing to the inability of employers to obtain workers—

Some hon. Members: Hear, hear!

Mr. Mackasey: —has the minister any statistics as to the average income per hour of the unemployed and the number of weeks they are on unemployment insurance?

Some hon. Members: Order paper!

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, as is well known, the average weekly pay from unemployment insurance benefit is $68, and the average person is on unemployment benefits for between 17 and 18 weeks. I do not think there is any doubt by virtue of that average, with the top ceiling of $107 per week only involving about 13 per cent of the claimants, that the money is going to the people in the lower income bracket.

Mr. Speaker: Order, please. We are running short of time. The Chair will recognize the hon. member for Fraser Valley West and the hon. member for St. John's East, and perhaps then call orders of the day.

LEVEL OF BENEFITS COMPARED WITH MINIMUM WAGE AND WELFARE PAYMENTS

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, I would like to ask the minister whether he has statistics to confirm that the minimum wage level, welfare payments and unemployment insurance benefits are all about on the same level and that level is the poverty line?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I would be very interested in examining the details of that question. Right now I do not have readily available in my mind statistics that would support or deny the hon. member's suggestion.

* * *

POST OFFICE

ALLEGED HOLDING UP OF DELIVERY OF FAMILY ALLOWANCE CHEQUES

Mr. James A. McGrath (St. John's East): Mr. Speaker, I would like to ask the Postmaster General if he can tell the House whether any post offices across the country are holding up December family allowance cheques because the envelopes also contain references to the new Family Allowance Act which has not yet passed through the full parliamentary process, and can he tell the House when these cheques will be released by the post offices?

[*Translation*]

Hon. André Ouellet (Postmaster General): Mr. Speaker, post office employees deliver mail as soon as it is received. I can assure the hon. member that it is not the custom of the Post Office Department to delay intentionally mail delivery.

[*English*]

Mr. McGrath: In view of the fact that I know of one post office in the country where family allowance cheques have been held up for three days on the instructions of the Minister of National Health and Welfare—I am talking about St. John's, Newfoundland—may I ask how long these cheques will be held by this post office, and can he tell the House when in fact the cheques will be delivered?

[*Translation*]

Mr. Ouellet: Mr. Speaker, I shall inquire on this case, but I have serious doubts as to the accuracy of the hon. member's remarks.

[*English*]

TRADE

CANADIAN DEFICIT UNDER CANADA-UNITED STATES AUTO PACT—STEPS TO ACHIEVE EQUALITY

Mr. Terry O'Connor (Halton): Mr. Speaker, in the absence of the Minister of Industry, Trade and Commerce may I direct this question to his parliamentary secretary. Can he advise the House of the reason for the nine month $181 million deficit under the Canada-United States auto pact, and what steps the government is taking to establish equality and equity under that agreement, as is stated in the agreement?

Mr. Herb Breau (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Mr. Speaker, the shift in trade balance is attributed in large measure to the large demand for North American type vehicles in Canada compared with the United States. We examine these figures regularly, and if changes are to be made in policy or anything else we will make them.

Mr. O'Connor: Further to that non-answer, Mr. Speaker, would the minister advise when the long delayed talks between United States and Canadian officials on the auto pact are going to get back on the track and when some positive steps will be taken?

Mr. Breau: I will transmit the question to the minister.

* * *

[*Translation*]

EXTERNAL AFFAIRS

GOVERNMENT POLICY ON AID TO THIRD WORLD COUNTRIES

Mr. H. T. Herbert (Vaudreuil): Mr. Speaker, I should like to put a question to the Secretary of State for External Affairs, but in his absence I shall put it to his parliamentary secretary.

During the report on Ethiopia on "Format 60" last night, it was announced that unfortunately the federal government has decided to reduce aid to third world countries. May I ask why it has decided to adopt such a policy?

Mr. Pierre De Bané (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, this report on TV and in other media is absolutely false. If one federal body has been the subject of special attention from the government, it is indeed CIDA which has benefited from an annual increase of about 17 per cent in its budget for the past four years and which will get a substantial increase next year.

* * *

[*English*]

SOCIAL SECURITY

ALLEGED DELAY IN DELIVERY OF FAMILY ALLOWANCE CHEQUES

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, in the absence of the minister I wish to direct a question to the Parliamentary Secretary to the Minister of National Health and Welfare. Have the baby bonus cheques that were to go out on December 10 been cleared by his department?

Mr. Norman A. Cafik (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, I cannot say whether they have been cleared through the department or not. I can say it has been traditional that they go out on the 10th or 11th, and we will do everything in our power to see that they go out as soon as possible.

Mr. Rynard: Why are they being held up?

Mr. Cafik: Mr. Speaker, I am not in a position to be able to answer that question, but I will see that an answer is given at the first opportunity. An investigation will be conducted.

Mr. Speaker: Orders of the day.

Mr. Woolliams: Mr. Speaker, I rise on a point of order having to do with page IV of the Order of Business and Notices Paper for today where notice is given by the Minister of Energy, Mines and Resources of introduction of a bill entitled "an act to impose a charge on the export of crude oil from Canada", also involving a ways and means motion.

My point of order is that there may be a typographical error in this notice. I hope it is that rather than a misrepresentation on the part of the minister. I read the following from the accompanying recommendation:

> —there shall be paid out of the Consolidated Revenue Fund to defined provinces for a prescribed period, a proportion of 50 per cent of the revenues to such provinces calculated in the manner set out in the measure.

The minister has said over and over again, not only at the committee level but also in the House, that 100 per cent of that tax would be returned to the provinces that produce the resource. Either we have a typographical error where it says that only 50 per cent will go back to the producing provinces or this is one of those cases where the minister once again has deceived the House and the people of Canada.

Mr. Macdonald (Rosedale): Mr. Speaker, I would again point out to the hon. gentleman, as indeed I have pointed out many times, that I indicated we would return to the provinces the royalties that they otherwise would have had and the federal government would then invest the balance of the tax in the producing provinces. Therefore these federal funds would go into the Consolidated Revenue Fund and be appropriated for investment in the producing provinces.

Mr. Ellis: Mr. Speaker, I rise on a point of order. Like the hon. member for Edmonton-Strathcona (Mr. Roche) I was allowing my temper to cool, and was not aware that the rules required that a question of privilege be raised immediately. The Minister of Manpower and Immigration earlier made reference to the fact that the problem was not with the computers but with the people feeding the computers. I cannot accept that. I can prove categorically that the computers did not work at any time last winter and the people were not responsible.

Mr. Speaker: Orders of the day.

Mr. Macdonald (Rosedale): Mr. Speaker, I rise on a point of order in connection with the business set down for consideration today. Because of a longstanding arrangement made with the External Affairs Committee I am to appear before that committee this afternoon to discuss the Law of the Sea, and as a consequence I have asked the Minister of Regional Economic Expansion to move Bill C-236 on my behalf when it comes up for a vote.

Mr. Bell: We will keep it going until you get back.

Mr. Speaker: Orders of the day.

● (1530)

GOVERNMENT ORDERS

[*English*]

ENERGY SUPPLIES EMERGENCY ACT

MEASURE TO PROVIDE FOR ALLOCATION BOARD, MANDATORY ALLOCATION OF SUPPLIES AND RATIONING OF CONTROLLED PRODUCTS

The House resumed, from Tuesday, December 11, consideration of the motion of Mr. Macdonald (Rosedale) that Bill C-236, to provide a means to conserve the supplies of petroleum products within Canada during periods of national emergency caused by shortages or marked disturbances affecting the national security and welfare and the economic stability of Canada and to amend the National Energy Board Act, be read the second time and referred to the Standing Committee on National Resources and Public Works.

Mr. Charles E. Haliburton (South Western Nova): Mr. Speaker, last night when I began speaking on this subject I was attempting to review some of the measures taken or proposed by the government in light of the apprehended crisis—or, should I say, apprehended insurrection—in the oil industry. What moves has the government made in face of that situation? There have been some efforts made to convince the people of Canada that the government should initiate some apparently conservative measures. Those measures have met no doubt with some success, although in light of the lack of credibility which the minister and the government have on this issue it is likely that those voluntary measures will not have as much effect as might be desired. In any event, the benefits of such conservation measures will be in the short run.

We have, after all, in Canada an increasing population and we have the tradition of increased disposable income in the hands of every Canadian. With increases in the population and increases in the gross national product, obviously the same amount of energy will supply the people of Canada this year as supplied them last year. Next year the situation will be much more aggravated to the extent that known reserves of oil are only sufficient to last the world for the next 20 years. I suggest that the government needs to go a great deal further than offering to the people of Canada some suggestions on means of conserving energy, if we are to have any long-term solutions.

One of the things that the government initiated is a price freeze—a freeze which is not a freeze. I mentioned earlier that there was no freeze in eastern Canada: there is no freeze for the consumers of the Atlantic provinces, where I come from, either in heating oil or gasoline. In fact, what we are faced with as a result of this freezing policy of the government is a two-price system in Canada. We have two Canadas again—one with adequate and cheap energy, and one without. The one without is that other Canada, the one from which I come, east of the Ottawa Valley line. Apparently that eventually is in keeping with the Prime Minister's attitude which he confirmed just a few moments ago, that not only are prices in eastern Canada going to be frozen, but if we cannot afford to pay the price of oil, we do not have to buy it. That comes very close to paraphrasing the motto which we read on the bumper stickers of cars from some parts of western Canada and is not the type of thing we would expect from a statesman of this country.

Last night I spoke about the alleged price advantages that had applied hitherto in eastern Canada. Since then I have obtained a few statistics from Statistics Canada although I am cautioned that their reliability is not certain. However, I think they are sufficiently in keeping with my recollection of prices that I should put them on the record. The price of grade one gasoline, that would be premium gasoline, in Halifax in October, 1960, was 50.9 cents. In Toronto at the same time it was 44.9 cents. In October, 1965, in Halifax it was 51.4 cents and in Toronto it was 49.4 cents. In October in 1970, in Halifax, it was 56.1 cents and in Toronto it was 56.2 cents. That is the only date I have on which the price of gasoline west of the Ottawa Valley line exceeded the price east of the Ottawa Valley line. In October, 1973, in Halifax it was 66 cents and in Toronto it was 64 cents. Furnace oil follows a little different pattern: for some inexplicable reason it was slightly cheaper in the Halifax area. I suggest to you, Mr. Speaker, on the basis of those statistics, that it was not as cheap as has been suggested in this House and not so cheap as to prompt the argument which has been raised so many times that Atlantic Canada has been profiting from cheap offshore oil. At one stage, for a short time, the price of heating fuels in Halifax was almost three cents cheaper than in Toronto. Now the trend has been reversed, just as it was reversed prior to 1965. The one period which was different was 1970.

What else has the government done by way of enunciating policy or taking decisions that would justify this current request for arbitrary and sweeping powers? They have had a reconversion to the view that a Montreal pipeline is needed. That is a step in the right direction, but that conclusion was not reached until this alleged crisis arose. It seems that Canada has lost out on the opportunity to construct a Mackenzie Valley pipeline. Nobody in the industry now believes there is any possibility of salvaging this project because an indecisive, vacillating government with no energy policy except that provided by the NDP did not have the courage to move.

An hon. Member: Do you have a policy?

Mr. Haliburton: We have a policy, do not worry about that. That lost opportunity for the Mackenzie Valley pipeline will have very long-range ramifications. It may mean that the gas will stay on the northern slopes of the northern territories forever. After all, alternative sources of energy must be found, and unless steps are taken at the right time that petroleum will remain too expensive until it becomes outmoded.

What else has the government done? We had the nebulous promise of the Prime Minister (Mr. Trudeau) last week that a national petroleum company will be formulated with a capitalization of $50 million. That is not an impressive figure, Mr. Speaker. The Prime Minister announced a proposed expenditure of $40 million for research into the development of the tar sands over the next five years. The Alberta government is already committed to developing the tar sands and Syncrude is committed in respect of production. The only real cloud on the picture was whether federal tax measures would permit the project to become viable. Over the next five years the proposed expenditure of $40 million will obviously be of some help. I suppose you might call it pocket money, in the context of the amount of money involved in the project. It is a little like carrying a toothpick to a baseball match and thinking you are going to hit the ball, or going into battle with a popgun.

In energy matters, this government should be thinking beyond traditional sources of energy. It should be looking at the needs for the next 25 years and beyond, when it appears that petroleum supplies will be rapidly running out. We should be thinking beyond nuclear sources of energy to some other types of energy being developed in other countries. But in the meantime it is essential that we have access to petroleum.

An article appeared in yesterday's *Globe and Mail* which took my fancy, Mr. Speaker. It seemed to indicate that Canada has missed the boat on international trade in oil. The headline was "French group to build steel plant in Iraq". Apparently, under a contract between France and the government of Iraq, the French government has agreed to provide what is called technical aid in exchange for being exempted from the Arab oil embargo and, in addition, to have a two-year contract to buy oil at low prices. Where was our government when that kind of deal was going on? Where is our government when it comes to protecting our interests in international trade? We should be moving in such a direction on short-term supplies of oil. If the government can make Canada self-sufficient in energy in ten years, clearly the petroleum problem is not a long-range one, assuming the government's program to be sensible.

● (1540)

We are an industrialized country. We have technical expertise. We can show the producing countries how to make the most, economically, of their natural resources. We have no right to rape them and demand from them their petroleum and give nothing in return except a few Canadian or American dollars. We should anticipate their demand for *quid pro quo*, just as Saskatchewan and other provinces are entitled to *quid pro quo*. The conclusion of such a technical and trade agreement would go far toward solving petroleum and energy problems, problems which the government has put forward as the reason for this bill which is nothing more than a grab for power and provincial natural resources.

After all, the OPEC countries are not really interested in our dollars or American dollars. They already have more than they can use. They want improved standards of living for their people, an enlarged industrial base and perhaps some measure of self-sufficiency. If we help them to achieve that goal, I believe we shall encounter no difficulty in making short-term arrangements for oil at cheap prices, as France has done. Having reviewed the context in which this bill has been presented, I ask, what is the government asking us to do? I refer to an article contained in the Halifax *Herald* of December 4 which reads in part:

> A bill that would give the government authority to act in almost any petroleum emergency was introduced in the Commons by energy minister Donald Macdonald, who called for quick approval.

The government always asks for quick approval for something which it has delayed bringing forward. The article continues:

> —the allocation board could supersede provisions in a number of federal statues and overrule other federal agencies such as the National Energy Board.

The bill is to give the board power to take charge of railcars, ships and pipelines to move petroleum supplies to areas where they are needed most. The board could press even foreign ships into service. Pipeline companies would come under the jurisdiction of the board. They could be forced to build new branch lines and other facilities deemed necessary by the board. Presumably, the board could even force pipeline companies into bankruptcy. In other areas, the legislation would allow for relaxed anti-pollution standards and permit modification of contracts. It provides for individual rationing of petroleum and the issuing of ration coupons, and also for the power to ration electricity. The bill gives the board great powers. What has become of private enterprise? What has become of profit and loss?

Members last night said, "Oh, oh!" when I talked of this bill as being as far reaching as any wartime measure. For example, some industries which would be directly affected and indirectly controlled involve uranium mines, mineral fuel mines, rubber industries, synthetic textile mills, carpet, mat and rug industries, petroleum refineries, petroleum and coal products, manufacturers of plastics and resins, paint and varnish, fertilizer and agricultural products. Even if we disregard the fertilizer and agricultural input, this board will control areas of Canadian industry which account for just under 20 per cent of the total Canadian gross national product. This board will be very, very powerful.

In wartime, the emergency is clear; there is no question about there being an emergency. Certain powers must be exercised by one central authority. At present there is no evidence of an emergency. The Minister of Energy, Mines and Resources (Mr. Macdonald) and the Prime Minister have not given us any facts and figures on which to establish an emergency. They cannot even tell members in this chamber from whom they are getting this advice or who sits on the technical advisory committee. Who are the

people who tell us what sources of oil there are in Canada and what allocations need to be made?

We have encountered a situation in which prices are rising. There is an apprehended possibility of a crude petroleum shortfall ranging from a high of 200,000 barrels a day to a low of between 10,000 and 15,000 barrels. It has become evident during the past few weeks that the 200,000 barrel shortfall is an upward limit; it is not a realistic figure or one we can anticipate realistically. The low figure seems much more reliable. Is this the type of emergency, uncertain as it is, which should move this House to give such sweeping powers to a five-man board, powers to supersede any law which might conceivably interfere with their discretionary powers? Is that sufficient reason for this House to vote confidence in the governor in council and in its five picked men who will control and, in effect, administer industries using petroleum, petrochemicals, plastics and coal? Perhaps Nova Scotia will lose its right to sell coal to the highest bidder, just as Alberta and other producing provinces will perhaps lose their right to direct the sales of petroleum.

The board would also control electricity. Perhaps development of Fundy tidal power and allocations of other forms of power would come under the board. More important, for that matter, the board would have power to override provincial constitutions and provincial interests. Mr. Speaker, this board would have power to enrich one company at the expense of another, one province at the expense of another. It would have power to override federal and provincial environmental laws and other federal statutes passed by this House. It would have power to do this under regulation passed by the governor in council.

That is not the worst of it. The legislation is open-ended; it will remain in force as long as the governor in council chooses to continue the program. Do we need this program, Mr. Speaker? Is the government entitled to ask for it at this stage of the game? My answer is no. The government is not concerned about international prices, because if it were it would have embarked upon a program of alternative sources of energy to replace petroleum, before petroleum runs out. We are looking at an expenditure of $40 million to be used in research and development of tar sands. Where is the research and development of solar energy, on hydrogen energy and other energy forms? The United States is setting aside $600 million for research and development with regard to solar energy. That is how important they think the petroleum crisis is.

This government thinks the present petroleum crisis is serious enough, true, and it wants to take short-term measures to increase supplies of forms of energy now being used. However, there are no measures before this House, and none have been suggested, for increasing the production of petroleum in Canada. The only measures put before us so far have to do with the allocation of existing oil supplies. Government planning and foresight is restricted to this winter and to making sure that Canadians have enough heat this winter. What has been said so far in this debate, I suggest, bears me out. The government's major concern is to make sure that Canadians have enough energy to heat their homes through the winter. It wants to make sure it retains the support of the NDP during the current heating season, if I may use a phrase used last week in a public pronouncement.

I have not heard of any programs, either in place or anticipated, relating to uses of other forms of energy such as solar or wind energy which might be used to boost our electrical supplies. I have not heard of the development of technology for the harnessing of hydrogen energy, solar energy or a combination of solar and hydrogen energy. Canadians have a right to expect the federal government to be involved in these areas and to look to the future in order to protect us against some future energy crisis. The present crisis is one simply of rising prices. That, essentially, is the crisis we face in Canada. What will happen when the crisis becomes one of lack of supply? We will not be able to replace our supplies through the use of short-term, ad hoc measures which we have become so used to seeing brought forward in this House.

● (1550)

I shall conclude by quoting extensively from an editorial which appeared in the *Chronicle-Herald*. In large measure it sums up the attitude which is natural to an easterner in the situation facing this House and this country and the manner in which the government has seen fit to deal with it. The editorial deals with the national oil policy brought forward last week by the Prime Minister. It reads:

> Is it good "national" policy to offer firm price-freeze protection to consumers in the central and western regions but, at the same time, to hold out only "hope for the best" wishes for those in the east?
>
> Does it help promote the cause of national unity for the government to tell the people in two-thirds of the country not to worry about price hikes any more this winter, but to offer no similar safeguard to the rest of us who live in the east where the price crisis is more severe?
>
> Does it really mean very much to promise "early construction" of an extension to Montreal of the trans-Canada pipeline system—which travels only a fraction of the breadth of the country—at a time when there is a world shortage of pipe?
>
> Will the proposed national energy corporation be able to do very much by way of playing its promised "significant role" in exploration for new oil—including that locked beneath the water off the east coast, and the Alberta tar falts, and the Arctic ice mass—with a penny-ante budget of only $8 million in each of the next five years?
>
> What has emerged as Ottawa's answer to the energy crisis is a paste-up, patchwork piece of abstract with indefinite and undefined lines of approach, instead of a clear, readable, realistic blueprint to make Canada self-sufficient in energy production and delivery.

With that, Mr. Speaker, I conclude my remarks.

Mr. Max Saltsman (Waterloo-Cambridge): Mr. Speaker, as the hon. member for Peace River (Mr. Baldwin) said, Bill C-236 is a gigantic intrusion into the life of Canadians. We have to recognize this for what it is. It gives the government tremendous powers of allocation, pricing and distribution. As someone said, it is the War Measures Act on economics or the War Measures Act on energy. The question we have to ask ourselves when giving a government this power is not whether somebody should have this power, because somebody already has it; it is whether we would prefer the government of Canada to have this power or to have it wielded, as in the past, by the multinational corporations of the world.

I have some suspicion of power, but I know one thing, as do most Canadians: if we do not like what the government does, we can vote them out of office. We do not have that privilege with the multinational corporations of the world. I have no vote on the boards of Shell or Exxon. I have no say in their operations. They do not have to consult with me or please me in any way. There is no opposition to them. In the parliament of Canada, regardless of the power exercised in this bill, there are people who respond to the public will, and the public will make itself felt in this place.

I wanted to use that as a preamble and to indicate that on this side of the House we are not unaware of the kind of power it is possible to exercise under this bill. Whether the legislation is good or not is really going to be a matter of how interested the government is in exercising the legislation on behalf of the people. There can be a good bill before us with wide powers in it. Those powers can be used well, badly or not at all. It therefore becomes the responsibility of those of us who vote on the bill, and it is my intention to vote for it, to ensure the government is made aware of its responsibilities and is accountable to this House for what it does.

It has always been said in the private sector that oil is politics. Now, in the public sector, oil is politics. It will have to respond to the public will. There is an increasing need for governments to negotiate directly with governments. This bill will enable the government of Canada to negotiate directly with the government of Venezuela and make long-term agreements. Recently the government of Venezuela changed and they have a new attitude. What they are saying, and correctly so, is that oil is a depletable resource and they do not intend to continue sending it around the world until they run out and there is no future for their people. They intend to use oil as a bargaining weapon, not for political purposes or to further the foreign policy of Venezuela but to further the economic interest of their country and to ensure that when the oil runs out there will be some job-creating industry in its place.

You cannot get this kind of agreement by negotiating with the multinational oil companies. Venezuela does not wish to continue leaving its future in the hands of the multinational oil companies. It is willing to continue selling oil to Canada, but it wants to deal directly with the Canadian people. Admittedly, there are problems. The shipping is not in place; we are still heavily dependent on the multinational oil companies for shipping and transportation generally, as well as the marketing of oil. But that, too, can change.

If this bill does not do anything except make it possible for governments to deal directly with governments of other countries in order to further the mutual interests of those governments and their peoples, it will accomplish a great deal. It is worthy of support on that ground alone.

There is a great deal at stake in this entire business of energy. Obviously, there are differences of opinion as to how we should proceed. There are conflicts between the federal government and the provinces, between the provinces themselves, between private industry and the various governments and between nation and nation. This energy crisis provides Canada with a great opportunity to strengthen confederation. It also carries with it the danger

that it may weaken and strain confederation. Whether it does one or the other will depend in large measure on how we in this House respond to the energy crisis. There is a necessity to go beyond just discussing energy; we have to deal with many of the increases that have plagued this country and many of the increases that set one part of the country against another. When the government meets with the various provincial leaders I am sure that will be a subject of discussion. I hope that when the federal government goes to that meeting it will be prepared to go beyond the question of energy and look at the other matters that have to be settled in conjunction with energy. It is a great opportunity for development, and distribution of the rewards of that development to the Canadian people.

Canada is one of the most fortunate countries in the world. For a long time we thought it was the second most fortunate country in the world, the United States being the most fortunate: it had everything a little bigger than what we had. At the moment we have everything, including some things the United States does not have. If we want to take inventory or look at it in terms of raw materials, we certainly have them. If we look at it in terms of food supply, we are fortunate to have one of the most productive agricultural economies in the world.

● (1600)

While our industrial structure is not the greatest, it could become the greatest because we possess what is now an extremely rare commodity—energy. It may take a year or two to link this energy with places where it can most effectively be used, but this prospect, used as a bargaining base for expansion, could enable this country to develop in a way open to few other nations in the world. When I talk about development, I am not talking about unrestrained development as though development in itself was a perfectly satisfactory goal. I am talking about sensible development, controlled development, development which will provide not profits for corporations but benefits for the people of this country; opportunities for redistributing wealth to older people, people who are sick, people who need assistance and people around the world who are less fortunate than ourselves.

I do not think we should ever be tempted to say that we have the energy, we have the resources, and to heck with everyone else; everyone else can go away. The rest of the world will not go away. We have no right to make the world so envious that eventually this envy may turn to something unpleasant. We who are in a fortunate position have a responsibility to take care of ourselves and to provide a decent society for our citizens, it is true; but we also bear responsibility for assisting less fortunate people around the world.

The bill before us directly challenges the jurisdiction of the provinces in the use of energy. Under the terms of the British North America Act, the provinces own the resources within their boundaries. They own the nickel, the iron, the oil, the gas. But the minute those resources cross either provincial or international boundaries the question of jurisdiction becomes debatable. At the moment, the provinces are saying they not only own the resources but they have the right to move them anywhere they wish.

The federal government must challenge this concept. I am not saying it must immediately take provinces to court, because I hope this will not be necessary. But this concept ought to be challenged around the negotiating table and resolved, like most constitutional challenges, by agreement without necessarily sticking to the exact letter of the law. The BNA Act must surely be one of the most flexible constitutional instruments ever created. If an agreement is desired, it is always possible to reach one within the context of the act. I hope agreement will be reached around the negotiating table as a result of bargaining, the offer of *quid pro quo*. But if the difficulty cannot be resolved in this way, the issue is so serious to the country that the federal government must assert its authority and, if necessary, have the matter resolved in court. Bill C-236 directly sets up a situation which will result in such confrontation. I do not think resolution of this question can be deferred. It is not at all clear where the authority for this bill originates. It could be argued that since energy supplies are of critical importance to the health and well-being of our people, if not to their lives, the federal government could declare all energy sources to be for the general advantage of Canada or for the advantage of two or more of the provinces, and thus act under section 92(C). Alternatively, the bill could be brought to the House of Commons under the constitutional authority of the trade and commerce section, 91(2), or it may be, and this is probably the case, the federal government has brought it in under the emergency section. The assertion would be that an emergency situation exists in Canada and legislation is therefore possible under the section providing for action to ensure the maintenance of peace, order and good government.

Such an assertion could probably not be challenged as long as the bill was related to a specific time period. It seems to me, though, that this is an emergency which will not pass away in a few weeks' time or in a year from now. The whole issue of energy supplies and distribution is one which promises to involve this country in important decisions of far reaching consequences for many years to come, and for this reason it needs to be resolved soon to the greatest extent possible.

I shall leave it to historians to decide why the Liberal party has moved in connection with energy in a way few of us expected it to do. Many of us thought we would be concerned with an election this week instead of debating energy policy here. Looking at the situation today, it seems to me one of the reasons is that Canada was fortunate enough to have a minority government at a crucial stage in its history. Had there been a majority government, I doubt very much whether we would have seen as good an approach to the energy issue as now seems to be the case. The unhappy situation in the Middle East has certainly created difficulties for Canadians as well as for many other nations. However, it may turn out to be one of the occasions which caused Canadians to wake up to the need to do something about energy.

Looking over Canadian history, I have often been persuaded that the Canadian tendency to be affable and easy-going is a positive disadvantage at times. Canadians are seldom moved to do great things unless a crisis obliges them to take action. The Middle East situation has created a problem not only for us but for the entire world, since oil is now being used for diplomatic and political purposes. But in the end this may turn out to be a good thing for Canada. It may, as the expression goes, smarten us up to the need to make plans for our own future.

It is easy for members of the House to be critical of the Liberals. I know that members of my own party, and I myself, have been extremely critical of the Liberals for failing to build a pipeline to Montreal. Members of the Conservative Party have risen on numerous occasions to criticize the Liberals for not taking action in this field. I suppose one could go back to 1961 and say that the prime minister of that day lacked sufficient foresight. The point is, though, that Quebec did not want this pipeline. It would have been impossible to build a Montreal pipeline, given the attitude of the people of Quebec; there must be at least some willingness on the part of the people who reside in a province before a pipeline can be built there.

Members of my party have for years, in discussions with their colleagues in Quebec, urged upon them the need to build a pipeline. Only six or eight months ago, when we formed a special committee on energy to discuss this question with people in the provinces, I remember saying to one man in Montreal, "You may have trouble about ensuring a supply. A pipeline really should be built in Quebec." To which he replied, "I would rather trust the Arabs than Lougheed." That was the feeling at the time. We know the west has grievances. We know the people there are upset about bilingualism and some of the things they believe parliament is doing for Quebec and French Canada. But Quebec, too, has very real grievances.

● (1610)

It is an unfortunate fact in our history that these mutual suspicions have prevented us from doing what should have been done a long time ago, and that is to build a pipeline into Montreal. I think the time has passed for this kind of recrimination as to who thought about what first, and who warned whom about the crisis. The pipeline has to be built now: I think everybody would agree with that statement, including the people of Quebec.

I am sorry the Prime Minister (Mr. Trudeau) in his comments today during the question period tried to equate bilingualism with getting oil to Quebec. They involve different kinds of problems, and in some way this obscured his answers rather than contributed to a solution of the problem. While bilingualism is important to the people of Quebec, as they have a right to feel comfortable in their language in this country which is theirs and mine, they still need oil. One does not live by language alone. Oil is still important and we should see that we get it to them.

It may be that speculative speeches of this kind with reference to history and what history might think about us is of some value. If we consider the debate during the last couple of days, we will note it has been very difficult for speakers to be heard above some of the background music of various members. At least I am able to be heard; perhaps not listened to, but at least heard. I do appreciate not having to scream my words over the heads of all those around me. There may be some value to a speech of this kind that does not attempt to hack away at who is right and who is wrong in respect of this situation.

This may be sort of political heresy because the Mackenzie King argument which has always been made in this country—I say this with the greatest respect to the late Mackenzie King—is that the ideal political situation is a one-party situation. I am sure that when Mr. King spoke about one party he had in mind his own party as the chosen instrument. The ideal situation was for one party to in fact have some kind of strong presence in every single province, that there should be no visible division or confrontation in politics and that whatever differences existed, they should be ironed out within the peaceful, quiet confines of the cabinet room. In other words, you do this by negotiating while holding hands, letting no one see that the interests of Manitoba are not quite the same as the interests of Nova Scotia. The idea was that we must never let this happen.

Let me refer to the result of that kind of policy and then I will come back to the present situation. The result was that nothing was done. During this process of holding hands and bargaining with each other, no one was willing to do anything lest somebody's feelings were hurt in the process. The result was that all the problems were buried for us to deal with at a later date. Nothing was solved, the problems were simply postponed; and by postponing them they became exacerbated until we had to deal with them openly and realistically.

I wonder what might have happened if the situation had prevailed in which the Liberal Party had half the seats in Alberta or, if you want to really stretch the imagination, we had two or three seats in Alberta.

Some hon. Members: Oh, oh!

Mr. Saltsman: What would have been the consequences of that situation? The consequences might have been a very moot approach to the whole question of energy and there would have been no confrontation. The winners in this kind of situation would have been the multinational oil companies, because it would be very easy to lay the blame as the Minister of Energy, Mines and Resources (Mr. Macdonald) tried to do in respect of the *force majeure* clauses. He tried to say that if this diversion took place, it was not because the Canadian government wanted it that way but, rather, because the multinational corporations wanted it that way.

He tried to suggest that the *force majeure* argument was total nonsense and that in fact the multinational corporations have so much at stake and depend so much on the good will of the Canadian people and the Canadian government that they would not dare to oppose the will of the Canadian people if the government insisted. That is the kind of scenario we might have seen. The situation might have been a lot more visible in this country and some of the angry words said in this House might never have been expressed. Had that been the case, the nation would be much worse off. This is a much better way, that is, to see things as they are and try to deal with them in realistic terms.

I have no doubt that before long, in spite of some of the words that have been said, there will probably be a cartoon in one of our national newspaper showing the blue-eyed leader of my party with his arms around the blue

eyed leader of the party in Alberta. The page will have a lot of blue and a lot of lovely words.

We will resolve this difficulty. We are not going to get into a crisis that will be so severe that confederation will fail. Some of the words being said now are frank and open, and they are necessary. They have needed saying for a long time, and we are saying them. We will resolve the problem, because the feelings of the people in my party toward the people of Alberta are certainly very friendly. We have a gentleman by the name of Grant Notley who makes sure they continue to be friendly. I am sure the people of Alberta do not really dislike us nearly as much as we have been told.

Mr. Bawden: You are one of the nicer ones, anyway.

Mr. Saltsman: You see, that is the beginning of the détente when a big oil-driller says: "Well, that socialist is not all bad."

Mr. Bawden: I didn't say that.

Mr. Saltsman: I will give you another few weeks, and perhaps we will be fortunate enough to hear that as well.

Mr. Bawden: I said you may not be as bad as the rest of them.

Mr. Saltsman: I am suggesting that because there has been a minority parliament, because of the crisis in the Middle East, because of the fact that representation around the country has been lopsided and political situations in each party are somewhat different than they might otherwise have been, we have been able to grapple with the problem of energy in this country.

Today we have heard some lethal things from members of the Conservative Party, some of which seem to have echoed from the Liberal Party, about statements supposed to have been made by the Premier of the great province of Saskatchewan. An attempt is being made to sort of equate the words of the Premier of Saskatchewan with those of the Premier of Alberta. This cannot be done because the words are not the same. There are very distinct differences between the positions of those two provinces, which I think have to be stated at this time. I think anyone who has looked at the two statements or who has followed the debate will see that there is in fact a very considerable difference.

It is obvious that the first responsibility of the premier of any province, whether it be socialist or conservative, is to the people of his province. He must try to do the best he can for them. That is not an issue and no one is questioning or challenging that role. The question is, how does the premier envisage his role in the province in connection with confederation? Does he, as we have unfortunately seen in Alberta, have a willingness on behalf of the province to treat other Canadians as though they were another group of foreigners? The question is, does the premier say that because he can get $7 a barrel in Chicago, the rest of the people in Canada must pay $7? Does he suggest that he will do the rest of the country a big favour by making sure they get first choice; or does he say, as the Premier of Saskatchewan has said, we are going to try to get the maximum amount for the oil we export out of this coun-

try. We are going to establish a corporation that will in fact buy the oil at a set price designed to provide a profit and a good return to the oil companies, but the difference between that price and the international price will go to the people of the province rather than end up as a windfall gain to the multinational corporations?

• (1620)

When we talk about depletion allowances, I remember a conversation I had with the Hon. Ed Schreyer, Premier of Manitoba. We discussed depletion allowances and I said that we must get rid of them. He said no, we must get rid of them for the multinational corporations because they are not entitled to them. He said the people of the province were entitled to the depletion allowances; their resources were being depleted. If there were to be depletion allowances, that is where they should go.

I wish to refer to what the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) has said on many occasions in speeches in the House when referring to the export tax. He has repeatedly said that the revenue from the export tax should be returned to the province in which the resource originates, so that it could be put back in the form of exploration and development in that province and not be put into the coffers of the multinational corporations so that they can decide, if they wish, to go to Texas to do their exploration work because someone has given them a better deal than we have. That is what the Premier of the Province of Saskatchewan is doing. He is saying that for years the multinational corporations have taken their profits out of Saskatchewan and have not carried on exploration in the province. It is important that this exploration be carried on, not only for the people of the province but for the rest of the country. The premier is now saying that the windfall gains will in fact be used for further development. To do otherwise would be to turn the province over to the mercy of the multinational corporations which have no mercy. They have never forgiven Saskatchewan for being the first area of North America which saw the light and decided to act in the interest of its people rather than in the interest of the establishment.

That province challenged the structure of that society, and it needed a great deal of challenge. The multinational oil companies proceeded to buck that province on every occasion. If the province wanted to get a return to which it was entitled in the form of royalties or taxation, they said they would go to Alberta because Alberta would give them a better deal. They did roughly the same thing in British Columbia, but they ran into a pretty cool cat who raised the royalty 80 per cent and said to them that if they wanted to move out then that province would take the money and do its own exploring. The day of blackmailing provinces is over, as it should be over. It may not be over in all provinces, but it should be.

I want to go further into what the Premier of Saskatchewan said. He said that he understands the need for a two-price system in Canada, and recognizes there is a responsibility to treat the people in his own country somewhat differently than by extracting the world price from them. But he is also sensibly saying to the various jurisdictions and governments that although they are willing to do this, they have some grievances which must be recognized. He points out that the oil in the province will not last forever and that they will need to find other jobs for their people.

I think Saskatchewan has been doing quite well in terms of prosperity. The administration of the province has been good. I understand that agriculture has been coming along quite well but that a very severe problem is faced by Saskatchewan which will be faced by other provinces. While the prosperity may be there, this means bigger and bigger farms and more and more mechanization. It means the breaking down of small towns and the lowering of the population.

What sense does it make if Saskatchewan is on its way to becoming a rich province and does not have the population to sustain the basic infrastructure that is necessary? The Premier of Saskatchewan knows this. He is saying to the rest of us in Canada that they need industrial development—they need some but they are not looking to making it in southern Ontario—to sustain their cities and towns. It is more than just prosperity or revenue; it is a way to keep the sons and daughters of Saskatchewan at home and give them some opportunities, instead of their having reluctantly to leave because the prosperity which is being created and the jobs which are being created wind up somewhere outside of Toronto. That is sensible. He is asking for an adjustment in the transportation rates. I think that argument is highly exaggerated. I think when we get down to it we may find that the grievances are greatly exaggerated although in general they are deeply felt whether or not they are greatly exaggerated.

We should be sitting down with Saskatchewan to work out a new freight rate structure that the people there would consider fair. I think this can be done at relatively small cost. I believe it would be a price that the people of this country should pay and would be willing to pay if they are saying to Saskatchewan and to Alberta that they want lower prices for the resources in those provinces and want to be treated somewhat differently than those provinces are willing to treat foreigners. In such a case those provinces have a right to say, "Well, you treat me as though I am one of your own instead of a far-off brother or sister, and let us sit down and get some of these things worked out".

It seems to me that this statement of the Premier of Saskatchewan is very different from the kind of things we have been hearing from other sources. I think this is the kind of approach which we should grasp and the federal government should immediately start to meet with the people of Saskatchewan and begin working out these problems.

Then there is the question of farm price stability. We know that the sort of increases we have had in respect of farm prices have receded slightly. Food costs less now than it did a few months ago, and we have not had the kind of attitude that prevailed at that time. At the height of the food price increases the country would gladly have said to the farmer, "We will give you stability. Now keep the price from going up and up." The minute food prices start to drop, they forget about giving the farmer the stability he needs and the stability which every workingman wants and usually gets if he belongs to a trade union. Now is the time to start talking about farm price stability. This is what the Premier of Saskatchewan is saying. He

does not want a boom and bust economy. I think they are entitled to an answer on this matter: it is one area with which we must deal.

I wish to go for a moment into an area which I love very much but with which I am afraid I am not too familiar. Recently I had an opportunity to visit Newfoundland and to talk to the minister of mines and resources there. The other day a brief came to my desk that said, "To all Newfoundland members and to Max Saltsman". So I assume that my visit gave me some sort of honorary status in that particular ministry.

The federal government has done a very bad job in developing the resources off the east coast. I do not want to go into a recital about how little we have given the land away for, or how little we have charged for acreage rights or drilling rights. The point is that the government has not co-operated. It is not a question of whether the share should be 50-50. I do not think the people on the east coast are really arguing the jurisdictional question; they are arguing the development question. The people on the east coast see an opportunity to improve their way of life, not just based on the royalties they will get from the oil but on the time it takes to develop it.

● (1630)

They want their universities to be given the jobs instead of, let us say, the engineering being sent to some place in Texas. They want the computer work to be done in their province—and they have the people who can do it—instead of being shipped off to New York for analysis. If there is a need for experts, it may take a little longer to train the people on the east coast because their familiarity with oil is recent; but they have shown their ability to be trained and they want their people trained. They want the rigs built there.

That is the value of development, not the fact that you will pull oil or gas out of the ocean and ship it somewhere else. That is valuable also, but it is rather similar to what John Maynard Keynes told Roosevelt with regard to ending the depression. He told him about deficit financing, and Roosevelt was a great advocate of a balanced budget during the 1930s. They say that Keynes was on his way back to England and Roosevelt said to him, "Surely you have something to say to us. You have been in this country for some while. What can we do?" Keynes said, "You know those abandoned coal mines in West Virginia? If you want to get rid of the depression, get together a number of tin cans, put a one dollar bill in each tin can and put them down at the bottom of the mine. Then hire many people who will fill up the mine and hire many people to dig out those dollar bills. When they get to the dollar bills, your depression will be over". That is a half-funny story with a great amount of truth attached to it.

In some ways the development of oil, the actual process, the training and the creation of facilities that goes on in the course of finding the oil, may do more for the development of the maritimes than the finding of the oil itself. This is the point, one that the federal government has been ignoring: the federal government should arrange meetings with the people of Newfoundland and people of Nova Scotia in order to come to a resolution of this matter.

[Mr. Saltsman.]

Mr. Speaker, I see that my time is nearly up, and if you will restrain yourself for one moment may I conclude by thanking hon. members for listening to what I have had to say. I often enjoy interjections which provide me with an opportunity to exchange a few well-chosen or ill-chosen words with other hon. members. But this is one occasion on which I wanted to lay out what I think is a very hopeful program and a great opportunity for not only resolving the energy crisis in Canada, but also resolving many of the other difficulties that have been hanging-fire, in the process of doing something significant for the cause of confederation.

Hon. Bryce Mackasey (Verdun): Mr. Speaker, my first words are to congratulate the hon. member for Waterloo (Mr. Saltsman) for what I was going to say was an attempt to spread oil on troubled waters, but that is not an appropriate phrase at present. I might say that I hope his speech set the tone for the rest of the debate, which I think most of us want to come to an end because regardless of how we arrived at our problem, I think we all agree that there must be some system of allocation during the coming winter months to make sure that the people who need the oil we have will get priority in obtaining that oil, and not simply those of us who may have some access to the black market or some form of influence and in that way obtain priority to fuel oil to which the silent majority, particularly in the east of Canada, are entitled.

In essence, the allocation board concept is nothing more than simply to make certain that the supplies, if they have to be in short supply are allocated to the people who should have that type of priority, namely, the underprivileged, the under-employed, the people who need oil for heating, ahead of those people who want gasoline for pleasure driving.

Last night I heard a very thought-provoking speech by the hon. member for Central Nova (Mr. MacKay). Although I did not agree with very much that he said, I was impressed by the manner in which he delivered it and by the very reasonable tone which he adopted which indicated that he understands the House of Commons and has the ability to make a point without becoming personal, which is, I hope, one of the characteristics of a good parliamentarian.

I think that the hon. member for Waterloo, in making his speech on national unity, at the same time quite astutely tried to rectify some of the impressions that may have been left by the Premier of Saskatchewan in his statement last evening. This is the way it should be, because those of us who have been around for 13 years know that in 1960, 1961 and 1962 this problem of national unity had a different connotation. At that time we were concerned with the question which the hon. member for Waterloo treated so eloquently, namely, the matter of national unity.

My role has been rather unique in the sense that I am one of a handful—a very small handful—of English-speaking members from the province of Quebec. We found ourselves in those days in the rather unique and sometimes lonely position of defending the federal point of view in the Quebec caucus and/or the Quebec point of view in the federal caucus all in the same morning. This is not the easiest role in the world for a member of parlia-

ment, nor has it been mine exclusively. The hon. member for Brome-Missisquoi (Mr. Grafftey) is another member of parliament who in a way has always had one foot in each of the two solitudes that McLennan wrote about so eloquently more than 30 years ago.

It seems to me that what hurts Quebec members in this debate—in fact, not necessarily only in this debate; I say this in a spirit of friendship—is the constantly repeated charge that possibly Quebec members have sold out their province. Some hon. members opposite asked me during the lunch hour why this upsets Quebec members. "After all," they said, "it is a debate and we are only making political points". However, to be charged with selling-out the province has a particular connotation for a Quebec member that may not be quite apparent to people who do not come from that province.

For so many years those of us from Quebec, particularly the French-speaking members from Quebec who have sat in the House of Commons, have been charged with precisely the same thing, that they are selling-out the province. They have been charged with that by the separatist movement in Quebec. This rankles French-speaking Canadians who, despite the taunts of the separatists, chose to run for federal office, whether they were running for the NDP, for the Créditistes—as many of them have—for the Conservatives or for the Liberals. One thing we had in common is that we had all opted for federalism rather than separatism, and we did not think we were selling-out our province by standing in the House of Commons and endorsing the federal system, despite the fact that we had to stand this kind of abuse and vilification from the separatists in Quebec.

Some hon. Members: Hear, hear!

Mr. Mackasey: So the connotation that we sold-out our province in those days was related to something entirely different, but not so different. Frankly and bluntly, it was related to the fact that many French-speaking members in this House opted for federalism despite the fact that working conditions in 1962 and 1963 were entirely different. This was at a time when presidents of Crown corporations might have said there was no room on their directorships for French-speaking Canadians, with the implication that they did not have the necessary intelligence or knowledge.

We knew differently, and they knew differently. It was difficult for them, despite these unintentional insults, to remain faithful to federal principles at a time when the wave in Quebec was diametrically opposed. So they have a right to feel a little proud of themselves, and not only the Liberals but the French-speaking members of the Conservatives and the Créditistes. When the Premier of Quebec, Mr. Bourassa, last week said that to all intents and purposes the separatist movement is on the wane and that the French Canadian population have opted for federalism, I would point out that it was due in no small part to the participation of Quebec members in the parliament of Canada. And when they are accused, in another context, of having sold-out their province on the energy policy, they get a little angry.

● (1640)

Really, Mr. Speaker, what have they done? Once again they have had to go back to their province and say, "For the sake of national unity and federalism we must accept this energy policy, even if it means that we pay more for our fuel oil this winter as compared with the rest of Canada, particularly west of the Ottawa Valley line. But once again we are prepared to make this compromise because above all we are Canadians first and Quebeckers second."

Of course, it is difficult for a member to go home to a riding in Quebec or the Maritimes and say, "Look; we have really had the best of it for many years." And, Mr. Speaker, we must not take anything away from the right hon. gentleman from Prince Albert (Mr. Diefenbaker) whose oil policy meant the development of oil reserves in the west. Without the captive market created by that policy, with cheap oil coming into the eastern provinces and filtering back into the western provinces, the oil industry in the western provinces could not have been developed. We understand that. We also understand how in 1969 the Conservatives recommended an extension of the pipeline to Montreal on the recommendation of Mr. Nichol, a former member of this House. It was not recommended because of any energy crisis that might arise; there was a desire to broaden the market for Alberta oil because of the quotas placed by the United States on the flow of oil from Alberta into the United States. This is logical and understandable. In other words, the time had arrived for it. The oil industry in Alberta had matured to the point where it could be competitive in supplying all the fuel oil needs for all of Canada and not just a part of it.

In other words, the protection provided to the oil industry in Alberta by the Ottawa Valley line was no longer necessary and people asked why oil from Alberta should not be exposed to a larger market. I agree with that concept. That is why there was agitation in those days to extend the pipeline. It was not because of concern that Quebec and the Atlantic provinces would be short of fuel, but in order to provide a larger market for Alberta oil which was restricted from flowing into the United States by the quotas set on the number of barrels that the United States would allow to be imported.

Earlier today the hon. member for Cambridge-Waterloo spoke very eloquently and with deep emotion, as he is quite capable of doing, being one of our better members. I may say that my participation in the debate the other evening was motivated by a discussion I had with a relatively new Canadian, someone who arrived here as a landed immigrant six or seven years ago and who has since taken out his citizenship papers. He has become a very wealthy businessman, and he appreciates this country more than most of us do. He talked about the fact that his business necessitated his travelling right across Canada. He talked about the magnificent coastline of British Columbia, which resembles the coastline of Norway. He talked about the tremendous experience he felt the first time he flew over the Rockies and saw the magnificent sight of that wonderful mountainscape. He talked about seeing the wheat in the prairie provinces just before harvest. He went on to talk about the industrial

might and greatness of Ontario, and about the strange independence of the people in the Atlantic provinces.

He wanted to know why we did not protect our country better against assimilation. I was able to tell him that in reality we had done that. He was unaware of what we had done. I told him that because we had two official languages, and a wonderful culture in Quebec that was unique and different, these in themselves were protection against assimilation by our friendly neighbours in the United States. I told him that although we were exposed to U.S. television, magazines, radio and newspapers there was no way in which our magnificent culture would disappear, and as Toynbee once said, it would be the last, along with the Chinese people, to remain on the face of the earth. Mr. Speaker, there is no way that the French culture will ever disappear or be assimilated because of our proximity to the United States; and it should not, because that would be not only Quebec's loss but Canada's loss as well. It is one of our safeguards against assimilation by the English element in the United States.

I was able to explain to this relatively new Canadian that Canadians tend to have an inferiority complex and that we move very slowly. Other hon. members have commented on this. But it is significant that we have placed on the statute books legislation that for all time prevents our newspapers and magazine publications being sold to non-Canadians. I said that we had made it impossible for radio and television to be controlled by outside interests, and that we made it impossible for the banks, finance companies and other financial institutions to be controlled by non-Canadians. So, Mr. Speaker, slowly but surely we have protected ourselves. We have protected our Canadian identity. Now, suddenly, people in other countries are looking at Canada with a tremendous degree of envy and respect.

Just the other night there was an article in the *Globe* or the Montreal *Star* telling of Canadians who had left this country 10 or 15 years ago and who had returned for a visit. They expressed their amazement at the maturity of the country, not only at the joie de vivre of Montreal but also finally of Toronto, thanks to the new Canadians who made that once bland city more exciting.

Having said all that, Mr. Speaker, I do think that as politicians we tend to forget and underestimate the intelligence of the average Canadian, not only the man in the board room but the man who fishes out of a dory off the Atlantic provinces or Newfoundland, the man who goes into the coal mines in Cape Breton, the French-speaking Canadian who works in the woods, the iron worker at Blairmore, the man digging coal in the interior of Alberta, all of whom are not unaware that there is a serious problem. They seem a little more concerned about the energy problems than the normal problems we talk about daily in the House of Commons. We tend to forget that everything we consider a crisis is not a crisis 15 miles or 15 minutes away from the House of Commons. We become very disruptive and bitter in our exchanges, and periodically Canadians do pause and look at the House of Commons and wonder whether or not we are concerned about the vital things.

That is exactly what is happening in this energy issue. The people in the Atlantic provinces are concerned and

fearful about whether they will have oil at all this winter, if the winter happens to last long or if events beyond our control take place, such as escalation of war in the Middle East. That is what this allocation bill is really all about. This is also true of the people of Quebec. Then there are the people who are most unfortunate, the working poor and the underprivileged who are worried about the price of oil even if it is available. They are looking to us in Ottawa for leadership.

Whether the NDP supported our policy or not, I can say that we would not have worried about an election on the energy issue in February. There would be no better issue for a government to go to the people on and to be able to reply, "We were forced into an election on the energy crisis by a majority in the House," when Canadians would ask, "Why aren't you in parliament looking after our problem, instead of running around the country trying to get re-elected?" This election would not have been a problem even if thousands would have been disenfranchised by blizzard or snow. Whether the New Democratic Party supported our energy policy or not was immaterial, because politically speaking it would have been a great issue for the Liberal Party to say they were forced to go to the country rather than stay in the House of Commons and do what they were elected to do some months ago—that is, look after the rights and problems not only of the people of the west or of Quebec but of all Canadians.

● (1650)

We Canadians are not particularly concerned about the constitution; indeed, many have never read the constitution. All they know is that there is something wrong with energy at the moment, that we are short of it; and they want to know if they are going to get it this winter and if they are going to be able to pay for it. This is the fundamental question that the House is seized with. Some might ask what this has to do with national unity. Mr. Speaker, it seems to me that we have waged one war in the last ten years in this House that was the stumblingblock to real unity in this country.

As I have said, we are different from Americans but we are not anti-American. I do not think anybody in this House would want anyone as a neighbour but the Americans, despite their problems. That does not mean to say that we want to be American, and being pro-Canadian does not necessarily mean that we are anti-American or anti-anyone. We have our own identity. We are a country that in a sense has developed the wrong direction—from west to east rather than from north to south. We have the problems of a vast country three or four thousand miles in length; we have regional differences and cultural differences. In this country transportation means as much as it does in Russia. But basically—and probably this confuses political scientists all over the world—we stay together.

There is something unique about the people who live in this country, and we want it to remain that way. Nobody wants to remain in Canada more than the people of Quebec. They have made that clear in this House and in the provincial election in a virtual referendum. They are saying, "If the price of remaining in Canada means we have to be a little more tolerant, a little more patient toward obtaining equality in the public service, equality in language, equality in job opportunities, if we have to

wait a little longer for the rest of the country to understand that what we are asking for is not special advantage but equality in the areas where we are different, we are prepared to wait if it is the price of remaining in Canada."

Mr. Speaker, what has worried me in the last week has not been the attitude of Quebec; there has not been a flare-up over separatism which Premier Bourassa has said is fairly well controlled, and I think we all agree with that. It is not even because we have been accused of selling-out our province, which is an insult which I hope is never repeated by the hon. Leader of the Opposition (Mr. Stanfield) who is a tolerant and decent man, or his lieutenant, the hon. member for Saint-Hyacinthe (Mr. Wagner) who should know better. We have never sold-out our province on the question of federalism and we are not about to do it now. If we were to do that, we would be straining national unity because there is no answer to equality of fuel prices in this country without raising the price of fuel to the west. That is hardly a progressive policy and it is not one that we are asking for.

We are asking for two things, and I think the hon. member for Waterloo-Cambridge touched on them very eloquently. We are terrified at the growth of regionalism. It is one thing for the premier of a province to say, "This is our iron ore," if it is Quebec; "This is our potash," if it is Saskatchewan; "This is our oil," if it is Alberta; "This is ours under the constitution, but we are prepared to share it with other Canadians only if they are prepared to negotiate for what is ours". These minerals and resources are not the governments', not the premiers', but the minerals and resources of the people of Saskatchewan, the people of Alberta and the people of Quebec who are Canadians first and provincial residents second.

That has been the whole story of Canada for 100 years or more. If we had not been able to meet various crises, we would not be together today because naturally, geographically and in every other way, we should not be a country. It does not make sense economically. We get our satisfaction from the fact that we are a unique nation, a tolerant nation and one that has never had to kill in order to be a nation. These are the things that the average Canadian understands and appreciates, perhaps more than the politicians.

The threat to federalism and national unity, as I understand it, has virtually disappeared in so far as any problems are concerned about the role that French-speaking Canadians are to play in confederation. But there are new strains that should not be there—the strains caused by people who presume that they are speaking for everybody in their province when they say, "This is our energy, our mineral wealth, our iron ore and you can have a share provided you negotiate". This is the kind of talk you might get if you negotiated with the United States. But we are talking about Canadians negotiating with Canadians. If this were carried to its absurdity, we would not be a federal country; we would be a loose connection of ten different countries, some rich and some poor. This is not what we are looking for, a loose federation of ten states or countries. We are one country and we want to stay that way.

It is much more logical for the premiers of the provinces to say, "Look, we have a transportation problem and it is time, 100 years after confederation, that it was solved. "I can understand that. But in the next breath they say, "If you will not solve it, you will not get our oil." When the Minister of Energy, Mines and Resources (Mr. Macdonald) describes that as blackmail, he is right.

An hon. Member: Who said that?

Mr. Mackasey: Mr. Speaker, it was said. If I wanted to, I could cut that member down in about 35 seconds but I do not have the time to waste on him. If we are going to remain as a country, we do not want to remain as ten loose states very, very loosely joined together by some sentimentality. All of us have to, as they say in French, "Put a little water in the wine". The proof of this will come at the end of January when the premiers have a chance to sit down and discuss the problems common to all Canadians and to make this a better country in which to live. If that conciliatory attitude does not prevail, then we run the risk of balkanization. But Canadians in every province—the man I mentioned in Blairmore, the logger in French Canada, the industrial worker in Ontario, the fisherman in the Atlantic provinces and the enterpreneur in the Atlantic provinces—will tell their premiers, "You may stand for balkanization, but we do not. We stand for one country, and if necessary a strong central government in this particular area".

That is the threat to confederation at the moment, Mr. Speaker—people who have illusions of grandeur and do not represent the mandate under which they were elected. We on our side must not misunderstand our role either. Our role is to be the mediator between the provinces—the have provinces and the have-not provinces—so that the solution arrived at means that everybody gains. Private industry has a chance to prosper and get a decent return on its money and thus be encouraged further to develop. If it had not been encouraged in the past to develop and explore, we would not have the oil in Alberta now. There has to be a happy balance maintained between an honest return to private industry, a fair price to the Canadian people and an understanding of what federalism is all about.

Some hon. Members: Hear, hear!

* * *

● (1700)

THE ROYAL ASSENT

Mr. Deputy Speaker: I have the honour to inform the House that the following communication has been received:

Ottawa, December 12, 1973

Sir,

I have the honour to inform you that the Honourable Wishart F. Spence, O.B.E., Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the

Energy Supplies Emergency Act

Senate chamber today, December 12th, at 5.45 p.m. for the purpose of giving royal assent to certain bills.

I have the honour to be,
sir,
Your obedient servant,
André Garneau
Brigadier General
Administrative Secretary
to the Governor General.

The communication is addressed to the Speaker of the House of Commons.

GOVERNMENT ORDERS

[*English*]

ENERGY SUPPLIES EMERGENCY ACT

MEASURE TO PROVIDE FOR ALLOCATION BOARD, MANDATORY ALLOCATION OF SUPPLIES AND RATIONING OF CONTROLLED PRODUCTS

The House resumed consideration of the motion of Mr. Macdonald (Rosedale) that Bill C-236, to provide a means to conserve the supplies of petroleum products within Canada during periods of national emergency caused by shortages or market disturbances affecting the national security and welfare and the economic stability of Canada and to amend the National Energy Board Act, be read the second time and referred to the Standing Committee on National Resources and Public Works.

Mr. Don Blenkarn (Mississauga): Mr. Speaker, I was interested in hearing the hon. member for Verdun (Mr. Mackasey). The hon. member for Waterloo-Cambridge (Mr. Saltsman), who spoke earlier on this bill, suggested that this bill represents a gigantic intrusion upon the rights of private business which goes far beyond just control of oil companies. It will intrude upon the rights of paint companies, plastics companies and will control, possibly, even the Mississauga hydroelectric commission which serves my constituents. It constitutes a total invasion of the rights of almost all business as it is difficult to imagine any industry or occupation in which fuel or energy, to use the word now in vogue, is not required.

Sir, the only possible ground for emergency legislation such as this would be a real and serious emergency. I feel strongly that the alleged emergency is being created as a result of lack of leadership, lack of direction, and possibly has been induced, as the hon. member for Verdun suggested, to make many Canadians feel that there is a problem in this area. It is about time the government said that we have all the oil we can possibly use in this country and that the only problem in amount concerns delivery; that we have all the nuclear energy we need—indeed, mines are being closed down—until the next century; that we have so much coal we do not know what to do with it and are shipping it boatload by boatload to Japan at prices which do not really pay. There really is no shortage whatsoever of energy in this country. There may be a problem with regard to petroleum pricing and with regard to petroleum delivery, but that does not constitute a national emergency.

[Mr. Deputy Speaker.]

Sir, I suggest that there really are not great difficulties with regard to delivery of supply either. The minister has said that perhaps we will be short by 200,000 barrels of crude oil per day, at the maximum. Yet suddenly we find that Mr. Shaheen can come up with 100,000 barrels of product, that we can ship 85,000 barrels a day through the Panama Canal and that we can ship between 40,000 and 60,000 barrels per day, depending on what day's figures you use, by ship and train—

An hon. Member: Nuts.

Mr. Blenkarn: —to the Montreal market. It strikes me that the problem does not involve supply so much as price. Certain countries in the world are taking advantage of the Arab-Israeli war and attempting to get blackmarket prices for their product. We are big enough in Canada to handle that situation without emergency legislation which would give the minister and the governor in council, on the basis of a suspected difficulty, the right to engage in this iniquitous, gigantic interference which would involve the activities of almost all private businesses in this country.

When we grant War Measures Act-type priorities to a government we must be very careful. Earlier this year, when there was a railway strike, it took members about 48 hours to return to the House, to get down to business and solve that problem. Not long ago, when a certain country decided to embark on the DISC program, members of parliament were rushed to this place to handle that problem. We returned pretty quickly and debated that measure. We should give the government only those powers it needs to handle specific instances involving specific problems. Must we give it carte blanche power over every business in this country merely because the government says there might be an emergency? In any event, the emergency seems to relate to price, and only to price in certain parts of the country.

Speaking of prices, my party has advocated in this House an incomes policy which would attack our real difficulty, the monster inflation caused by a government that does not care. When it was suggested to the Prime Minister (Mr. Trudeau) that the people of eastern Canada would not want a price freeze, he suggested they could freeze.

Some hon. Members: Hear, hear!

Mr. Blenkarn: We advocated a comprehensive policy to cover inflation. We will not get that, sir, merely by giving power to some board which happens to sit in Ottawa, which is to be made up of five nameless individuals who will have the right to dictate how private business and industry in this country shall be carried on. We shall encounter difficulties involving the auto pact. As shortages of petroleum will induce people not to buy so many cars, we shall encounter difficulties with our neighbour to the south. We ought to anticipate those difficulties. The Minister of Industry, Trade and Commerce (Mr. Gillespie) ought to go to the United States and head off those problems before they arise or before we are hit with United States emergency legislation or some change in the auto pact.

We might have difficulties with other trading partners. We might be concerned about dropping stock market

prices and the feeling that perhaps business conditions in the United States, our greatest trading partner, will not be too good next year. But that is no reason for establishing an emergency energy allocation board. We need leadership. We need government assurance to the effect that, yes, there are some trading problems in the world and, yes, there will be some price problems, but Canada is self-sufficient in every conceivable form of energy right now. We need government assurance that energy has a top priority for Canadians, that we are going to use that energy to develop Canada for Canadians, and Canadians will not go short. We should be told that while Canadians may have to pay a little more in price, in some cases, that price increase can be mitigated by a government which is concerned about its people's problems.

● (1710)

One of our problems is that we have not yet determined an all-Canada oil policy. On September 4 the Prime Minister finally suggested a pipeline to Montreal. In this House, on December 6, he again talked about that pipeline. Today and last week in this House we asked about that pipeline. We want to know how big it will be. The government has not yet even determined where the right of way will be. Have they ordered any steel? Not on your life! We heard about possible discussions with the Interprovincial Pipeline company. There has not yet been an application to the National Energy Board to build the pipeline. The most basic preliminary work has not yet been done—and these fellows to my left voted for this government because they thought they had a national oil policy.

If the refineries are going to get organized, drilling is to begin and people are starting to work, there must be some incentive. One incentive to the oil industry must be a clear declaration that within a firmly limited period of time the Canadian oil industry will have a monopoly on sales in the Canadian market, that we are going to deliver Canadian oil to Canadians and we will at least have a base market for Canadian producers. That is one thing that had better be said soon. Can a company be expected to build a pipeline to Montreal today, ship oil there, and tomorrow when the world price drops find there is no market for what comes out of that pipeline? Of course you cannot expect that. That is why there is a problem in connection with who will finance the pipeline.

Would anyone finance a pipeline to cover a problem that will last a year or two, and then let the pipe-line rust? Under all conceivable circumstances surely we must build a pipeline that will solve the Canadian market problem, and that market should be assigned to Canadians. It is time we had such a leadership decision from this government. Unless we get leadership decisions, the problem will not be solved in terms of delivery.

We can tell people in Alberta not to turn on their lights. We can tell people in Saskatchewan not to drive their cars over 50 miles an hour. We can do what the province of Saskatchewan has done, namely, keep more oil in the ground for the reason they cannot sell it as it cannot be delivered. Isn't that intelligent? That is the kind of leadership we have been getting. That is one of the serious problems Canadians are facing.

I visited my constituency on the weekend. The people there wondered about this government. I, too, wonder about them. This bill not only controls petroleum but every other source of energy that is said to be a substitute for petroleum. It controls electricity, coal and nuclear energy. We have no shortages of those sources of energy at any point in this country. I do not know of any company that is short of coal and cannot buy all it wants. I know of no hydro power commission that is short of uranium and cannot buy all it wants. Indeed, we will be selling it to Japan for the next umpteen years.

I know of no problem in connection with natural gas. The information we have is that there is plenty of capacity in the pipeline for the delivery of that product. There is a pretty fair reserve of that product, yet this government insists on saying in this legislation that these other items of fuel are also to be controlled. When there is no conceivable shortage, no price problem and no delivery problem, how can the government have the audacity, unless it has much more on its mind, to even suggest that these alternate fuels be controlled?

I want to speak for a moment about pricing. For a number of years before coming here I was involved with Scout work. I remember running a camp in Muskoka for many years. The first time we went to that camp there was a lot of firewood around. As camp cook, it was very easy to chop down a tree and cut it up for firewood right on the spot. Not much energy was involved in that. However, after several years it was necessary to bring in firewood from about a mile away. That is very much like the situation in the oil industry. We have had cheap oil for a number of years. We probably have enough relatively cheap reserves to last us for the next ten years. We could do what the New Democratic Party suggests and freeze the price at the actual cost of production from these relatively cheap sources. We could have controlled cheap prices for Canadians for probably the next eight to ten years.

However, during that period there would be no research; no money would be spent in developing the heavy oils of Alberta and Saskatchewan; no money would be spent on the tar sands; no money would be spent elsewhere. The oil companies involved would have no incentive to go out and find high-cost oil. Their prices would have been frozen so they would make a profit on their present reserves. They would lose money if they explored and developed high-priced reserves because of the freeze. We must have a policy that encourages companies to develop these high-priced possibilities.

We may well need to have a situation where staged increases are allowed in all prices of oil products providing they are used in the course of developing further reserves. It may be we will have to use the only thing that business will understand, profit—and I see nothing wrong with that word—to allow most companies the freedom of movement to start developing new sources of supply, and on that basis perhaps be able to charge a little higher price at this time to encourage them.

One of the major concerns which I have is that the bill binds Her Majesty in the right of the Crown and, I suppose, binds the provinces. I can see no other reason for that clause in the bill. One of the questions raised here

goes to the whole issue about which the hon. member for Verdun spoke. It is the question: What kind of Canada do we expect? Today I was ashamed to hear the Prime Minister say something in this House of Commons about the attitude of the members from Alberta toward bilingualism. I note, Mr. Speaker, that one Alberta member formerly occupied your chair as Speaker of this House. That member is fluent in both official languages.

● (1720)

I would remind the Prime Minister that many members from Alberta and, indeed, from other parts of Canada who, like myself, live in areas where very little French is spoken, are making such efforts as are possible to speak and understand both languages. For the Prime Minister, a man who should know better, a man who should be concerned about the unity of this country as a national leader, to make a comment of that kind shows an insensitivity which I deeply resent. I call attention to the speech which the right hon. gentleman made in Vancouver over the weekend in which he castigated the Premier of the province of Alberta. It has been suggested the Premier of Alberta acts like a sheik. We have seen other sheiks since then in this country.

I say the province of Alberta would be much better off today had it cut back production. The price of oil is going up, and perhaps Albertans should raise theirs and do something to make the rest of us feel the pinch. But hon. members opposite know as well as I do that far from taking action of this kind, Alberta has encouraged further production, further pumping of its wells. It has encouraged the shipment of more oil than is necessary for the British Columbia market so that tankers can be filled for delivery to the east coast of Canada, all at a time when the price of oil to the province has been frozen at approximately $4 a barrel.

If the Premier of Alberta were not a Canadian, if he were really operating in the interests of the multinational corporations, his first action would be to cut back production of oil in the province to last year's levels. He would ensure that any further deliveries were paid for at the full market price. And if there were a price freeze in this country, as there seems to be—and I will say more about that later—he would refuse to sell any more oil until that freeze had been lifted. But the Premier of Alberta is a Canadian first. He is the kind of person who, by his leadership in western Canada, will do a great deal to make this country one Canada. The attitude of the federal government in seeking to be divisive, in seeking to destroy the unity of Canada, can only be described as despicable.

Some time ago it was suggested there was a price freeze in this country with regard to oil. In fact there has never been a price freeze in connection with oil. What we see is a voluntary arrangement between the leading oil refineries to keep their prices within certain realistic limits: that is all. There is no freeze. There is nothing which would prevent Imperial Oil, for instance, raising its price in Toronto tomorrow. There is no legislation which would prevent such action. There is no incomes policy or prices and incomes board which determines what the retail price should be. It is true there is a tax which is supposed, indirectly, to keep the price of crude in Canada lower than the world price, but there is no certainty that this arrangement results, in fact, in lower prices for Canadian consumers.

On my way to Ottawa on Monday morning I was talking to a person from Detroit who happens to be organizing the world energy conference which is to take place in Detroit in September. I spoke to him casually about the price of gasoline. It turned out that in Ontario, in Mississauga, I am paying approximately the same price for gas as he is in Detroit. I wonder what is really happening. I suspect that in Detroit he is buying gasoline extracted from Canadian crude. I suspect, too, that he is burning gasoline in respect of which an export tax has been paid. But it seems to make no difference when it comes to what I have to pay for gasoline at my Imperial pump.

I wonder when the government is going to turn honest and apply a real price freeze at the retail level as part of a total incomes package which will, at least, attempt to halt the present rampant inflation and benefit consumers instead of clinging to a tax which, though supposed to be to the advantage of Canadians, does very little, if anything, to assist them. Advocates of the tax have suggested its purpose is to recapture windfall profits made by oil companies. We are dealing here with a most important matter. Surely, Canadians should receive the full world price for their oil; surely the price structure must be such as to enable Canadians to take advantage of the fact that they are Canadians by buying Canadian oil products at prices cheaper than world prices. This has been recognized both by the sheik from Saskatchewan and by Peter Lougheed, the Premier of Alberta.

I, too, am disturbed, as was the hon. member for Verdun, by the suggestion that a province could use its resources to bargain for other advantages through confederation. I thought this was a bad precedent. Nevertheless, the reason for this attitude is, I suggest, the way in which the government has treated the provinces in the past, not only in the energy field but in the transportation field and on the issue of industrial development. The government does not really care about those provinces. It has simply told them what it intends to do: it has operated on a principle of confrontation.

Mr. Speaker, in a situation like that, when one person declares unilaterally that he will tax the resources of your province, the next thing that happens is that the person who has been treated in this fashion acts, or reacts, in the same fashion. It is impossible to develop a spirit of community in Canada on the basis of the concept of two lawyers engaged in a lawsuit, or of two businessmen competing with each other at an auction. This whole atmosphere of confrontation in dominion-provincial relations is one which ought not to arise and did not arise before this Prime Minister became Liberal leader. This has been the climate over the past four years and it is about time it changed because it is not doing Canada any good.

● (1730)

The hon. member for Peace River (Mr. Baldwin) suggested today in a question that this bill and the matter of the tax on resources be postponed until after the January 21 to 23 conference. I think that was a sensible suggestion. This bill and the tax have set in motion taxes and legislation by the provinces which to some extent, or perhaps

completely, control these resources. So if we go ahead and pass this bill, at that conference table the Prime Minister will say to the provincial leaders," I will tell you what I am going to do. I am going to take over your resources."

That is no way to solve the problems of confederation. Heaven knows, this country, with its five separate regions and its economic differences, is hard enough to govern anyway; you certainly cannot govern it with confrontation, by tweaking noses and with no consultation. To pass this measure and the ways and means motion on the order paper, and not to have this conference, is to say, "This is what you are going to do boys. That is the way it is. We have taken over." If we do that we will have problems. Those problems will not just be in western Canada; they will be in eastern Canada, because no settlement has been made in respect of the claims by eastern Canada as to who has the right to give permits for drilling off the Atlantic shore, or who is entitled to the royalties. This whole question is compounding the problems of our nation, and we will not solve them by the Prime Minister writing to the premier and telling him what he is going to do, or by standing in this House stating policy and making tax announcements without consultation in respect of provincial resources.

I say to you, sir, and to this House that it is about time we got with it. We realize there is a lot of good will on the other side and that the premiers of the provinces which have petroleum are quite prepared to have this petroleum sold to all Canadians at one price, a price that is considerably lower than the world price.

An hon. Member: They don't have any choice.

Mr. Alexander: Where did you come from?

Mr. Paproski: Why don't you go back to bed.

Mr. Blenkarn: We are not going to solve these problems by confrontation. If we continue to tweak their noses, and continue to push the interests of central Canada against the resource provinces, we are not going to keep confederation together—and that is a pretty serious matter. Therefore, I suggest to this House that this bill be deferred. Let us stop the debate on it, adjourn the House and come back after that meeting. If there is urgency why can the meeting not be held a little earlier than January 21 or 23?

When we come to the question of this whole energy or supply problem and the development of a petrochemical resource industry, about which there is no problem right now, we have been told by environmentalists and everybody else that if we keep pumping out oil the way we are now, we will not have any. We have already been told that we have enough oil in the tar sands, which we have known about for 200 years, to last this country into the indefinite future. But those resources cannot be developed until we get rid of some red tape. Let me refer particularly to the Syncrude deal. The province of Alberta, together with private interests who know something about how to extract the oil from the tar sands, made an arrangement to split the profits. I know the hon. member for York South (Mr. Lewis) has said there will not be any profits and he is probably right. There probably will not be any profits until the machinery and the exploration costs are paid off. I understand that the oil sands company has lost $90 million so far, so there have not been any profits.

In any event, the province of Alberta and the Syncrude group have made arrangements to split the profits when there are some, instead of there being so many cents royalty per barrel. That is a pretty fair deal. But unless you get it out of the ground, put it in barrels or put it in a pipeline and make gasoline from it, it is not worth a darn. We have known about these tar sands for 200 years, but in their present state they do not represent money. You cannot put the tar sands in the bank any more than you can have money in terms of payroll taxes, sales taxes or corporation taxes to pay for some of the social legislation in respect of housing problems, crowding in cities and slums, and the rest of it, unless you get at this problem and use our resources for the betterment of Canadians. Oil in the ground does not do a thing for us any more than does the uranium in our closed-down uranium mines.

There is another matter we must consider. In respect of a petrochemical industry we must have a total industry. Here again we need leadership from the federal government. At the present time there are tariffs against our products going into the United States, and I have in mind plastics, resins and things such as garbage bags. The United States is happy to take our crude, but not too happy to take our other products unless they are subject to tariff. It is about time we had some leadership from the federal government to the extent that it should be said to the United States, "If you want our oil, you will also have to give us a pretty good deal in respect of tariffs, or indeed no tariffs at all on our petrochemical products." That is the kind of action we should have from the federal government.

We should have a federal government which understands that there are undeveloped parts of this country where people want jobs, and that those jobs can be created by using the commodity resources of this nation. With a world desperately short of oil and with a country which buys more oil from us than we in fact consume, why should we sell it as crude? Should we not be negotiating for the development of a petrochemical industry in this nation, particularly in the western provinces? It requires federal leadership to encourage the development of the oil resources of this country, but we have not heard a word from the Prime Minister as part of his oil policy in respect of that issue. I notice the time is getting on, but I should like to continue for a minute of two.

Mr. McKinley: You have three minutes yet.

Mr. Blenkarn: Oil companies in this country are pretty mobile outfits. I was quite interested the other night to hear on the national news that a Canadian oil company is exploring for oil in Viet Nam. I know that Canadian oil companies are exploring for oil in the United States and in the North Sea. One of our problems is to develop a business climate which will encourage these Canadian oil companies to come back to Canada to explore here. But what do we get from this government?

Mr. Paproski: Macdonald.

Mr. Blenkarn: That is what we get, Macdonald. We get the suggestion of an export tax that goes up and up, but

we get no suggestion about a guaranteed market or less corporate taxes. We get uncertain policies and the concept of the government going into the oil business with a national oil company. You know, they are even going to drill. Really, what do we get out of this? I suggest we get confusion and uncertainty in the business community, particularly in the oil industry. They do not have to drill in Canada. There are great markets for oil in Europe. They can go to the South Seas and drill and take their money, their crews, their knowledge and technology out of Canada and away from us. This is no way to build Canada: it is the way to destroy it. This is the kind of policy we face with a government and an oil policy which is really an NPD policy.

• (1740)

I am told about all the enormous profits these large international oil companies make, so today I decided to look at the stock market because I figured that maybe that is the place to put one's money. I find in respect of that terrible company, Gulf Oil, with its rotten American president, that its stock was selling for $40.25 earlier this year and now, with this terrible emergency and with prices going up and up, it is down to $31.25. This is such an enormously big company that it pays a 70 cent dividend for a return on an investment of 2.15 per cent. The same kind of thing applies to Imperial Oil. It pays 2.14 per cent.

Sir, a lot of this stuff is verbiage that we get from this side which seems to control the other side. It is nonsense. If they are making too much money and this is the greatest place to be and to invest, I am shocked to see that their stocks have been dropping so much. I wonder how much of the stock is held by members of the New Democratic Party, because they have lots of talk but when it comes to working, producing and creating wealth in this country we do not get anything from them except national socialism. We also get the kind of legislation which has come from the government in the form of this bill. Sir, I notice it is just about the witching hour, so before I sit down I should like to read to you the kind of regulation and statute this is.

Mr. Speaker: Order, please. Would the hon. member resume his seat. I hesitate to interrupt the hon. member. I am sure he was about to place on the record something all hon. members would like to hear, but in order to do so he would have to have the unanimous consent of the House because his time has expired. Even for one minute the hon. member requires the unanimous consent of the House. Is there unanimous consent?

I do not think hon. members heard me very clearly. I inquired whether there was unanimous consent, and there did not appear to be. In order to be fair to the hon. member for Mississauga (Mr. Blenkarn) I will inquire again. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Speaker: The Chair will assume there is consent.

Mr. Blenkarn: Mr. Speaker, I thank the House. I just wish to refer the House to page 10, subclause 2 of clause 16 which provides:

[Mr. Blenkarn.]

A regulation under this act may be conditional or unconditional, qualified or unqualified, and may be general or restricted to a specified area or a specified controlled product, a specified supplier or wholesale customer or a specified mediate or immediate use of a controlled product.

This is the kind of thing we must prevent. This really cannot be honest, worth-while legislation.

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HOUSE OF COMMONS

VACANCY IN ELECTORAL DISTRICT OF BATTLE RIVER

Mr. Speaker: I have the honour to inform the House that I have received a communication notifying me that a vacancy has occurred in the representation, namely, Harry Kuntz, Esquire, member for the electoral district of Battle River, by decease. Accordingly, I have addressed my warrant to the Chief Electoral Officer for the issue of a new writ of election for the said electoral district.

GOVERNMENT ORDERS

[*English*]

ENERGY SUPPLIES EMERGENCY ACT

MEASURE TO PROVIDE FOR ALLOCATION BOARD, MANDATORY ALLOCATION OF SUPPLIES AND RATIONING OF CONTROLLED PRODUCTS

The House resumed consideration of the motion of Mr. Macdonald (Rosedale) that Bill C-236, to provide a means to conserve the supplies of petroleum products within Canada during periods of national emergency caused by shortages or market disturbances affecting the national security and welfare and the economic stability of Canada and to amend the National Energy Board Act, be read the second time and referred to the Standing Committee on National Resources and Public Works.

Mr. Peter C. Bawden (Calgary South): Mr. Speaker, we have heard in the last few minutes about jobs in Canada. I should like to bring to the attention of hon. members the fact that there are a great many jobs in this country that are dependent very directly on the oil and gas industry. Many of these jobs are concentrated in the province of Alberta. However, they are not restricted to the province of Alberta. The people employed in this industry are spread out right across Canada. This includes British Columbia, Newfoundland and Nova Scotia. As a total sum, 275,000 people are employed directly in this industry. In addition to this direct employment, there is a ripple effect which indirectly covers a considerable multiple of this basic figure.

Just this past week I had a call from a resident of the town of Inuvik who told me he was very concerned about the policies of this government. He was concerned about employment in the Inuvik area in the Mackenzie delta. His concern was that the native people, the Indians and Eskimos of that area, were very restless because they were concerned that with the backward policies of the govern-

ment their jobs in that remote part of Canada would be adversely affected. So I say that jobs are very much a result of the oil industry and its exploration and development in this country.

Now, in respect of the comments we heard in the last few minutes concerning the prospect of filling a Montreal pipeline, really this question boils down very much to one of confidence in the country, because if we are to have oil to fill this pipeline later in this decade, and particularly in the eighties, we must have confidence on the part of the investors, we must recognize that it takes five to ten years to develop the oil reserves and that there is a very long lead time in the oil and gas business.

The question then is, what is our prospect of filling this Montreal line and indeed meeting Canadian needs over the longer period? In February of this year the National Energy Board presented to the standing committee a report entitled "The potential limitations of Canadian petroleum supplies". At that time they projected that the tar sands of Alberta would be producing 400,000 barrels a day by 1980. Last week, in answer to a question in the Committee on Miscellaneous Estimates, a representative of the National Energy Board pointed out that the figure would now fall some 25 per cent short of that. In fact, I should correct the figure. It was 510,000 barrels a day according to the National Energy Board last February, and now they are saying there will be a 25 per cent shortfall on that figure. This particular report also said that by 1980 there would be 293,000 barrels a day of oil flowing from the Mackenzie delta. This will increase substantially, in the order of 50,000 barrels a day each successive year. They also projected that the western provinces of Canada would be producing, at that time, 1,954,000 barrels a day.

● (1750)

We have already been told that the tar sands at present can be projected to fall 25 per cent short of the estimate. That was as recently as last February. The 293,000 barrels a day from the Mackenzie delta is pure fantasy. This is a very popular word these days because we are getting so much fantasy from this government. I think the minister will admit that that is fantasy. As for the production from the western provinces, which is so critical, as pointed out in the report of the National Energy Board where it is stated that that is the principal source of supplies in the foreseeable future—

Mr. Knowles (Winnipeg North Centre): They've come for you.

THE ROYAL ASSENT

A message was delivered by the Gentleman Usher of the Black Rod, as follows:

Mr. Speaker, the Right Honourable the Deputy Governor General desires the immediate attendance of this honourable House in the chamber of the honourable the Senate.

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

● (1800)

And being returned:

Mr. Speaker informed the House that the Deputy Governor General had been pleased to give, in Her Majesty's name, the royal assent to the following bills:

Bill C-224, an act to amend the Canada Pension Plan (No. 2)—chapter 41.

Bill C-228, an act respecting the Electoral Boundaries Readjustment Act—chapter 42.

Bill C-232, an act respecting the Electoral Boundaries Readjustment Act—chapter 43.

Bill C-211, an act to provide for the payment of family allowances in respect of children to supplement the income of Canadian families and for the payment of special allowances to provide for the care and maintenance of other children, and to amend the Income Tax Act in consequence thereof—chapter 44.

Bill C-233, an act to amend the Federal-Provincial Fiscal Arrangements Act, 1972, the Federal-Provincial Fiscal Revision Act, 1964 and the Income Tax Act—chapter 45.

Bill C-132, an act to provide for the review and assessment of acquisitions of control of Canadian business enterprises by certain persons and of the establishment of new businesses in Canada by certain persons—chapter 46.

At 6.06 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, December 13, 1973

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

TRANSPORT AND COMMUNICATIONS

Sixth report of Standing Committee on Transport and Communications—Mr. Horner (Crowfoot).

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

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EXTERNAL AFFAIRS

TABLING OF FINAL COMMUNIQUÉ OF NATO MINISTERIAL MEETING HELD IN BRUSSELS, DECEMBER 10 AND 11

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I wish to table in both official languages the final communiqué of the NATO ministerial meeting which I attended in Brussels on December 10 and 11.

* * *

[*Translation*]

HEALTH

TABLING OF FINAL REPORT ON STUDY OF ORGANIC MERCURY

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, pursuant to Standing Order 41(2), I have the honour of tabling in both official languages the final report of the Task Force on organic mercury in the environment as well as measures taken by my department concerning the recommendations.

* * *

[*English*]

BANK ACT

AMENDMENT RESPECTING LOANS FOR HOUSING AND MAXIMUM INTEREST RATE

Mr. Edward Broadbent (Oshawa-Whitby) moved for leave to introduce Bill C-240, to amend the Bank Act.

Some hon. Members: Explain.

Mr. Broadbent: Mr. Speaker, the purpose of this and the next four bills is to make the relevant change in the Bank Act, the Loan Companies Act, the Trust Companies Act, the National Housing Act and the Canadian and British Insurance Companies Act to make it possible, indeed, mandatory for the government to put mortgage money out at a maximum interest rate of 6 per cent. It seems to me that this would go a long way toward making housing available to the vast majority of the people who can no longer afford it.

Some hon. Members: Hear, hear!

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

* * *

CANADIAN AND BRITISH INSURANCE COMPANIES ACT

AMENDMENT RESPECTING MAXIMUM INTEREST RATE ON RESIDENCE LOANS

Mr. Edward Broadbent (Oshawa-Whitby) moved for leave to introduce Bill C-241, to amend the Canadian and British Insurance Companies Act (residential mortgages).

Some hon. Members: Explain.

Mr. Broadbent: I will not repeat the explanation for this bill. The same sensible and logical reasons prevail for this one as for the others.

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

* * *

LOAN COMPANIES ACT

AMENDMENT RESPECTING MAXIMUM INTEREST RATE ON RESIDENCE LOANS

Mr. Edward Broadbent (Oshawa-Whitby) moved for leave to introduce Bill C-242, to amend the Loan Companies Act (residential mortgages).

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

* * *

[*Translation*]

TRUST COMPANIES ACT

AMENDMENT RESPECTING MAXIMUM INTEREST RATE ON RESIDENCE LOANS

Mr. Edward Broadbent (Oshawa-Whitby) moved for leave to introduce Bill C-243, to amend the Trust Companies Act (residential mortgages).

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

* * *

[*English*]

NATIONAL HOUSING ACT

AMENDMENT RESPECTING MAXIMUM INTEREST RATE ON HOUSING LOANS

Mr. Edward Broadbent (Oshawa-Whitby) moved for leave to introduce Bill C-244, to amend the National Housing Act (residential mortgages).

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

● (1410)

ORAL QUESTION PERIOD

[*English*]

ENERGY

OIL—GOVERNMENT MEASURES TO ASSIST PEOPLE OF ATLANTIC PROVINCES TO MEET HIGHER PRICES THIS WINTER—STUDY OF REGIONAL IMPACT

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I wish to direct a question to the Minister of Energy, Mines and Resources. In view of the fact the Prime Minister, having been asked yesterday what the government was going to do to help lower income Canadians in the Atlantic provinces to deal with higher petroleum prices this winter, suggested that the only solution was to stop buying oil if the price became too high, I would like to ask the minister today whether the government has any more realistic proposal to put forward to provide some sort of remedy for the problems these people face this winter?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, as I recall, the Prime Minister referred previously in the House to a number of measures that have been taken under the Canada Assistance Plan and in relation to other programs which should put additional funds into the hands of those who need them most in that part of the country. In addition, the Prime Minister in his remarks a week ago today indicated that the question of disparity in prices and relief to those who need relief would be one of the questions that would be put before the federal-provincial conference.

Mr. Stanfield: Mr. Speaker, my impression was that the Prime Minister indicated it might be necessary to do more than is being done to help those on low incomes. In view of the fact that unemployment and inflation are already at severe levels in Quebec and the Atlantic provinces, can the minister indicate whether the government proposes to take specific measures with regard to this problem of very sharply escalating crude oil costs and petroleum product prices in the Atlantic provinces? What specific measures is the minister prepared to indicate that the government is prepared to put before the conference of first ministers?

[Mr. Broadbent.]

Mr. Macdonald (Rosedale): Mr. Speaker, I am not prepared to indicate that today.

Mr. Stanfield: Mr. Speaker, I wish to direct a supplementary question to the Acting Prime Minister or to the Minister of Energy, Mines and Resources. Since the House was told by the Prime Minister on November 20 that the government was studying the effect the energy situation would have on the economy, and the regional impact of these increases in particular, can the Acting Prime Minister, or the Prime Minister for that matter or, indeed, any minister indicate whether this study of the regional economic impact of higher petroleum prices had been completed before the two-Canada pricing policy was announced by the Prime Minister last week and, if so, when is the government going to indicate to the House what this study has reported and contains?

Mr. Macdonald (Rosedale): Mr. Speaker, both the Minister of Finance and the Minister of Industry, Trade and Commerce have indicated that there have been assessments under way in their departments with regard to the possible impact of increased international prices and, indeed, of increased international shortages on the economy. These assessments have been under way, and I gather are still under full consideration.

OIL—DIVISION OF PROCEEDS FROM EXPORT TAX

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I ask the Minister of Energy, Mines and Resources to clarify an answer he gave yesterday as reported on page 8676 of *Hansard* since it seems to differ to some extent from previous answers he has given. Do I understand him correctly that the division of the proceeds of the export tax will be as follows: 50 per cent of the moneys collected will be paid to the provinces in lieu of the royalties they have foregone and the other 50 per cent will be used by the federal government to invest in the development of oil resources in the oil producing provinces?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, it was actually energy resources in the provinces that produce oil, and this would not necessarily be confined to oil alone. It would depend on the option of the province in particular.

Mr. Douglas: There is one point I would like to have clarified. Yesterday the minister said, "the federal government would then invest the balance of the tax in the producing provinces." Will all of the 50 per cent the federal government is going to collect be spent in the oil producing provinces or does this apply to all provinces using energy—electric power and so on?

Mr. Macdonald (Rosedale): No, sir. It is with regard to the oil producing provinces alone. In other words, a province which at the moment does not have production could not expect to receive any part of this sum by way of federal investment in energy resources.

DOMESTIC CRUDE OIL—DISCUSSIONS WITH ALBERTA ON MAINTENANCE OF PRICE AND SECURING OF AGREEMENT BY OIL COMPANIES

Mr. Peter C. Bawden (Calgary South): Mr. Speaker, I have a supplementary question for the minister. The Prime Minister said on December 6 that the government "will, therefore, undertake new discussions with the government of Alberta and with the oil companies to secure their agreement to maintain the price of domestically produced oil." Will the minister say whether these discussions have taken place with the province of Alberta and whether the government has secured agreement from the oil companies to maintain the present price levels on crude oil?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, with regard to the oil companies, there has not been universal agreement. Some companies have indicated they would like to come and discuss the full implications of the request. With regard to Alberta, I think it is fair to say there is not agreement at the moment by that province.

Mr. Bawden: Have any discussions taken place on this question with the province of Alberta since December 6?

Mr. Macdonald (Rosedale): Mr. Speaker, I have been involved in the House and I personally have not been able to pursue this question.

Mr. Speaker: Order, please. There are a number of members seeking supplementaries, the hon. member for Athabasca, the hon. member for Dauphin and others. Perhaps we might complete the first round of questions and return to supplementaries immediately thereafter.

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EXTERNAL AFFAIRS

DEGREE OF CONSULTATION BETWEEN CANADA AND EUROPEAN ECONOMIC COMMUNITY—POSSIBLE APPOINTMENT OF AMBASSADOR TO CANADA

Mr. David Lewis (York South): Mr. Speaker, I should like to address a question to the Secretary of State for External Affairs. I have not had a chance to obtain a copy of the communiqué he tabled as it was not yet available. I should like to ask the minister whether the report that there was some agreement on an informal, unstructured basis or something or other regarding consultation between Canada and the European Economic Community makes any change whatsoever in the status quo in relations between Canada and the European Economic Community? Was there any advance from what we have had until now?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, we have received suggestions from the European Economic Community that they would be prepared to issue a declaration dealing with economic relations between Canada and the community. We have said that in principle we are interested, and we are having discussions along these lines. We have also been able to make some informal arrangements for consultation, so I believe we are making advances on both fronts.

Mr. Lewis: I understand that one of the objectives of the government was to have a representative of the European Economic Community in Ottawa so that there could be direct relations between our government and the community. I understand also that so far this has not been agreed to by the community. Under these circumstances, is the community taking the position that their ambassador or representative in Washington is also assigned to Canada, or is there further discussion about a representative in Ottawa?

Mr. Sharp: The hon. gentleman will remember that we have established a mission to the community. For the time being our ambassador to the community is the main link between the community and Canada. I also suggested to the commissioner responsible for international affairs, Sir Christopher Soames, that the Community should reciprocate by establishing an office in Canada. This is under consideration.

● (1420)

Mr. Lewis: In view of the obvious importance of the trade relationship between Canada and the European Economic Community, and as the minister emphasized in a recent statement to the Canadian Institute of International Affairs that the European Economic Community is by far our second largest trading partner, would the minister indicate what obstacles there are in the way of a direct representative from Brussels to Canada and a more formal arrangement for relations between ourselves and the community? What are the obstacles that stand in the way?

Mr. Sharp: Mr. Speaker, there is no obstacle, of course, to formal arrangements since we have an ambassador accredited to the community. I repeat what I said before. This is the main link that we have with the community at the moment. We have been urging upon the community a reciprocal arrangement under which they would have an office in Ottawa. I understand that, like so many other things, it is financial considerations among others that stand in the way.

* * *

[*Translation*]

MANPOWER

LOCAL INITIATIVES PROGRAM—AVAILABILITY OF ADDITIONAL FUNDS

Mr. Jean-Marie Boisvert (Drummond): Mr. Speaker, I should like to put a question to the Minister of Manpower and Immigration.

Since cutbacks in the LIP budget for most ridings are as unexplainable in view of unemployment as the delay in announcing their official acceptance, does the minister intend to increase estimates in the ridings?

[*English*]

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, that matter has been considered by myself and my colleagues. In light of all the other

demands upon the government in the fiscal framework, it has been decided not to make a further allocation available to the Local Initiatives Program for this winter.

[*Translation*]

Mr. Boisvert: Mr. Speaker, can the minister indicate whether there are political reasons behind the non priority classification of some projects, like six out of 17 day care centres in Montreal?

Mr. Speaker: The hon. member will agree that his question, asked in those terms, is not in keeping with our Standing Orders and is therefore out of order. However, the hon. member may wish to rephrase his question.

Mr. Allard: Mr. Speaker, I wish to ask a supplementary question.

Mr. Speaker: The hon. member for Rimouski.

LOCAL INITIATIVES PROGRAM—DATE OF ANNOUNCEMENT OF CERTAIN PROJECTS

Mr. Eudore Allard (Rimouski): Mr. Speaker, I wish to direct a supplementary question to the hon. Minister of Manpower and Immigration.

Is the minister prepared to advise the House of the date on which certain projects will be announced for the Quebec ridings where they have not yet been announced, while others for a number of ridings with Liberal MPs have already been announced on TV?

[*English*]

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I believe there are just as many projects for Liberals that are not announced as there are for members of other parties that have not been announced.

Mr. Speaker: Order, please. Perhaps we might return to the subject of the first question. I will see the hon. member for Don Valley after we have had a few supplementaries to the question asked originally by the Leader of the Opposition.

* * *

ENERGY

OIL—METHOD OF DISPOSING OF PORTION OF EXPORT TAX PROCEEDS TO BE USED FOR DEVELOPMENT

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, my supplementary question is for the Minister of Energy, Mines and Resources. Could he clarify a bit further the form that the 50 per cent of the export tax to be used for investment in the producing provinces will take? Can he indicate whether the money will be appropriated to the national petroleum corporation that the government intends to set up or will it be given directly to the provincial government if it should come up with some kind of development project, or is it the intention to allocate the money to private industry if it indicates a desire to explore for or develop energy products of some sort?

[Mr. Andras.]

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, very likely it would be appropriated to the national petroleum corporation, although there might be other federal entities, for example, Eldorado Nuclear, which might have the benefit of this.

OIL EXPORT TAX—PORTION OF PROCEEDS TO BE PAID TO PRODUCING PROVINCES

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, may I direct a question to the Minister of Energy, Mines and Resources. Is it the intention of the government to see that the provinces that produce the oil resource will continue to receive any money obtained under any form of mechanism by the federal treasury wholly or in part under the proposed formula? What I am saying is this. As the world market for crude oil appears to be increasing in price, under any mechanism which applies to our exports of crude petroleum to the United States and other countries, if any, will the export tax or charge, being the amount representing the differential between the frozen price and the world price, payable to the federal government be paid to the province wholly or in part that produces the resources in question?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, if the hon. gentleman is specifically referring to the export charge, the manner of the division of that charge will, of course be subject to discussion at the federal-provincial conference. With regard to the export tax, as the hon. member will see from the motion, that will be available in the terms which I have described a number of times in the House.

REQUEST THAT OIL PROBLEMS NOT BE DEALT WITH UNTIL FIRST MINISTERS' CONFERENCE

Mr. Eldon M. Woolliams (Calgary North): In light of the fact there are many problems in reference to energy, particularly crude petroleum, one example being that Saskatchewan has set up a mechanism whereby it will take 100 per cent of the tax, which will of course cost the consumers of Ontario and other users of that crude petroleum a considerable amount more than if the oil had come from the province of Alberta, will the minister agree, because of these economic problems and the energy crisis as it exists due to transportation, that all these problems should be left to be worked out at the first ministers' conference so there will be uniformity across the board and equity and fairness to all provinces?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, with regard to the export tax, it seems to me that the policy is clear. I think parliament should go ahead and enact the authority to collect the tax and redistribute it as I indicated. With regard to the emergency allocation of supplies, this is something that should be dealt with at an early date in case of prejudice to consumers in the eastern part of the Canadian market that may occur.

Mr. Speaker: I see the hon. member for Don Valley, but perhaps I should have allowed the hon. member for

Athabasca a further supplementary. After that I will recognize the hon. member for Don Valley.

OIL EXPORT TAX—AVAILABILITY TO PROVINCES OF PROCEEDS TO BE USED FOR DEVELOPMENT

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, my supplementary is to the Minister of Energy, Mines and Resources. As the minister indicated the tax will most likely be given to the national petroleum corporation, does this mean the corporation will be restricted to this field of activity in Alberta and to some extent Saskatchewan, or how will he ensure that this money will indeed go to those provinces if given to that corporation?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, these funds will be available, probably through that corporation or other federal entities, for that purpose in those provinces. Of course, there will be substantial additional funds available to the corporation for its operations elsewhere.

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THE CANADIAN ECONOMY

INFLATION—POSSIBILITY OF FURTHER ACTION IN TERMS OF MONETARY, FISCAL AND EXCHANGE POLICIES TO EXERCISE CONTROL

Mr. James Gillies (Don Valley): Mr. Speaker, my question is for the Minister of Finance. It is really to get clarification of some of the answers the minister has given in the past few days. Is it the position of the government at the present time that nothing can be done to ameliorate the rapid rate of inflation we are experiencing in the country through adjustments in monetary exchange and fiscal policies, which have been the traditional tools for dealing with this problem?

Hon. John N. Turner (Minister of Finance): No, Mr. Speaker.

Mr. Gillies: If that is the case, can the minister please explain to the House why the government is not doing something to ameliorate inflation through adjustments in the monetary, fiscal and exchange rate policies?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I have tried to explain to the hon. member on several occasions. It is.

Mr. Gillies: If that is the case, given the fact we have so much uncertainty in Canada's economy at the present time, as represented by the changes in stock market prices and new forecasts going on all over the country, will the minister undertake to make a statement in the House before the recess indicating what in fact the monetary, fiscal and exchange policies of this country are at the present time?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, if there is an appropriate opportunity I will be pleased to do that in the House. The hon. member can look at past debates. He has had an accounting on a regular basis when opportunities in the House allowed. He just has to read those speeches again.

POSITION OF MINISTER RESPECTING GROWTH

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, my question is for the Minister of Finance. In view of forecasts of most western nations that economic activity will be reduced, is the minister still confident the Canadian economy will continue to grow at his previous forecast rate in view of the petroleum shortage?

● (1430)

Hon. John N. Turner (Minister of Finance): Mr. Speaker, it would appear that the potential energy shortage may have some negative effect not only on the growth of the Canadian economy but also on other major industrial economies, but at the moment there is no way of knowing the extent of the effect because there is no way of predicting in economic terms what the extent of the shortfall will be. The threat to the economy should not be minimized but, on the other hand, it should not be exaggerated, because the situation is still volatile. I have already said, and I repeat, that conservation directed toward the use of petroleum by individuals and by industry could be practised in such a way as to minimize the effect on the economy. I repeat that the underlying strength of the economy is still good, based on the potential of very heavy capital investment.

Mr. Ritchie: Mr. Speaker, can the minister identify any sectors that might be adversely affected?

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INDUSTRY

CANADA-UNITED STATES AUTO PACT—REASONS FOR CANADIAN DEFICIT—INVESTMENT BY COMPANIES

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce. Considering that the deficit reported yesterday in Canada-United States auto trade amounted to $129 million, representing a turn around over the same period from last year of over $300 million in favour of the United States, can the minister inform the House what reasons his department has found for this deficit and what he intends to do to correct it?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Yesterday my parliamentary secretary answered a somewhat similar question, pointing out that the main reason was the unprecedented growth of demand in Canada, something like 31 per cent over the same period a year ago compared with a growth figure of 16 per cent in the United States. A secondary reason is that there has been a particularly heavy growth in the sale of commercial vehicles in Canada.

Mr. Broadbent: In view of the fact that this increase in Canadian demand for North American cars should be reflected in the purchase of cars produced in Canada rather than in the United States, the minister's answer

would appear nonsensical. May I ask the hon. gentleman, keeping this in mind, what he is doing to change the pattern of investment in the auto industry, 95 per cent of which has taken place in the United States in the last two years?

Mr. Gillespie: On previous occasions I have indicated we are following a regular and continuing process of consultation with the presidents of the automobile manufacturing firms in Canada. One of the points I have raised with the presidents is precisely the point just raised by the hon. member—the need for new investment in Canada. For this reason I was particularly happy this morning when the Chrysler Corporation announced a major new plant facility for the production of commercial vehicles in Windsor.

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EXTERNAL AFFAIRS

CANADIAN POLICY RESPECTING ISRAEL AND ARAB STATES

Mr. John A. Fraser (Vancouver South): I have a question for the Secretary of State for External Affairs, Mr. Speaker. It arises from the continued effort by Arab oil producing states to force their demands on Israel by refusing oil to nations considered sympathetic to the State of Israel, even though such nations may desire friendship with the Arab states. Can the minister advise us whether this situation has in any way caused Canada to change its position with regard to either Israel or the Arab oil producing states?

Hon. Mitchell Sharp (Secretary of State for External Affairs): The answer to that question is no. There has been no change in the policy of the government, since I spoke in the House on October 16, as a result of pressure by the Arab states or otherwise.

Mr. Fraser: Can the minister assure the House that, while recognizing there are differences that must be settled between Israel and the Arab states, Canada continues unequivocally to support the right of Israel to exist within secure and recognized boundaries?

Mr. Sharp: Yes, Mr. Speaker. The right of Israel to exist within secure and recognized boundaries is fundamental to the policy of Canada in the Middle East.

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INDUSTRY

AUTOMOBILES—REPRESENTATIONS TO COMPANIES TO HOLD DOWN PRICES IN ORDER TO COMPETE WITH IMPORTS

Mr. Terry O'Connor (Halton): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce supplementary to a previous question. In view of the fact that the comparable deficit figures for foreign imports other than United States cars under the auto pact show a deficit of $373 million for the first nine months of this year, has the minister considered approaching the car companies with a view to holding down prices as he did last year so that North American cars will be in a better position to compete with offshore imports?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): May I say first of all as far as the deficit is concerned that one can expect there will be fluctuations from year to year; sometimes they will be in our favour and sometimes not. A second point, and one which I think is very important, is that the commitment I obtained from the automobile companies just about a year ago pertained not only to the 1973 models but to the 1974 models. I would expect the automobile companies to honour that undertaking, that is, that any price increases which take place in Canada will narrow the price gap.

Mr. O'Connor: Can the minister tell us whether a date has been set for resumption of negotiations with the United States on the auto pact, which have been delayed from time to time over the past year?

Mr. Gillespie: We are prepared to meet with the United States authorities at any time.

Mr. O'Connor: The answer is no, then.

ROLE OF DEPARTMENT IN DECISION BY CHRYSLER TO CONSTRUCT NEW TRUCK PLANT

Mr. Mark MacGuigan (Windsor-Walkerville): Mr. Speaker, I have a supplementary question for the Minister of Industry, Trade and Commerce. It arises from the welcome announcement by Chrysler this morning—

Mr. Bell: Stick to wiretapping.

Mr. MacGuigan: —of a new manufacturing plant for light trucks in Windsor. In light of the fact the press announcement referred to the requirement of the production-sales ratio under the auto pact, can the minister advise the House what role he or his department played in bringing about this desirable decision?

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please, I would think that to do this the minister would have to revert to motions.

Mr. Bell: It was *force majeure.*

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UNEMPLOYMENT INSURANCE

ABILITY OF COMMISSION TO REMAIN WITHIN HEADQUARTERS BUDGET FOR 1973

Mr. Bill Frank (Middlesex): Mr. Speaker, I should like to direct a question to the Minister of Manpower and Immigration. Having regard to the fact the Unemployment Insurance Commission headquarters budget has increased from $6 million in 1972 to $17 million in 1973—the figures are for the first six months of these years—can the minister tell the House whether he expects this alarming acceleration to continue for the balance of this year?

Hon. Robert K. Andras (Minister of Manpower and Immigration): I have indicated that the Unemployment Insurance Commission, both headquarters and field operations, will meet the budget which was discussed and placed before the main estimates committee early this spring.

Mr. Frank: I am not sure I understand what the minister means. Would he inform us whether headquarters costs have increased in comparison with last year and, if so, by approximately what percentage?

Mr. Andras: I cannot give the hon. member the percentage. All that detail was available to the committee and to all members who attended the committee this spring when the estimates were considered.

REPORTED OPPOSITION TO INCREASE IN PREMIUMS—POSSIBILITY OF AMENDMENTS TO ACT

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I should like to refer to a poll which was reported in the Toronto *Sun* of November 30. Some 4,779 people were canvassed and the result indicated that 98.3 per cent of them felt that the recent 40 per cent increase in premiums was unjustified and 95 per cent of those polled believe there should be an inquiry into the whole workings of the Unemployment Insurance Commission. Does the minister believe these figures are serious enough for him to bring in amendments to the Unemployment Insurance Act, as requested by his colleague, the Minister of the Environment?

Hon. Robert K. Andras (Minister of Manpower and Immigration): There have been two or three very interesting polls in the last few days, as a matter of fact—

Some hon. Members: Oh, oh!

Mr. Andras: —and these may be giving rise to some of the anxiety shown by hon. members on certain other matters. But the answer is no different from the information I have given in the House in the last several days, which is that the whole question of the Unemployment Insurance Commission, its budgets and the benefits paid will in the ordinary course of events be before hon. members when our main estimates are placed before the House.

Mr. Alexander: Having regard to the anxiety felt by many Canadians, and expressed by the people of the city of Toronto, surely the minister is not saying now that we must wait until February or March of 1974?

● (1440)

Mr. Speaker: Order, please.

[*Translation*]

URBAN AFFAIRS

OTTAWA-CARLETON—POSITION OF NEGOTIATIONS ON VANIER ARTERIAL ROAD

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, I should like to direct my question to the Minister of State for Urban Affairs.

Could the hon. minister tell the House whether the negotiations between the National Capital Commission, the Ottawa-Carleton regional municipality and the City of Vanier concerning the Vanier arterial have been concluded and whether this road will be more like a drive than like a highway?

[*English*]

Some hon. Members: Oh, oh!

Mr. Bell: Order paper.

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker—

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. The minister might reply briefly to the question. I am sure the hon. member for Ottawa-Vanier appreciates that, so far as the second part of the question is concerned, it is the kind of question that should be placed on the order paper.

Some hon. Members: Hear, hear!

Mr. Speaker: Perhaps the minister might be allowed to reply briefly to the first part of the hon. member's question, after which I will see the hon. member for Prince Edward-Hastings.

Mr. Basford: Mr. Speaker, last spring I refused to allow NCC property to be used for the Vanier arterial, which was then designed as a speedway. Negotiations have been going on ever since and I am now prepared to recommend to my colleagues use of the NCC property for development to NCC standards of a four lane parkway for the Vanier arterial which meets the satisfaction of the city of Vanier and residents of the Edinburgh district. I appreciate the help and support that my hon. friend—

Mr. Speaker: Order, please.

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EXTERNAL AFFAIRS

ROLE OF CANADA IN DECISION-MAKING PROCESS WITHIN NATO

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. In view of the statement by the Secretary of State for External Affairs at the recent NATO conference to the effect that all NATO members must be accorded equal status in the decision-making process, would the minister outline to the House just how long Canada expects to be able to maintain that position for

this country in view of the fact that following our cutback of 50 per cent of our commitment five years ago the Minister of National Defence just recently announced that there was no intention of replacing the worn out and obsolete tanks which were supposed to be the main component of our contribution in Europe?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I will answer briefly. The position I took in the NATO council on the equality issue was supported by many of our friends, and I suspect that we will continue to be a very welcome member of NATO indefinitely.

Mr. Hees: A supplementary question—

Mr. Speaker: Order, please. I think I owe it to hon. members to mention that there are only a very few minutes left before the end of the question period and there are still a number of distinguished members who are not frontbenchers waiting for a chance to ask questions.

Mr. Hees: In view of the very severe cutback that Canada has made in its military commitment to NATO, is it government policy that in the eventuality that armed conflict breaks out in Europe at some time in the future it will be Canada's policy to fight to the last American?

Mr. Speaker: Order, please.

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[*Translation*]

SOCIAL SECURITY

FAMILY ALLOWANCES—TAXABILITY OF PAYMENTS UNDER QUEBEC PLAN

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, in spite of the noise, I understand that you have recognized me. I should like to direct a question to the hon. Minister of National Health and Welfare.

Since the government of Quebec has decided to implement its own family allowance plan, that apparently the rates will vary from $3 to $9 according to the number of children in the family and that youngsters from 12 to 17 will receive a supplementary allowance of $5 a month, can the minister tell us whether the family allowances paid in Quebec will be considered as taxable earnings by the federal government, like the allowances paid by Quebec itself?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I believe I have already answered that question. Since Quebec has cancelled children exemptions for income tax purposes, it was decided that allowances paid by the provincial government to children living in that province would naturally not be subject to federal income tax.

Mr. Lambert (Bellechasse): A supplementary, Mr. Speaker. In view of the confusion in another field, will the federal government contribute financially to the payment of family allowances as instituted in Quebec, and if so, to what extent?

[Mr. Hees.]

Mr. Lalonde: Not at all, Mr. Speaker. The amounts earmarked by Quebec to that end will come out of Quebec's own funds. The money paid by the federal to Quebec will be exactly the same as that paid to all the other provinces, that is an average of $20 a month for every child.

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[*English*]

CANALS

PLANS FOR BUILDING NEW WELLAND SHIP CANAL

Mr. Trevor Morgan (St. Catharines): Mr. Speaker, my question was originally going to be addressed to the Minister of Transport, but in his absence I will direct it to the Acting Prime Minister since it involves some matters dealing with external affairs. In view of the fact that millions of dollars have been spent on expropriating some of the most valuable farmland in the Niagara region supposedly for a new Welland canal, and in view of the fact the United States Corps of Engineers has made a report to the U.S. government to the effect that unless an enlarged seaway is developed by Canada before 1980 they will do it on their own, what plans does the government have, if any, to build a new Welland ship canal and to enlarge the dockage and the flow of ships? If the government has no plans, why not?

Mr. Speaker: Order, please. The hon. member is asking for a report or statement which I suggest to the hon. member very respectfully, ought to be made on motions.

Mr. Morgan: Ten o'clock, Mr. Speaker.

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ENERGY

ORDER STOPPING EXPORT OF MEDIUM CRUDE OIL FROM SASKATCHEWAN TO UNITED STATES—REQUEST FOR RECONSIDERATION

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. Has the minister received any objections from producers of medium crude in southwestern and southeastern Saskatchewan against the order stopping their exports of medium crude to the United States?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I believe I would be correct in saying yes. The decision, of course, was that of the National Energy Board. I have contacted the board for their advice in this regard.

Mr. Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, may I ask another question for information. In view of the fact Saskatchewan has no refinery capacity to handle this medium crude, would the minister consult with the National Energy Board and see whether they would give reconsideration to this order?

Mr. Macdonald (Rosedale): Yes, sir, I will be glad to do so.

GRAIN

FEED GRAIN—INQUIRY WHETHER MINISTER WILL ATTEND MEETING ON PROVISION OF SUPPLIES TO EASTERN CANADA

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, I ask a question of the minister in charge of the Wheat Board. In view of the statement by Mr. Dernier, vice-chairman of the Canadian Livestock Feed Board, that there is only ten days' supply of feed grain on hand in eastern Canadian positions, is the minister going to comply with the request that the Canadian Wheat Board, the grains group in Ottawa and the railways meet with the Federation of Agriculture in Moncton to discuss this situation, and is the minister himself going to attend that meeting?

Hon. Otto E. Lang (Minister of Justice): Indeed, Mr. Speaker, the decision to have such a meeting was partly that of the grains group as well as the Canadian Livestock Feed Board, and I anticipate that the others who have been invited to attend will be at the meeting. I anticipate that the meeting will proceed at the official level.

Mr. Speaker: Order. We have about come to the end of the question period. Perhaps the hon. member for Saskatoon-Biggar might be allowed a supplementary, and then I will see the hon. member for Winnipeg South Centre and the Leader of the Opposition before calling orders of the day.

Mr. Gleave: Mr. Speaker, in view of the fact these same people have made the statement that the shortage of boxcars is desperate, and in view of the repeated assurances by the minister in charge of the Wheat Board and the Minister of Transport that they have a commitment from the railways to move adequate amounts of grain, can the minister say when either he or the Minister of Transport will make a definitive statement to the House in regard to how this is going to be done, instead of just passing the buck?

• (1450)

Mr. Lang: Mr. Speaker, the hon. member, I am sure unintentionally, has once again misstated the exact nature of the commitment which was to supply a basic number of cars for the movement of grain. The railways have been responding to the urgent requests from the people who require grain and have been meeting special needs as they arise. It is, of course, a difficult situation as long as the backlog which has occurred in this country is not made up and as long as there is tremendous pressure on the railways to move many other products. But within those difficult circumstances every effort is being made to ensure that the most urgently required supplies arrive.

Mr. Gleave: Mr. Speaker, I rise on a point of order. I rather take exception to the minister saying I am making a misstatement of the facts either intentionally or unintentionally when anyone who reads the record of the questions and answers in this House knows there is a shortage of transport.

Mr. Speaker: Order, please. The Chair recognizes the hon. member for Winnipeg South Centre.

Oral Questions

NATIONAL DEFENCE

REASON FOR REDUCTION OF OBLIGATORY SERVICE PERIOD FOR ROTP PILOTS IN LIGHT OF VACANCIES

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, my question is directed to the Minister of National Defence. In view of the recently announced cross-country advertising campaign by the Canadian Armed Forces to fill vacancies, and in particular because of the shortage of aircrew in the Canadian Armed Forces, why was the period of obligatory service required of ROTP pilots reduced so that they now have to serve only five years from date of commissioning?

Hon. James Richardson (Minister of National Defence): Mr. Speaker, I would need to make inquiry into the detail in order to be able to reply to the hon. member.

Mr. McKenzie: Why was the period of obligatory service not similarly reduced for direct entry officers who joined after graduating from university at their own expense whereas the ROTP officers received their university education at public expense?

Mr. Speaker: The Leader of the Opposition.

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ENERGY

OIL—POSITION OF SASKATCHEWAN ON MAINTENANCE OF PRICE FREEZE

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, my question is addressed to the Minister of Energy, Mines and Resources. In view of the indication that the government of Saskatchewan will impose a tax of $2.20, I believe, on each barrel of oil leaving the province, whether or not it is going to other parts of Canada, has the minister received any assurance from the government of Saskatchewan that the freeze will be maintained beyond December 31 on oil leaving Saskatchewan? Has the minister been in touch with the government of Saskatchewan about that?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, we have not received a copy of the legislation but we would intend to have it at an early date and form an opinion upon the proposed legislation, following which undoubtedly we will be in touch with the Saskatchewan government.

Mr. Speaker: Orders of the day. Is the hon. member rising on a point of order?

[*Translation*]

Mr. Caouette (Témiscamingue): Mr. Speaker, I rise on a point of order.

Mr. Speaker: I will first recognize the hon. member for Saint John-Lancaster (Mr. Bell) who is rising on a point of order and then the hon. member for Témiscamingue (Mr. Caouette).

Oral Questions

[*English*]

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Bell: Mr. Speaker, I should like to ask the usual question. Can the government House leader tell us what the business is to be up to and including Christmas?

Mr. MacEachen: Mr. Speaker, my plan had been to clear a number of the remaining bills before suggesting an adjournment or prorogation. These include the oil allocation bill, the bill in the name of the Minister of Finance (Mr. Turner) which is to be given first reading tomorrow, and the election expenses bill. It would be desirable if we could complete all these by the end of next week. I certainly would be agreeable to a suggestion concerning additional hours and days of sitting between now and the end of next week.

[*Translation*]

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

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ENERGY

EXPORT OF OIL BY GOLDEN EAGLE CANADA LIMITED TO UNITED STATES

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, my point of order could probably have been raised through a question in a few moments, but I have just received a report.

I would like to draw the attention of the Minister of Energy, Mines and Resources (Mr. Macdonald) to a report published in the newspaper *La Presse* that Golden Eagle Canada Limited of Saint-Romuald continues to export oil to the United States at the rate of 2.5 million barrels. Is the minister aware of that situation?

Mr. Speaker: Order, please. The hon. member for Témiscamingue will admit, I am sure, that this is not a point of order, but with the consent of the House the minister might perhaps answer briefly the hon. member's question. And then I shall have to call orders of the day.

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, it is with a permit issued by the National Energy Board that such exports may be made. I believe a certain type of oil products produced by the Golden Eagle Canada Limited refinery are surplus to Canada's needs. At the present time the Quebec market cannot absorb all these products, which is why this permit has been granted.

Mr. Speaker: Order, please. That seems to dispose of the point of order.

[Mr. Speaker.]

[*English*]

BUSINESS OF THE HOUSE

Mr. Atkey: Mr. Speaker, on a point of order, I wonder whether the government House leader would indicate when the government intends to bring on Bill C-176, the protection of privacy bill, which today was referred back to the House by a vote of the Senate Committee on Justice and Constitutional Affairs with an amendment to delete the notice provision.

Mr. MacEachen: Mr. Speaker, I am not aware that the bill has come back. If it does it will be added to the list I have already mentioned.

Mr. Leggatt: Mr. Speaker, I have a similar point of order dealing with the business of the House. I want to ask the government House leader this question. In view of the fact the Minister of Justice appeared before the judicial committee of the other place and apparently persuaded the other place to flout the will of the House, or at least return the bill for reconsideration, is that bill still considered a priority measure and will the Minister of Justice be given another opportunity in this House?

Mr. Speaker: I doubt whether that is a point of order. The hon. member rises on a question of privilege. It seems to me that hon. members—I have taken the liberty to mention this before—from time to time use points of order to ask questions that might have been asked during the question period. I appreciate that some hon. members were not recognized and did not have an opportunity to ask questions, but these are not points of order. No member has referred me to a citation or to a Standing Order in relation to the alleged point of order. The Minister of Justice on a question of privilege.

Mr. Lang: Mr. Speaker, I think this is a matter of privilege since the hon. member has suggested I have in some way flouted the House of Commons.

Some hon. Members: Hear, hear!

Mr. Lang: As usual, hon. members opposite, in complete ignorance of the facts applaud. The fact of the matter is that I made very clear in the other place that I hoped they would not in any way change the bill because of my strong desire to see the bill pass into law as fast as possible and my concern that it might be delayed as a result of an amendment. Whatever my view of the particular amendment was, I made that clear and did in no way flout the will of the House. I would ask the hon. member, Mr. Speaker, to apologize.

Mr. Speaker: Order, please. Would the hon. member resume his seat. This whole matter arose, out of a point of order which I ruled was hardly a point of order. The minister rises on a question of privilege. I doubt that we should pursue the matter. The hon. member for New Westminster rises on the question of privilege.

● (1500)

Mr. Leggatt: In dealing with the same question of privilege, Mr. Speaker, I would like the Minister of Justice to advise the House clearly whether or not he has changed

his own opinion with regard to the notification section in the wiretapping bill, and whether he made any recommendation to the committee of the other place in that regard.

Mr. Speaker: Order, please.

GOVERNMENT ORDERS

[*English*]

WAYS AND MEANS

EXCISE TAX ACT

On the order: Notice of a Ways and Means motion:

December 12, 1973—Consideration of a motion to concur in a Ways and Means motion with respect to the Excise Tax Act, (laid upon the table, December 11, 1973)—The Minister of Finance.

Mr. Bell: Mr. Speaker, I rise on a point of order. We understood that this Ways and Means resolution was to come forward tomorrow.

Mr. MacEachen: No, today.

Mr. Lambert (Edmonton West): That goes through on motions.

Mr. Stanfield: Mr. Speaker, I rise on a point of order with regard to this motion on the ground that there are two questions involved in it. I would request, therefore, in accordance with the procedure of the House, that you order that the motion be divided into two questions, namely, the question on paragraph 1 and the question on paragraph 2. I assure you that my purpose is not to delay the consideration of this matter by the House and, if my point of order is found to be well taken, I wish to co-operate in seeing that the matter is put before the House in the form of two resolutions as rapidly as possible.

The authorities with regard to the two questions being involved in the resolutions are contained in the judgment of Mr. Speaker Macnaughton relating to the flag debate found in the *Votes and Proceedings* of June 15, 1964, volume 111, at pages 427 to 431. I am not suggesting for a moment that the question before Mr. Speaker Macnaughton was the same as the question I am raising today. I simply refer to that as a judgment in which the principle and the precedents are considered.

I submit to you, Mr. Speaker, that the principles contained in paragraph 1 of the motion, and the principle in paragraph 2, are so different as to constitute different questions upon which a member may vote "yes" on one and "no" on the other. If the motion is adopted in its present form, Standing Order 60 (11) provides that the vote should be an order to bring in a bill or bills based on the provisions of any such motion. I assume that the purpose of having the two different principles incorporated in this motion is to justify one bill being brought in. Indeed, the title of the motion is "Notice of Ways and Means to amend the Excise Tax Act" which is referred to in paragraph 2, and paragraph 1 is on an entirely different matter.

I raise my point of order at this time because I feel it would be rather late and inconvenient, and would cause unnecessary delay to do it at the time the bill is before the House. It is true that the bill would provide an opportunity for debate, but the opportunity to amend a tax bill is limited at best. In the present case, the opportunity to amend in a limited way has been pretty well forestalled by the Minister of Finance (Mr. Turner), who has combined the bill with an appropriation provision and has extended the royal recommendation to cover not only the appropriation of public revenue but the Ways and Means provisions as well. The Chair will appreciate that, under numerous Speakers' rulings, such an umbrella recommendation precludes almost any amendment by a member of this House who is not a minister of the Crown.

So, I say that paragraphs 1 and 2 contain different principles which should be put before the House separately. The principle in paragraph 2 is the one indicated in the heading of the motion—the taxing provision to amend taxing legislation, the Excise Tax Act. The principle in paragraph 1 of the resolution is quite different. Under this paragraph the House is asked, or will be asked in the bill, to delegate to the Governor in Council power to impose a charge, within a ceiling of $4 per barrel, on crude oil exported from Canada in any month commencing with February 1974, the charge to be paid by the person holding a licence under Part VI of the National Energy Board Act to export the crude oil, the charge to be administered, enforced and collected by the National Energy Board. In other words, this paragraph No. 1 relates to the National Energy Board and not to standard taxing legislation such as the Excise Tax Act dealt with in paragraph 2.

For example, the following principles are implicit in the consideration of the part of the bill which will result from this part of the motion. They are propositions upon which members of the House may hold an opinion directly opposed to the opinion they might hold with respect to paragraph 2. First of all, a member may be opposed to the proposition that this House should delegate to the Governor in Council the power to impose a charge. I hasten to emphasize I am not debating the merits of the charge, I am just indicating the range of considerations.

Second, a member might be opposed to the proposition that the Governor in Council should be delegated the power to vary a charge or to choose not to impose a charge in any month. Third, he might be opposed to the proposition that the Governor in Council may impose a charge but, coupled with the right of the Governor in Council under section 17 of the Financial Administration Act to remit any tax, impost, duty or toll, vary that charge by remitting it totally, partially, conditionally or unconditionally in the case of some person or persons but not in the case of other persons.

Fourth, a member may be opposed to the proposition that the National Energy Board, which is a court of record under subsection 10(1) of the National Energy Board Act and, therefore, one of the constitutional courts of judicature established under section 101 of the BNA Act, should administer, enforce and collect a tax.

Fifth, a member may oppose a principle that appears to be contrary to our constitution with respect to the Consolidated Revenue Fund and our statute, the Financial

Administration Act, which provides for the control of public revenues. Section 102 of the BNA Act provides that all duties and revenues shall form one Consolidated Revenue Fund. The member might well ask: Where does this charge, arising from paragraph 1, when collected by the National Energy Board, go? Is it public money within the definition of the Financial Administration Act? Is it money paid to Canada for a special purpose under the definition of the act?

● (1510)

I just mention these points to indicate the extent of the difference in principle involved in paragraph 2, which is a simple amendment of the taxing statute, the Excise Act, and the principle involved in consideration of paragraph 1, which is an amendment to the National Energy Board Act and which raises, among others, the questions that I have indicated here this afternoon. In short, the resolution and any resulting bill contain two principles, one the amendment to a standard tax act and the other, as I say, involving a change and an amendment to the National Energy Board Act, two principles upon which hon. members may wish to vote differently.

Omnibus bills are always difficult, but I suggest they are quite unacceptable in the area of taxation. Surely, Sir, we have to be particularly strict and careful with regard to measures relating to taxation. I repeat that my purpose is not delay. My purpose is to see that the two principles are put before the House separately, so that the House can properly take a choice with regard to each principle.

Mr. MacEachen: Mr. Speaker, I would like to make just a very brief comment on the point of order raised by the Leader of the Opposition (Mr. Stanfield) which, in its essence, suggests that the House ought to be given an opportunity to deal separately with items in a notice of a ways and means resolution.

It seems to me that frequently in this House we have had a notice of ways and means that covered a variety of changes, a variety of tax issues. I believe if the hon. member will refer back to the most massive changes in tax law ever made in Canada, he will find that the notices of ways and means upon which it was based covered a variety of issues upon which a member could differ. As a matter of fact, all that this motion does, if accepted, is to form the basis upon which the minister can bring in a bill, or bills, as the relevant Standing Order suggests. Then, when the bill comes forward it is possible for the House of Commons, either sitting with the Speaker in the Chair or, as this bill would imply, in the committee of the whole House, to deal with each item separately.

It would seem to me that the House then would have an opportunity, if it wishes, to differ in its opinion with respect to any item. But I would go even further and say that while the Leader of the Opposition has argued that paragraph 1 represents one principle, and paragraph 2 a second, it would be possible in paragraph 2 for a member to differ about various items within that paragraph. Certainly, one might take a different view as to what one might be able to support, for example (a) in the month of October the rate is 40 cents per barrel, so it is conceivable that one could look at (d) and say $2.20 is really too much. He could divide his opinion in that manner.

[Mr. Stanfield.]

I could conceive all kinds of speculative reasons why members would want to divide their opinions on a matter within two paragraphs—

Mr. Lambert (Edmonton West): It isn't a matter of principle you are arguing.

Mr. MacEachen: If the hon. member for Edmonton West is talking about a principle, I would point out it is precisely the same principle that is involved in both.

Mr. Lambert (Edmonton West): I beg your pardon.

Mr. MacEachen: And I beg the hon. member's pardon, but that is my view.

All that is implied in paragraph 1 is that because it is impossible to predict circumstances that may prevail after the end of January, an upper limit is set on the charge or tax, and that the Governor in Council is asking authority for subsequent months to establish a charge. That is asked for, not because there is a different principle involved, but because it is impossible to predict what the circumstances may be in subsequent months. It is the application of precisely the same principle, and because we are not perfect forecasters we do not know what may be the situation at February 1.

It is precisely the same over-all principle involved in both paragraphs. There is a different application of the same principle in paragraphs 1 and 2, if that is the foundation that the hon. member alleges. If the argument of the Leader of the Opposition is accepted we would be confronted with a situation in which every single sentence, every single item, every single thought in any bill ought to be put in the form of a single notice of ways and means. I must say that this is a very surprising proposal to split a ways and means motion. I do not know what that obliges anybody to do. Does it oblige the minister to bring in two bills or one bill? It seems to me that it does not solve anything. If the point is to be raised, it certainly ought to be raised when the House knows whether there will be one bill, two bills or three bills, and it does not know that yet.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, may I say just a brief word on this point of order, and perhaps in the process I may raise another one.

I confess that I am not concerned about the point raised by the Leader of the Opposition (Mr. Stanfield), namely, his objection to the two subjects that are set out in the notice of ways and means motion being included in one bill, or at this moment being before us in one motion. It does seem to me that there is a relationship between the kind of charge that is to be levied in October, November, December and January, and the kind of charge that is to be levied from February 1 on.

However I rose, Mr. Speaker, because although I do not see any objection to that I am concerned, and I think we should be told what is going to happen, over the fact that there is on today's order paper a notice of a bill to be introduced which seems to cover everything that is in this ways and means motion, but has something more in it. The something more is a provision for an arrangement under which there is allocated certain of the revenues derived from the oil export tax.

As I say, I do not feel I can support the case of the Leader of the Opposition for separating this notice of ways and means motion into two parts, but it does seem to me that if we pass this notice of ways and means motion, the bill that is introduced ought to be confined to what is in that ways and means motion.

May I draw Your Honour's attention to Standing Order 60(11) which says:

> The adoption of any Ways and Means motion shall be an order to bring in a bill or bills based on the provisions of any such motion.

That seems pretty clear. In other words, if we vote for this motion, this notice of ways and means motion, as we shall, then it is in order to bring in a bill, or bills, based on the provisions of that motion. It would seem to me that one bill could do, although the Leader of the Opposition might argue for two. But apparently waiting in the wings is a bill, according to today's order paper, which reads:

● (1520)

> The Minister of Finance—Bill intituled: "An act to impose a charge on the export of crude oil from Canada, to impose an oil export tax under the Excise Tax Act—

It does not stop there; it goes on to say:

> —and to allocate certain of the revenues derived from the oil export tax".

Then, the recommendation of His Excellency the Governor General spells this out a little more by indicating the fact that 50 per cent of the revenues so obtained are to be transmitted to the provinces concerned.

I hope Your Honour will not feel that I am raising a different point of order, for we are in the same universe as it were. The Leader of the Opposition (Mr. Stanfield) feels that there should be more than one bill based on this resolution. I do not support that argument. But I am not concerned about the fact that if we pass this motion apparently we are going to get a bill with something in it that is not in the ways and means motion. I would suggest that either the ways and means motion should have been amended in reference to the allocation of the revenues, or this matter should have been in a separate bill, one that will provide the formula for allocating the revenues obtained from the charges and taxes.

Mr. MacEachen: Mr. Speaker, I just want to reserve my right to argue the second point of order whenever it is relevant to have it raised.

Mr. Knowles (Winnipeg North Centre): On that point if I may, Mr. Speaker, surely we have the right to know what the government's intentions are in view of the fact that we have the ways and means motion in front of us and we have this notice of a bill which talks of one bill, not two, which seems to say that the bill is going to do the things in the ways and means motion but is going to do something else as well.

I have no quarrel with one bill covering everything that is in the ways and means motion, but I think that the formula for allocating the anticipated revenues should be in a separate bill.

Mr. Speaker: I am not sure that hon. members would want me to rule immediately on the interesting points which have been raised by the hon. Leader of the Opposition (Mr. Stanfield), the hon. member for Winnipeg North Centre (Mr. Knowles) and the President of the Privy Council (Mr. MacEachen). A number of different points have been raised by hon. members and one of them, to which the hon. Leader of the Opposition has alluded, has referred to the royal recommendation. I have looked at the royal recommendation, and while part of it may not be relevant to the ways and means motion and I recognize that this may give rise to some difficulty, perhaps it would be the part of wisdom to have the royal recommendation drafted in such a way—if His Excellency would agree—so that it would be clear what the bill intends to do.

In so far as the ways and means motion is concerned, my understanding is that the hon. member's difficulties are perhaps not so much in connection with the motion but are in connection with a bill which will come before us as a result of the motion. The hon. Leader of the Opposition has suggested that there should be two bills. The advice I have is that we have had bills which were designed both to tax and to apportion the revenue, and that there are a number of precedents to this effect. I wonder where the Chair would get the authority to say at this point that we should split the bill.

The hon. Leader of the Opposition referred to a ruling made by Mr. Speaker MacNaughton in relation to the resolution on the flag debate. Of course, we had before us at that time a resolution and not a bill. I am not quite sure either that there is no precedent for splitting the bill, but I would hesitate to rule at this point and I wonder if we would achieve anything by splitting the motion, to have one bill coming up later based on two motions. That is the point I would like to look into briefly if hon. members would allow me to do so.

The point raised by the hon. member for Winnipeg North Centre is entirely different. He felt that the bill as proposed might go beyond the terms of the proposed ways and means resolution. I had not looked into that aspect of the problem, and I would be disposed to look at it a little more closely if hon. members would allow the Chair to consult all these documents, the ways and means resolution, the notice of the bill which is before us and the royal recommendation to see what we can come up with that might satisfy hon. members. As I said a moment ago, based on the precedents which I know, it would be very difficult for the Chair to make a decision now which would bind us to a conclusion that the bill which will come before us should be split so that we would have two different questions in two different bills for the consideration of the House.

I thank hon. members for the advice they have given the Chair and the suggestions they have made that the matter be looked into. This is what I will do as soon as I can and perhaps later this afternoon I can indicate to hon. members what my conclusion is after having studied citations of the rules and precedents. Perhaps, we might go on to the next order of business for the moment.

Mr. MacEachen: Mr. Speaker, I understand your desire to have time to reflect upon this decision. The House may wish to divide on this motion. I am not sure. But if there is no interest in dividing, then I am not as concerned about when your judgment will be delivered. If there were an indication that the House was to divide, I think I would

have to cancel some committee meetings and that is why I wanted to inquire.

Mr. Stanfield: Mr. Speaker, if we were going to be divided we are so chivalrous that we would not force the government House Leader to cancel any commitments. In any case, as far as I know there is no intention to divide as far as the resolution is concerned or to raise any objection in that way. I made my point and we are in the hands of the Speaker.

Mr. Speaker: The hon. member for Assiniboia (Mr. Knight).

Mr. Knight: Mr. Speaker, I believe my friend the hon. member for Calgary South (Mr. Bawden) has the floor. If you would keep me in mind when he has finished, I would certainly give way to allow him to finish his speech.

Mr. Speaker: I understand the hon. member for Calgary South (Mr. Bawden) had the floor when we adjourned.

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ENERGY SUPPLIES EMERGENCY ACT

MEASURE TO PROVIDE FOR ALLOCATION BOARD, MANDATORY ALLOCATION OF SUPPLIES AND RATIONING OF CONTROLLED PRODUCTS

The House resumed, from Wednesday, December 12, consideration of the motion of Mr. Macdonald (Rosedale) that Bill C-236, to provide a means to conserve the supplies of petroleum products within Canada during periods of national emergency caused by shortages or marked disturbances affecting the national security and welfare and the economic stability of Canada, and to amend the National Energy Board Act, be read the second time and referred to the Standing Committee on National Resources and Public Works.

Mr. Peter C. Bawden (Calgary South): Mr. Speaker, If I may continue from last night, I should like to say that on looking at the world energy picture, energy is the vital question of our day. It is a subject that today is being debated by governments and by the public in virtually every country in the world. Indeed, energy supplies are now a matter of prime concern to forecasters, to governments and numerous international bodies who are concerned with future social and political development and with the problems of economic growth.

To find a starting point for oil policy considerations in Canada, one must turn to the world energy scene first to see clearly where this country fits into the world picture. The most significant, and perhaps most unfortunate, aspect of the energy situation in the world today is that the determination of events and the entire course of the energy decision-making is motivated by political expediency. I am sorry to say that Canada now finds itself in exactly that mess, too.

In the longer term, and perhaps even in the shorter term, that situation can only work to the detriment of the Canadian people, because in the end it is always the people who pay. I doubt, however, if many Canadians today wish to pay, or indeed can afford to pay, any more

taxes for the mistakes of this government. To focus on the highlights of the world energy scenario, perhaps I might refer this House, Mr. Speaker, to the very clear and vital message which was delivered by a number of recognized specialists to the conference on world energy which was convened in London, England, this autumn.

● (1530)

The highlights to emerge from this conference were as follows. First, the world has only eight years to get ready for a fall in oil production. The industry is not finding oil in sufficient quantities to keep up with soaring demands. Second, there seems no doubt that there has been a genuine decline over the last six or seven years in the gross finding rate, and also that there has been a decline over the last decade or so in the discovery of supergiant oil fields, although many large fields by world standards remain to be found. Third, it is difficult to see any significant increase in finding rates over the next ten to fifteen years. Fourth, the conference concluded that in the late 1970's or early 1980's, by which time world oil production will be about twice what it is today, world production will begin an inevitable and slow decline.

The grounds for concern outlined in the conference were that with the inevitable increase of demand, supplies of conventional oil may start to decline before alternate sources of energy are developed. Eight years or so is not very long in which to plan and implement the provision of various alternate sources of energy. While there are perhaps certain of the world's resources for which substitutes are not easily available, this is not so with regard to energy as a whole. By applying our present technology to fossil fuels, we can deal effectively with the needs that lie ahead by phasing into nuclear energy and other supplies for the next century, as those sources will be as prolific as those provided from hydrocarbons during the last few decades. The era of cheap energy which we have experienced for the last 20 years is behind us. We shall have to become used to less prolific and higher cost energy, and learn new ways of using these basic resources more efficiently.

The conference in London concluded, further, that of prime importance is the collaboration between producer and consumer, as their common interests are of much greater importance than their differences. In other words, both should get together in an effort to solve their problems. Both are equally dependent on the effective development of energy for their present and future prosperity. Their differences should not be resolved by confrontation, but through negotiation. Further, crude oil and natural gas will meet an essential and critical portion of the world's energy needs until the end of the century. Huge sums of capital investment will be needed to meet this production demand. It is estimated that oil expenditures will be in the area of $480 billion over the next ten years, an average of $132 million per day.

The conference concluded that industry and government policy was called for in four principal areas. First, it suggested that there must be avoidance of a competitive scramble for oil by consuming countries, which could be done by the creation and maintenance of agreements for apportioning supplies against possible shortages. Second, there must be assistance in the economic development of

the producing countries. Third, there must be avoidance of energy waste, through more efficient use of energy. Fourth, the conference called for urgent development of new and alternate energy sources. Those were the conclusions, or at least the highlights, to emerge from the conference. Those conclusions apply as much to Canada as they do to every other country of the world.

The principal exporting countries of the world formed an organization in the 1960's known as the Organization of Petroleum Exporting Countries, generally referred to as OPEC. The countries making up that organization consist of Iran, Iraq, Algeria, Kuwait, Venezuela, Indonesia, Saudi Arabia, Libya, Abu Dhabi, Qatar and Nigeria. Saudi Arabia, Mr. Speaker, is today the country which for the next few years, more than any other, will be the fulcrum for energy supply in the entire world. Saudi Arabia will produce oil, and just enough oil, to keep the world supply at a level just at or below world demand. One can appreciate the ability of Saudi Arabia to command this position when it is appreciated that its present proven reserves amount to something in the order of 160 billion barrels, and that its daily production of oil is in the order of between 7 million and 8 million barrels a day, and that country has the largest potential oil producing capacity in the world.

Saudi Arabia's oil minister Yamani stated in London recently that even when Israel's withdrawal from Arab lands is completed, production will be restored only back to last September's level. Mr. Speaker, that represents less than current oil requirements and would not allow for the needed growth in oil supplies. In addition, the minister stated that only on their own timetable would the Saudi Arabians restore, gradually, production to the levels of September, 1973. The sheik also said the Arab states will "be more than happy to sit with consuming nations to discuss reasonable decisions on oil prices and production to preserve the world's economic system". He went on to say, however, that "buyers are knocking on our doors" offering higher prices and that it would be illogical to expect the Arab to say, "No, we don't want $10 a barrel for our oil; please make it only $7 per barrel."

I have brought out these details, Mr. Speaker, so that members of this House can appreciate the international factors in the world today which for the next few years will determine the supply and therefore the price. The handwriting is on the wall and the name of the game in the foreseeable future is continued shortages and escalating prices. Even if one assumes that the world will return to a more balanced situation, this will only take place when, according to Saudi Arabia's oil minister, "the Israelis have withdrawn from the territories they have occupied since 1967". I suggest, Mr. Speaker, that considering conditions in that part of the world and the probability that these negotiations will not move quickly, the Arab cutback will continue not just for a few weeks or a few months, but, more than likely, for much, much longer. It seems to me that we cannot look realistically to that part of the world in future for security of supply.

Analysis of future world energy supplies shows three different sets of problems; these relate to timing. The first problem is that which we face now and in the immediate future. The second is the problem which will confront us up to the end of the century; and, lastly, we must consider the problems in the very long term. The immediate short-term energy problem stems essentially from the present tightness in oil supplies, both products and crude. Under today's conditions, when oil constitutes over 50 per cent of energy demand in most countries, the problem is much worse than it was following a similar problem in the late 1950's and again in the late 1960's. Then, there was a good deal of surplus producing capacity in other countries of the world. This surplus does not exist today and will not in the foreseeable future.

Many of the large producing countries in the world have recognized that their reserves are finite. They have, as well, during the last couple of years doubled or tripled the take on a barrel of oil. The result is that while at present they are selling much less oil, the returns on less oil sold are much greater than they were.

An extremely significant factor in the world energy situation is that the energy problem of the United States, of Britain, of Japan or of any other country is not limited in its effects to that one country alone. An energy shortage in a key area today is likely to have world-wide repercussions and effect virtually every other country. Most unfortunately, the people of developing countries will be the hardest hit of all as they, least of all, can afford the high cost of energy which is so critical to their industrial growth. It was this very point that the hon. member for Don Valley (Mr. Gillies) made earlier this week. Canada's economy is inextricably bound to the economies of the United States and the other major trading nations of the world.

A consideration of the energy problems which will affect Canada is no way complete until this critical international component is brought into the mix. All economic planning must now look critically at the short-term and long-term impact. We are headed for continuing energy shortages in the world for the next 10 to 15 years and this will affect the standard of living in many countries. These shortages could translate into economic recession, high unemployment rates and, finally, competition for energy could lead to serious confrontation between nations. This would add nothing to supplies and would have the effect of skyrocketing prices.

● (1540)

For Canada, it is necessary to re-evaluate trade patterns, both of the past and for the future. Canada's abundance of energy presents great opportunities for the long-range future, but also some very disruptive times in the short-term. The Minister of Industry, Trade and Commerce (Mr. Gillespie) has told us very little about the activities of his department in this important area. Are we to presume that the action is as minimal as his words? The Minister of Finance (Mr. Turner) meanwhile has said very little and when he does speak, he contradicts everything that the Prime Minister (Mr. Trudeau) and the Minister of Energy, Mines and Resources (Mr. Macdonald) are saying.

Canadians can hardly comprehend the sweetheart position in which they find themselves in today's world. It is essential, however, that Canada, which today is truly at a vital crossroads, takes the decisions and adopts the policies which maximize the advantages which we truly have

and to the advantage of all Canadians. I regret to say that if the actions taken by this government in recent months are any indication, we are not going to maximize the advantages to Canadians. We are going to minimize them. Indeed, if the present short-sighted policies continue, one of the great opportunities in Canada's history may have been lost.

I wish to say something about Canada's oil and gas reserves. Utilizing the probability approach to future oil and gas reserves, the geological survey of Canada's assessment of the mean probable oil potential for Canada from conventional production is about 100 billion barrels. About 16 billion barrels of this have been found. A substantial portion of these additional reserves lie in the frontiers of the Canadian Arctic and the offshore areas. In this hostile environment, and with related logistic problems, it must be anticipated that the cost of finding each barrel of oil and each cubic foot of gas will be a great deal more expensive.

In view of the fact that Canada has today some 10 years' supply of oil reserves at projected producing rates, it is imperative that a massive and aggressive search activity take place. In the Prime Minister's speech on Thursday last, he said the government's first priority was to assure necessary fuel supplies to all Canadians this winter no matter what developments took place abroad. This is an essential goal, Mr. Speaker. However, the actions of this government and at times the government's inaction has gone a long way toward threatening the security of supply to Canadians in the future which surely must be an important consideration in long term energy planning.

The Prime Minister on Thursday, December 6 set out what he called his government's new national oil policy. One of his first statements was that we are confident that no Canadian need fear serious shortages of oil and fuel this winter, provided each one of us plays his part and contributes his share. I presume that for the average Canadian this could only mean cooperation by reducing consumption and saving where possible. If the Prime Minister is confident that this is the case, why has the government asked for extreme wartime type powers as provided for in Bill C-236? Of course Canadians will play their part. They always have. Why then is this government, on one hand, saying Canadians need fear no shortages and, on the other, spreading panic and crisis by demanding extreme and excessive power? Is it because the government itself does not know what are the facts? It is no wonder that Canadians are confused by the information they are getting from the Minister of Energy, Mines and Resources.

All that Canadians really want to know are the facts. Because this government is not doing its homework, and because the minister continues to be befuddled, all Canadians have lost confidence in the minister and the government. How could it be otherwise? One day we are on the Saudi-Arabia embargo and the next day we are not. One day the Shaheen refinery crude imports are said to be included in the minister's calculations and a few hours later the minister says they are not. One day we are told that deliveries from the west coast to the east coast are 50,000 barrels a day. A week later, they are 50 per cent higher. The minister told us one day he did not know what volume could be delivered through Ontario to the Quebec market. Two days later he said 40,000 to 60,000 barrels per day could be delivered in this way. Indeed, a few days later informed transportation companies said that movement of this quantity of western crude oil by land is pure fantasy.

One week the minister is telling the country that the international oil companies are invoking *force majeure* clauses so they can divert supplies of Canadian crude to other countries. The next day the majority of the importing companies are making it clear that *force majeure* can or will only be invoked when oil is cut off by the producing country. I believe that many Canadians are now convinced that the Minister of Energy, Mines and Resources is either terribly stupid or he is deliberately trying to mislead them. Canadians are confused. They do not know the situation. They want the facts. They want the truth. They do not want fantasy. They want to be able to understand the extent of the potential oil problem in this country this winter.

In his remarks in the House on December 6, the Prime Minister made a number of references to prices of petroleum on which I wish to comment. The Prime Minister made reference to maintaining the price of domestically produced oil at the current level at least until the end of this winter. He implied that the price of Canadian crude may very well be frozen permanently. The Prime Minister in his remarks also said, however that the days of cheap energy for Canadians must come to an end. All too often his statements do not seem to agree. He said that, in the long run, we must allow the price of domestically-produced crude oil to rise toward a level high enough to ensure development of the Alberta tar sand and other Canadian resources, but not one bit higher. Who shall determine what is "not one bit higher"? We do not have any information on price from the Prime Minister that will give guidance to Canadians nor to the potential explorers for Canadian resources. If the Prime Minister believes what he says, I wonder how he reconciles this with the position taken by his brothers in the NDP who have said that the price of Canadian crude should never rise. The Prime Minister has given no indication, of whether he agrees nor does he seem inclined to do so.

On the question of crude oil pricing, a few short weeks ago the Minister of Energy, Mines and Resources told Canadians that the government would be prepared to have them pay world prices for western crude oil priced at the Montreal point, but they would not be forced to pay the inflated price in the United States. I wonder whether anyone has explained to the minister that United States prices are now starting to trend below world prices and this difference will likely increase. Is the minister now going to tell us Canadian prices will be tied to United States prices and not world prices? The situation becomes more confusing by the day.

In his speech last Thursday, the Prime Minister gave some indication of understanding that prices, reserves and ultimate supply, are very much inter-related. This leads me to the most critical aspect of the entire energy question. This applies to Canada as well as any other country. Adequate reserves as well as ability to produce and transport those reserves is vital to Canadians in the future. One of the accepted facts in the world search for oil is that

large sums of risk capital are required. Total expenditures in Canada at the present time are running at a rate of almost $2 thousand million a year—some $5 million a day—half of which is being spent in exploration. It is vital, notwithstanding the government's plans for a national oil company, that the volume of present investment is maintained. The Prime Minister said last Thursday that the pace of exploration had not been as rapid as we would wish. In this, I agree with him. If, however, the Prime Minister really means what he said, why has the government dragged its feet so badly when it comes to providing offshore and Arctic permit and leasing regulations? How can the government expect increased activity or, indeed, any activity at all, when those who are expected to risk large sums in the search have been without rules of the game for almost four years? Action, not words, is what is required. If the Prime Minister truly wants to see increased exploratory activity, let him put some rules and incentives where his mouth is.

● (1550)

In the course of his statement, the Prime Minister placed considerable emphasis on the need for participation by Canadians in the development of their own resources. Canadians and members of this party have been urging the government to make this possible for many years. On January 11 I asked the Minister of Finance whether he would consider introducing fiscal changes designed to enable Canadians to invest in the oil and gas industry on the same basis as citizens of foreign countries. Until now, I presume the government has never thought the ownership of our resources was of any importance to Canada or to Canadians. But instead of letting individuals make their own choices, the Canadian taxpayer is now to be taken to the horse races with the national oil company choosing the horses and placing the bets.

When the Prime Minister spoke of the establishment of what might now be known as the Trudeau petroleum company, he told us nothing about the budget of this company. He mentioned an insignificant sum of $40 million for research. We shall need to know a lot more about the government's plans for a national petroleum company before anyone can assess what he has in mind. The Prime Minister did say, however, that one of the functions of the company would be to assist and participate in the operations of small Canadian companies. What the Prime Minister completely missed is the fact that today there are more than 150 independent oil and gas companies searching for hydrocarbons in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec and most of the maritime provinces. Since the requirement for risk capital is very great, and since the reserves found relate directly to dollars spent, these independent companies depend on financial partners if they are to continue their search. By reducing confidence among all investors in Canada, the actions of the government will eliminate a viable and important factor in the Canadian oil business, one which is already in place. In fact, the independent oil and gas companies have accounted for more than 80 per cent of wildcat or exploration drilling in Canada in recent years.

I want to say something about the price of oil in eastern Canada. In the speech he made on December 6, the Prime Minister said the government did not wish to discontinue Canadian exports and that it did not wish to reduce imports from reliable suppliers. He said nothing, however, about the price of these imports. Members opposite may not have told their constituents that because Canada would have to pay the world price for foreign oil they will be stuck with higher prices in Quebec and the Maritimes than the rest of Canada will be called upon to pay. This situation is made worse because of the expected price increase of nearly 10 per cent by OPEC countries in January. As a result, the people of Quebec and the maritimes will be paying up to nine cents a gallon more for gasoline and heating oil than people in the rest of Canada, and will continue to do so. It may not have been made clear to the people in a large portion of Quebec and the maritimes that the government does not intend to reduce imports from reliable sources. Had the Prime Minister gone on to say that people in those provinces will be paying the world price, and would thus be for ever committed to paying more than the rest of Canada which, it now becomes clear, will be living under some kind of price shelter from now on, their reaction might have been different.

[*Translation*]

I hope that hon. members on the other side of the House have understood and clearly explained these facts to their electors.

[*English*]

As to Bill C-236, may I say it is a massive overkill directed to a problem whose existence, or possible existence in the future, has not yet been satisfactorily established by the government. The country has only the government's dubious word that a crisis is developing or could develop. But it is appropriating for itself this vast new authority, ostensibly on a temporary basis. Nevertheless, it is extremely difficult to imagine a government such as the one which presently occupies the treasury benches relinquishing such delicious power should the presumed emergency pass.

I urge the government to get their facts straight and come clean with the Canadian people. Let them make clear to the people of Canada that the price of energy is going to rise. Let them tell the whole story of their pricing policy. I ask the minister of energy to stop trying to fool some of the people all of the time—or is it all of the people some of the time? Canadians are prepared for hardships if they become necessary. But tell them the true facts so that they can decide for themselves.

In closing, Mr. Speaker, I would also urge the government to recognize the vital role energy has played and can play in shaping the future of our country, and stop attempting to play politics with this essential resource, a course which in the end will prove disastrous and greatly to the detriment of all Canadians.

Mr. Duncan M. Beattie (Hamilton Mountain): Mr. Speaker, the bill we are debating was tabled on Wednesday of last week with much fanfare and hoopla. Since then, we have become convinced of something we have suspected for a very long time. We are now convinced that the government knows no more about the energy situation in Canada today than it did last month, or even last year. In fact, judging from the conflicting statements which

keep coming from the government on this subject, they will not know any more about it in one month or one year from now.

I was intrigued by the statement from the Minister of Energy, Mines and Resources (Mr. Macdonald) when he spoke on this bill last Wednesday. Early in his speech he said that as long ago as December of last year, the government had received an assessment of our crude oil situation from the National Energy Board. He went on to state, further, that the government had then taken decisive steps to protect Canadian supplies of gasoline, middle distillates, heavy fuel oil and propane. That was an interesting claim, especially in the light of the present supply position of these products. As we all know too well, there are shortage in all the products, the supply of which the minister told us the government had taken steps to protect. Canadians who are today suffering shortages, especially shortage of home heating oil, may be forgiven if they wonder whether the government deliberately allowed the present energy crisis to develop.

If we accept the government's own statements on the energy situation, we must conclude that they were caught completely unaware by the world-wide energy crisis in spite of the fact that advance warning was given several months ago, if not long before then. On the energy minister's own admission, the government was given an assessment of crude oil supplies and reserves in Canada one year ago. I can only assume that this assessment by the National Energy Board also contained recommendations as to what might be done and what ought to be done to ensure that Canadian consumers would have access to their own oil. I would consider the making of such recommendations to be part of the responsibility of the Energy Board, and if it is not, it certainly should be. It is obvious that information of this sort has not been forthcoming from anyone else in the government.

Mr. Speaker, I sent out a news release last February calling upon the government to acknowledge the fact that an energy crisis was developing and urging that steps be taken to head off a major shortage in Canada of fuel oil and gasoline. This news release was printed in the newspapers in my constituency. I pointed out that there had been longstanding difficulties with respect to the transportation of oil products throughout Canada and that this situation could result in shortages of fuel oil in eastern Canada should supplies from other sources be cut off. Finally, I called on the government to take steps to ensure that Canadian oil would be supplied to all Canadians.

● (1600)

It is a sad commentary on the type of government we have had in the past eight or ten years that I can still make the same recommendations today. I said at that time, and I say now, that what we need right now is a national energy policy, not stop-gap, ad hoc policies designed to get us from one emergency to another. We have been governed for several years in a manner that suggests that we should be satisfied with policies that will get us through crisis after crisis. Every time we turn around, Mr. Speaker, we are called upon to debate crisis solutions and emergency measures, and in every case we have had ample warning to implement policies to head off emergencies and crises. How much longer must we go on in this way?

[Mr. Beattie (Hamilton Mountain).]

The energy minister was in his usual form when he introduced the government's latest energy legislation last week. He talked as though he and his colleagues actually knew what they were doing, but we in this House know better. This bill is just more of the same, more of the stop-gap, short-range, non-action that we have seen over and over again since this government sold out to the NDP in a desperate attempt to hold on to power. Not power with which to govern, Mr. Speaker, but power for the sake of power. As I listen to the energy minister from day to day, I cannot help wondering whether he has been given too big a job. It could be, and it certainly appears to be, a case of giving a person a job that is over his head. When we watch the energy minister backtracking, vacillating, contradicting himself and his colleagues, and generally fumbling his way around in the energy mess, then we can be forgiven for feeling that he is out of his element.

Perhaps the minister has been given too many portfolios combined into one. It could be that energy, mines and resources should be broken up into three portfolios, but even that would not be any guarantee that those departments would fare any better. It is obvious that the minister has been devoting full time to energy, and that mines and resources are being left to their own devices. This poses another threat, Mr. Speaker. This could be the makings of the next crisis. As we know, emergencies and crises tend to overlap these days, and we should be taking steps now to head off a major crisis in the other departments in the energy minister's portfolio. I think the plain fact is that energy minister should pack it in. We have his number on this side of the House, and, squirm as he likes, he will not be able to fool anyone here any longer. The legislation we are debating is clear evidence that the tenure of the energy minister has been a total disaster.

There is another aspect of the energy crisis that troubles me just as much as the alleged shortage of fuel oil and gasoline, and that is the matter of inflation. It appears to have been overlooked in all of the hoopla over the energy shortage, but inflation continues to climb, and indeed it continues to gallop. Again, those people who are hardest hit by inflation are also those who can least afford to absorb the higher costs involved in the fuel shortage. When buying power of the dollar declines and fuel prices climb, it does not take an economist to know that some people this winter are going to be denied adequate fuel supplies to keep warm. Some people in lower income brackets use fuel oil for cooking as well as for heating, and it can easily be seen that for those people the present fuel crisis is very real.

This government is using the energy crisis to play one party against the other in the House, for purely political purposes, and it is callous and inhuman. It is strange, indeed, that this government would ignore good advice from the official opposition at a time when the energy situation could have been kept under control, and to then play games with the NDP in order to try to squirm out of accepting responsibility for the mess they got us into. The government is in fact playing games with the Canadian people. It is playing games with the health and welfare of the Canadian people, and it is no wonder that it was afraid to risk a vote of confidence this past Monday.

Just as the government has repeatedly misinterpreted the signs in the energy situation, Mr. Speaker, I am convinced that they also misinterpreted the mood of the NDP. I do not believe that the NDP would have voted against the government, even if this monstrosity of a bill that we are debating had not been tabled. The NDP does not have any more stomach for a confrontation with the electorate than the Liberals have, and it would surprise me greatly if they ever followed through with their hollow threats. It is easy to threaten when you know that you will never have to follow through. The NDP threat is a myth, Mr. Speaker. It is a fable, just as the other child's story of the man who cried wolf was a fable. This government is not only afraid and confused; it is also terribly naïve to believe the fable of NDP terror. That will be proved without a shadow of a doubt in the next general election.

In the meantime, we are forced to sit and wait for the government to tell us just how serious the energy situation is, and to tell us what steps it plans to take to restore some semblance of order. This bill is not the answer. As all of us well know, this is a sop to the NDP, a piece of socialistic nonsense that will not do any more in the way of solving the energy crisis than the government has already done. If this is the best that the energy minister can recommend to his colleagues and to this House, then he should step aside and let someone else take a shot at the problem. I do not believe anyone else can do worse, and there is just some slight chance that someone else can do better. I have to suggest that one of the reasons for the present energy crisis is that this government cannot seem to get its priorities sorted out. Part of the reason of this failure stems from the power vested in some ministries, and the lack of power and authority of others.

The statement of the Prime Minister (Mr. Trudeau) yesterday that bilingualism was more important than getting Alberta oil into Quebec shows clearly that he has his priorities turned upside down. The Prime Minister has a hang-up on bilingualism, and it keeps him from seeing many of the important issues with which he should be dealing. If all of the country should suddenly become bilingual, which it will not, what then, Mr. Speaker? Surely, the Prime Minister can find something else to obscure his vision and prevent him from seeing the problems that keep us going from crisis to crisis. Marie Antoinette said that starving people of France should eat cake. The Prime Minister says that the fuel starved people of Canada should become bilingual. What a travesty; what nonsense, Mr. Speaker.

Hundreds of millions of dollars have already been spent on bilingualism programs, and hundreds of millions more have been committed. And yet we have been told that the trans-Canada pipeline bringing oil from the Canadian west could not be extended to Montreal and points east because we could not afford it. I do not accept that shallow excuse, and I hope that my colleagues on this side of the House will not swallow the Prime Minister's bigoted statement.

The energy question in Canada has been a priority item for many years, and yet here we are today debating whether to allow the government to implement a measure born of panic. This is a panic solution in spite of the fact that we have had years of warning. We have almost unlimited resources as far as our own requirements are concerned, and we have had the know-how to do something to minimize the effects of the impending world-wide energy crisis.

The government has protested that it could not have foreseen that the Arab oil producing nations would ever cut back on shipments of crude to the refineries of Quebec and the Maritimes. This is utter nonsense. Even as long ago as 1967 this threat has been hanging over us, and yet six years later there is no indication that this government has ever considered this eventuality. No provisions were made to ensure that the eastern provinces would be able to get Canadian crude if the crude imports from Venezuela and the Arab nations should be cut back or shut off altogether.

● (1610)

The Minister of Energy, Mines and Resources stated recently, Mr. Speaker, in one of his many contradictory statements on the energy crisis, that the shortage of fuel oil in Montreal this winter could run as high as 30 per cent, and that in the eastern provinces it could go as high as 25 per cent. This is far more serious than the government has indicated in the recent past, and yet the Prime Minister has said that there should not be any serious hardship for any of us. How can the Prime Minister make such a statement when people are already suffering as a result of shortages, and as a result of the rise in fuel prices? Tens of thousands of senior citizens, and others on fixed incomes, have already begun to feel the pinch of increased fuel prices. In some cases these people have to budget carefully even to afford such luxuries as meat and sweets, and those only on occasion. As it stands now, many of those people will not even be able to eat the proper foods if they are forced to pay more for heating and cooking oil.

We could go on for hours about the side effects of the oil crisis, Mr. Speaker, but it would not impress this government. This government is not impressed or shamed by the human suffering it has caused by its inaction and bungling. Unemployment is already a problem in this country, for example, but we could be faced with even more serious unemployment as a result of the energy crisis.

Our plastics industry has its back to the wall because of a shortage of vital resins. With the shortage there has been a sharp increase in the cost of the resins, most of which have to be imported. If the supply of resins is reduced any more the plastics industry could be placed in real jeopardy. In addition, all of the industries that depend on the plastics industry for parts will also be in trouble. This situation is largely the result of the failure of the government to encourage expansion in our refining and petrochemical industries. Most of the by-products of the refining and petrochemical industries have to be imported because we do not refine enough of our own crude.

These are some of the aspects of the energy crisis that must be dealt with at length in this House, Mr. Speaker, and the sooner the better. If we could convince the government that the day of ad hoc and temporary solutions has passed, then perhaps we could get down to serious discussion of these pressing problems, and possibly come up with some solutions. In the meantime, we will be forced to

sit by and watch the government play the political game with the NDP and watch the Prime Minister fiddle while Canada burns. It is hard to say which of the two parties is more afraid to face up to reality, the Liberals or the NDP. But one thing is certain, neither the Liberals nor the NDP has the faintest idea how to cope with the present energy crisis. One faces the issues with faint heart and little or no idea of how to cope with real issues. The other preaches pseudo-socialism, with the knowledge that it will never have to face up to its own preachments, and with the clear knowledge that it will never have to accept the responsibility that goes with running the government.

In conclusion, Mr. Speaker, I would just like to say that the situation I have outlined is a sad one indeed for the Canadian people to have to live with. I had thought that the Canadian electors would have been given an opportunity to express themselves after last Monday. However, when political parties abandon principle for purely partisan gain, then the people are forced to wait. But they are only putting off the inevitable, and if the bill we have here is the best that two parties can come up with to solve a serious human problem, then they are scratching around in the bottom of the barrel. Let us get out of the barrel and get to the business of running the country. The best time to do that is right now.

[*Translation*]

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, Bill C-236 is no more no less than the confirmation of the government's temptation to generate a psychosis among people that there is an energy shortage. By the sound of my voice, you realize that this psychosis has certainly generated some energy to make us live in the cool of Parliament. We freeze in the restaurant, in the House, we catch a cold or we lose our voice.

Mr. Speaker, the psychosis generated among the people is having results. Throughout Canada, we witness reactions which, it seems to me, ought to alert Parliament, the Minister of Energy, Mines and Resources (Mr. Macdonald) and the government.

At noon, I was talking about some news published today in the newspaper *La Presse* of Montreal in an article by Robert Pouliot which reads as follows:

Quebec exports oil despite crisis.

Quebec is told that there is a crisis. Everyone recalls hearing Premier Bourassa say during the electoral campaign that there was no danger of an oil shortage in Quebec, that we had supplies for 52 days and that there was absolutely no danger of not getting the oil we needed. Four days after the elections, Premier Bourassa met with the Prime Minister of Canada (Mr. Trudeau), and the same night he came out of the Prime Minister's residence, he said on the radio: It is just possible that we might have an energy or oil shortage.

To come back to the news published today, Mr. Speaker, I go on with the article:

Quebec exports oil despite crisis. At the time—

[*English*]

Mr. Deputy Speaker: Is the hon. member rising on a point of order?

[Mr. Beattie (Hamilton Mountain).]

Mr. Roy (Laval): Yes, to make a point of clarification if I may.

[*Translation*]

I feel that the article to which the hon. member for Témiscamingue (Mr. Caouette) refers concerns only the exportation of heavy oil and not of heating oil. This is different. It is an extremely important qualification in the present debate. The situation is such that the Minister of Energy, Mines and Resources (Mr. Macdonald) has mentioned it during the oral question period this afternoon.

Mr. Caouette (Témiscamingue): If the hon. member wants to be patient enough to listen to the whole text, he will realize that this is exactly what I mean. I continue reading the article for the information of the member who has just risen:

At the time when the province of Quebec is threatened with a petroleum shortage this winter in view of the intensification of the Arab embargo, some refiners in the province, including Golden Eagle in Saint-Romuald, keep on exporting large quantities of heating industrial oil to the United States.

I do not know if the hon. member calls this heavy oil but I know that it is industrial heating oil.

Mr. Roy (Laval): Heavy oil.

Mr. Caouette (Témiscamingue): Yes, I will continue with my remarks and the hon. member will understand. This oil may be further refined to get ordinary heating oil. This is for the information of the hon. member. If he is not aware of this, I will take him to Golden Eagle Canada Limited so that he can see for himself.

From October 15 to November 26, Quebec was in first place—

—not in second or third—

—in first place among provinces exporting refined products to the American market with shipments of 2.5 million barrels or the equivalent of 87.5 million gallons.

These are refined products.

After the allocation ordered by Ottawa on industrial oil exports—

—not heating oil but industrial oil—

—last October 15, Quebec until October 31 supplied nearly half of the Canadian exports to the United States.

I read: half from Quebec. I do not know if the hon. member understands.

During the next weeks, however, these refined oil exportations should come down not so much to answer the needs of Quebeckers in low sulphur bunker fuel but to supply British Columbia via the Panama Canal.

I would like hon. members to know that this does not come from the office of the member who interrupted me earlier but directly from energy officials in Ottawa.

The federal government is getting ready to convince eastern Canada refiners to help British Columbia which this winter will suffer from a serious shortage of industrial oil. In the coming weeks, the National Energy Board will have to issue fewer export permits to the United States to divert the bunker to the Pacific coast.

We can now realize the logic of what is going on. The quotation goes on:

Traditionally British Columbia used to receive two-thirds of what it needs in bunker fuel from Washington state refineries but

owing to the Arab embargo and the American market pressures, an important part of this supply has disappeared. According to spokesmen for the B.C. Petroleum Association the Pacific province will have to turn to Singapour refineries and refiners in Quebec and the Maritimes.

In other words Quebec refiners will import crude from Alberta via the Trans-Mountain pipeline connecting Edmonton to Vancouver; they will then transport the crude via Panama, process it in Quebec and send back part of the refined products via Panama to Vancouver.

Mr. Speaker, can you imagine the transport operations all this will set in motion? First, we have the Trans-Mountain pipeline connecting Edmonton to Vancouver; there part of the oil is refined and put on ships travelling via Panama; when it arrives in Saint-Romuald Golden Eagle Canada Limited or other companies refine the product and ship it right back to Vancouver via Panama.

An hon. Member: No.

Mr. Caouette (Témiscamingue): The hon. member may say no, but that is exactly what will happen. The National Energy Board decides, and not the hon. member, who is not even aware of it.

To go back to the quotation:

In Ottawa, civil servants justify Quebec exports to the U.S.A. claiming a shortage of storage tanks in the province.

The NEB and the civil servants justify those exports saying there are no tanks. How intelligent in 1973! Now back to the quotation:

"As stocking is possible, explains a civil servant who refuses to identify himself—

He does not want to give his name because it seems this is another leak, not of oil, but of government information.

—since Ottawa issued, only this week, severe rules to check information leaks—

The civil servant has been afraid of identifying himself since then.

● (1620)

—refineries must operate at full speed and quickly sell their products."

That is why they must send their products as quickly as possible to the United States. We have not enough oil tanks in the province of Quebec. Here is another extract from that article:

That open door to experts for which they get good prices on the American market is however a factor to reduce the production of heating oil for private use in Quebec.

If we had the necessary oil tanks we would be able to refine industrial oil to produce first quality standard heating oil but we have no such storage facilities. Then the people are told: All you need do is freeze. Here in Parliament they have even created a psychosis among hon. members. We are told: As there is a shortage of oil we have nothing to do but freeze.

When I came in the restaurant of Parliament this morning for breakfast, all the waitresses were wearing woollen sweaters. In fact one of them took the liberty of lifting her skirt and show me her little red shorts to prove that she was indeed freezing. They are shivering and the excuse is that there are no tanks to store heating oil.

Mr. Speaker, it is horrible to be taken for a ride like that. I see the minister standing over there. He should listen to me carefully so he will realize the terrible fraud and lie that have created that psychosis due to the so-called shortage of heating oil and gazoline. And the day when we will have to pay $1 or $1.10 for a gallon of gasoline and 75 cents for a gallon of heating oil, they will say that those products are plentiful and that we can get as much as we want throughout Canada. Their only purpose is to increase prices. Nobody dares say that but when they will impose it on the people it will be said: Look now, we have been forced by the international market.

Mr. Speaker, as to oil storage facilities in Quebec, it is nearly impossible to get a complete picture from the federal minister or the Quebec minister. The latter was in Ottawa yesterday, Mr. L'Allier, I believe. He is Quebec's energy minister, isn't he?

An hon. Member: Mr. L'Allier indeed.

Mr. Caouette (Témiscamingue): It is indeed Mr. L'Allier. In leaving, he said—

Mr. Portelance: It is Mr. Massé.

Mr. Caouette (Témiscamingue): So, it was Mr. Massé who came yesterday?

An hon. Member: Yes.

Mr. Caouette (Témiscamingue): Well, Mr. Massé then. In any case, he came and returned freezing. He said: I met with the minister in Ottawa and he had me convinced that I must freeze. So he went back and stated on television last night: "We will have to freeze because Ottawa told me so yesterday."

Mr. Speaker, Quebec does not know what storage facilities are available and Ottawa has no idea either. The report goes on as follows:

The most lucid analysis comes from Washington. On November 15 last, the deputy under-secretary of State for international resources—

in Washington—Washington knows our storage facilities better than the Canadian Minister of Energy, Mines and Resources and the Quebec Minister of Energy. We have to go to Washington to find out what are our storage facilities in Quebec or anywhere else in Canada for that matter. And the deputy under-secretary of State for international resources said to the Canadian committee on intergovernmental affairs, and I quote:

—that the stocks in Montreal were too low in comparison with the size of the metropolitan market.

Even if the stocks in eastern Canada reached about 40 consumer days, most of the crude oil and refined products are stocked in the Maritimes and Quebec . . . making it much more difficult to supply Montreal in a hurry in case of crisis.

Mr. Speaker, how is it that ten years ago our governments did not foresee that? Why did this crisis not happen last year? And why are we told now that we do not have enough storage facilities? Everything is full to the bursting point. In Come-by-Chance, Newfoundland, 3 million barrels of oil are stored and they are offered for sale to Montreal. The companies of that province are told: we

cannot buy your oil because all our tanks are full yet we are condemned to freeze!

We find ourselves in that predicament because of the carelessness of the government which does not dare take its responsibilities although it is fully aware of the situation. Unfortunately it is through the red phone—not the red phone in Moscow but the red phone in Washington—that orders are given to the Minister of Energy in Canada and to the Canadian government and we are afraid of displeasing the Americans. So we tighten our belts and we freeze because our friends from the south, the Americans, order us to freeze.

Mr. Speaker, I said in the very first days of this crisis that they were trying to create a psychosis to lead us to an economic crisis. Let us consider the results so far. We have witnessed an increase in the cost of living. Yesterday and the day before we talked about higher prices for food, clothing and particularly cars, for which an increase of $150 has been announced. As far as food is concerned, we see an increase of 9.3 per cent. Mr. Speaker, shipping companies say they pay more for gasoline and oil are more expensive, so they have to post stiffer rates for transport.

The whole Canadian economy is headed for an economic crisis. We are not the only country to do so. It is a common practice in all countries that are said to be democratic, that is western countries.

NATO Secretary General Joseph Luns stated in Brussels on December 10—and his statement appeared in *Le Droit* of December 11, 1973—that the shortage created by the Arab countries in the whole world was the premonitory sign of an economic recession. But it is not the Arab problem that is prejudicial to us in Canada, for only 2 per cent of our oil supplies come from Arab countries. Most of our imported oil comes from Venezuela. The newly elected president said yesterday or the day before that there is no oil shortage in his country. However he said: "We are ready to bargain with Canada or the United States, provided some advantages be granted to Venezuela. This is quite normal and we would do the same for Canada. But there is no oil shortage in Venezuela and the new president of that country is willing to come to an agreement with us.

But the Arab countries are under pressure from the USSR to deprive countries that import oil from Saudi Arabia or any other oil-producing Arab state. And Mr. Luns said bluntly about the Arab oil embargo, and I quote:

—therefore the threat against western countries goes beyond the military.

● (1630)

While NATO people are talking about warfare, troops and national and international defence, the Secretary General says: Militarism is not the only reason to prevent Arabs from making a compromise with the western countries.

I quote what I have on hand:

Everyone knows that the present economic welfare of our countries is in serious danger of being hurt badly by the oil embargo enforced by Arab countries and that an economic recession could very well be on its way.

This is exactly what I said to the House about ten days ago. We are developing the new economic crisis, as we developed the one from 1929 to 1939, and once again I shall repeat what I said recently: We have had to put up with a 10-year crisis when we were sitting on mountains of wheat in Canada, when the Canadian production was destroyed, when misery was tolerated in the midst of abundance. Under the pretext of a world crisis, we were letting Canadians literally die of hunger at home.

Mr. Speaker, under the cover of the economic crisis, of the international oil crisis, while we are not lacking in anything in Canada today, they leave us in the cold. Yet, we can swim in an ocean of oil anywhere in Canada, from the Atlantic to the Pacific.

Mr. Speaker, what amazes me is that—

An hon. Member: You are right!

Mr. Caouette (Témiscamingue): Of course I am right! I can see a number of hon. members from the province of Quebec who are French Canadians like me and who find it funny—

An hon. Member: One could reply to that!

Mr. Caouette (Témiscamingue): Yes, hit me, and I'll hit you right back!

Mr. Speaker, these guys do not even have the guts to stand up to defend their people who are being punished, while tanks in Montreal are filled to the lid with oil.

Golden Eagle Canada Limited refuses to deliver home heating oil in Rimouski, Mont-Joli and Lac Saint Jean. Distributors are told, we have quotas to meet, we set quotas for you. Quotas are imposed when we do not even know what to do to empty the tanks in Montreal.

Mr. Speaker, I will not swallow that political filth of asking people to make sacrifices, to tighten their belts when we already do not know what to do with the welath that exists in Canada.

Mr. Speaker, I am not the only one talking about an economic crisis. In the United States, the Congress is talking about it. The Secretary General of NATO is talking about it in Brussels. An economic crisis is being set up and we, in Canada, are getting ready to deal with it because that is what is happening in other countries. We are going to suffer because it is said of others that they are in distress.

Did we commiserate so much with the Third World, those who really suffer? Do we necessarily have to make Canadians suffer when we can guarantee security and wealth to our people besides extending massive aid to other countries that are in need of our help?

Mr. Speaker, Social Crediters do not accept the oil crisis, they do not accept that sudden change on the part of the government at a time when everybody, in both western and eastern Canada, is crying that we have wealth, that we have reserves for three centuries while a former premier of Newfoundland states that we are drowning in seas of oil in Newfoundland, in the Atlantic oil wells.

Mr. Speaker, all those resources can be tapped. We have again been told that the number of unemployed just increased by 30,000 or 35,000. Why not use this labour and get them interested in the development of our resources and oil to face the situation? One must help the others but

let us begin by helping ourselves! An old saying goes: Charity begins at home. By "ourselves" I mean our constituents, the Canadian people. Let us provide them with security and freedom. Let us not have any surplus but at least security and freedom. Let us use our surplus to help the most underprivileged countries but for Heaven's sake let us begin by helping our fellow citizens, our disabled people, our families in need and all those who need assistance from the federal government and from the provincial, municipal and school authorities. Then as federal members we shall have served the best interests of our country and people.

Mr. Roy (Laval): Mr. Speaker, would the hon. member permit a question so as to clarify a point?

Mr. Caouette (Témiscamingue): Go ahead.

Mr. Roy (Laval): Mr. Speaker, I was quite interested in listening to the hon. member for Témiscamingue but it seems to me that we have been served a demagogical speech. I went through the article published in today's *La Presse* and line 7 precisely deals with the export of "bunker fuel", of industrial heating oil. The hon. member did not give this detail.

You are aware that the home heating oil is extracted from the industrial heating oil or «bunker fuel» which leaves only a very small amount of lower quality heating oil. The Quebec region is not short of industrial heating oil but of home heating oil. One more, I repeat that heating oil has already been extracted from the heavy oil. I suggest that this detail is most important.

● (1640)

[*English*]

Mr. Deputy Speaker: Order, please. I do not know if there is question that should be replied to, but I will allow the hon. member for Témiscamingue (Mr. Caouette) to reply.

Mr. Caouette (Témiscamingue): Mr. Speaker, there was no question but rather a statement from the member.

[*Translation*]

I read exactly what the hon. member has just said: "bunker fuel"—

An hon. Member: It is still a residue.

Mr. Caouette (Témiscamingue): Yes it is. Now we speak about oil. We can produce fuel oil in Quebec or buy it already refined from Newfoundland. All our tanks in Montreal are full. For that reason, they say, we cannot buy the oil that the Sheahan Corporation in Newfoundland is ready to sell us.

Mr. Macdonald (Rosedale): That corporation is not producing yet.

Mr. Caouette (Témiscamingue): It doesn't produce oil but it offers to sell to the province of Quebec three million barrels of oil and we say that we cannot buy it because our tanks are full. This winter we shall say: We would buy it but the transportation facilities cannot be used in winter time when the minister knows perfectly well that the Atlantic ocean is full of salt water that does not freeze in winter and where ships can continue to navigate.

Mr. Macdonald (Rosedale): We have just enough oil now. The hon. member is talking about surpluses of refined oil.

[*English*]

Mr. Bill Knight (Assiniboia): Mr. Speaker, I wish to take some of the time left before private members' hour to begin to deal with the supply allocation bill related to energy products that we have before us and its relationship to the province of Saskatchewan, particularly the area of Assiniboia which I have the honour to represent. I am pleased to have the opportunity to make known some of my opinions with regard to energy in Canada.

We in the New Democratic Party agree in principle with the energy supplies emergency bill. If there is going to be a crisis there is a need for a board with the kind of power, through an order in council, that would enable it to make a co-ordinated effort to alleviate any undue hardship that may hit Canadians in the area east of the Ottawa Valley. There is no question about that. Some parts of the bill still need amendment, and one area is in the lessening of environmental requirements and standards within Canada. I believe that part of the bill needs to be reviewed.

Second, in the allocation of oil supplies one must take the independent wholesalers into consideration. I want to make an appeal to my colleague from Regina East (Mr. Balfour) who has taken on some of the responsibility of attempting to co-ordinate the energy policy of the Conservative Party, whatever it may be. With reference to the party's recent statement that they are going to filibuster this legislation, I wish to say to them that though they may have changes to recommend—I think that is good and we, too, may have some changes to recommend—the filibustering of this bill with have very serious implications for Canadians east of the Ottawa Valley. I point to an example that has been brought to my attention by the hon. member for Greenwood (Mr. Brewin) of a situation that has developed in Toronto which illustrates the need for strengthening the allocation provisions of this bill in order to ensure that the smaller companies can get their supplies from the major companies.

The hon. member pointed out that a company called Cotain Plastics Products Limited in Toronto, which employs 36 people and manufactures plastics, is dependent for its supply of polyethylene, necessary in the manufacture of their product, on Dow Chemical of Sarnia and an American company known as Allied Chemicals. At this point in time, Dow Chemical and Allied Chemicals have cut off oil supplies this company needs for the manufacture of plastics. This small company has been forced to close its doors, thus creating a hardship for many ordinary workers in Toronto this coming winter. If we are to deal with this legislation let us, even though it may need amending, deal with it expeditiously, in order to meet any crisis which certain Canadians may face during the harsh winter months.

● (1650)

In the last few days, provinces which usually are not in the forefront of the national scene have come to the fore because it has been recognized at the national level how important are the commodities, oil and natural gas, which are produced in those provinces. Therefore, I shall talk about the oil situation in Saskatchewan, and its implications for Canada. I want to discuss the impact on Saskatchewan of the provincial government's oil policy, as this was discussed in the provincial legislature of Saskatchewan this week.

Speaking on behalf of many citizens of Saskatchewan, may I say that I was astounded at the misinterpretation of the remarks made by the premier of Saskatchewan to the people of Saskatchewan earlier this week. I shall deal with the situation in Saskatchewan. Then, I shall deal with the kinds of policies enunciated by the government of Saskatchewan to meet the situation. Then, I shall refer to the possible effects of that policy on other provincial governments, and, indeed, on future energy policy in Canada.

The present oil reserves of Saskatchewan are some 800 million barrels. Our rate of discovery of new reserves has levelled off in the last seven years. Although our rate of discovery of new reserves has levelled off, our production rate continues at 80 million barrels per day. At that production rate, the oil fields of Saskatchewan will have a life span of at least ten years and, at most, of 15 years. Of course, if we discover more reserves through exploration, the life span of Saskatchewan fields will be extended.

Let me say that the private interests, the oil corporations, which have developed our oil resources have been well rewarded for developing those oil resources. May I add, in parenthesis, that natural gas in Saskatchewan has always been under the charge of the Saskatchewan Power Corporation, a public body. Natural gas is one area where there has not been a price increase in Saskatchewan, mainly because gas comes under public ownership and the resource has been utilized in a proper manner.

The oil companies have been well rewarded. Let me quote some figures relating to Saskatchewan. By 1964, the oil industry collectively had found and sold enough oil to recover the costs of exploration and production. Since 1964, Mr. Speaker, $800 million in profits have been taken from Saskatchewan. Until recently, prices ranged between $2 and $2.50 per barrel. Compare that price with present rising prices. In view of high world prices, multinational oil companies operating in Saskatchewan, and in Alberta, now have an opportunity to amass massive profits from Saskatchewan. They can use that capital for the development of oil elsewhere in Canada, that is true. On the other hand, the multinationals can use those capital funds for the development of oil fields anywhere in the world. They can take millions upon millions of dollars from Saskatchewan by way of profits from oil and other natural resources and invest that money anywhere they like. That cannot be tolerated by any level of government be it the provincial government of Saskatchewan, the federal government of Canada, or the government of any country.

We must make sure in the public interest that resources derived from development in Saskatchewan and massive profits taken from oil produced in Saskatchewan are used for development, expansion, exploration, research and refining in the province of Saskatchewan. The multinational corporations should not be allowed to take their money out and invest it anywhere on the globe, as they see fit. May I call it five o'clock? I wish to expand on my remarks at eight o'clock.

[Mr. Knight.]

* * *

MESSAGE FROM THE SENATE

Mr. Speaker: Order, please. I have the honour to inform this House that a message has been received from the Senate informing this House that the Senate has passed Bill C-176, an Act to amend the Criminal Code, the Crown Liability Act and the Official Secrets Act, with an amendment to which the concurrence of this House is desired.

Mr. Knowles (Winnipeg North Centre): Send it back.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Speaker: Pursuant to Standing Order 40 I must advise the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for St. John's West (Mr. Carter)—Fisheries—Proposed licensing policy for east coast fishermen—Social implications in Newfoundland; the hon. member for Nickel Belt (Mr. Rodriguez)—Regional economic expansion—Proposal to establish regional offices—Position of northern Ontario; the hon. member for Victoria (Mr. McKinnon)—Air transport—Head tax on passengers—Suggested change for passengers using feeder airlines.

[*English*]

Mr. Lefebvre: On a point of order, Mr. Speaker, I have been informed that negotiations have gone on between the parties and there would be agreement to spend the first few minutes of the private members' hour giving third reading to Bill S-7, standing in the name of the hon. member for Welland (Mr. Railton) and, following that, to consider notice of motion for the production of papers No. 91, standing in the name of the hon. member for Toronto-Lakeshore (Mr. Grier).

* * *

WAYS AND MEANS

EXCISE TAX ACT—RULING BY MR. SPEAKER

Mr. Speaker: Perhaps, before we reach private members' hour, I might be allowed to make a brief ruling following the point of order which was brought up. Earlier today when government orders were called, the hon. Leader of the Opposition (Mr. Stanfield) raised a point of order as to the validity of the notice of ways and means with respect

to the Excise Tax Act tabled in this House on December 11, 1973. The Leader of the Opposition sought to persuade the Chair and the House that the notice of ways and means should be divided on the ground that it contains more than one proposition, so that hon. members should be given an opportunity to vote on each separate proposition, if that be the wish of hon. members. I refer specifically to the opportunity to vote since, according to the Standing Orders, there is no debate on a motion such as this one but only an opportunity to divide.

Hon. members were generous enough to allow the Chair some time to consider the arguments advanced by the hon. Leader of the Opposition and the views expressed at the same time by the hon. member for Winnipeg North Centre (Mr. Knowles) and by the President of the Privy Council (Mr. MacEachen). As hon. members know, I am sure, the authority of the Chair in respect of the division of questions is extremely limited. It has never been exercised in relation to the notice of a bill.

The hon. Leader of the Opposition did cite as a precedent a decision of Mr. Speaker MacNaughton who divided a motion dealing with the adoption of a national flag on the ground—and this was the finding of Mr. Speaker MacNaughton—that there were two separate questions for the House to consider. The House will appreciate that on that previous occasion the House had before it one single question to be decided in one single step. Members were not considering a bill, or were not considering one of the several steps in the legislative process. However, in the proceeding before us now, the House is asked to consider a formal motion preceding the introduction of a bill or bills founded on the motion.

● (1700)

An examination of precedents confirms that there is no previous occasion when a motion preceding a bill was divided. The hour or more which was allowed to the Chair to look into precedents, citations and standing orders was used, with the assistance of the Table, to try to determine whether there were any precedents which might guide us to reach the decision the Leader of the Opposition (Mr. Stanfield) would have liked the Chair to reach.

Hon. members know there are records of many ways and means motions which contain varied and diverse propositions in respect of taxation. There are a number of precedents I could quote. One or two were reported in the Journals of the House for June 19, 1971 where Mr. Benson, a member of the Queen's Privy Council, laid upon the table notice of ways and means motion to amend the Income Tax Act and other acts and later a notice of ways and means motion to amend the Excise Tax Act and Old Age Security Act.

I can assure hon. members there are a large number of similar precedents which indicate that a notice of ways and means motion refers to not one single question, but to diverse and different and complex questions. On the basis of long established practice, therefore, the Chair would find it very difficult to rule that this particular ways and means motion ought to be divided.

The President of the Privy Council (Mr. MacEachen) suggested that in effect there are not two questions contained in this notice. He argued there is but one proposition stated in two parts, but both dealing with the imposition of a charge or tax on the exportation of crude oil from Canada. I am sure there is much to be said on either side of this argument, that is the point of view expressed by the Leader of the Opposition and the point of view expressed in opposition thereto by the President of the Privy Council.

Without going into the substance of the question, and without going into this aspect of the matter, looking at the situation from a strictly procedural standpoint and bearing in mind the precedents, the Chair would have to rule that it is not competent to divide the question before us at the present time.

The point raised by the hon. member for Winnipeg North Centre (Mr. Knowles) is also very interesting, but perhaps premature. His point will no doubt be raised and argued more fully at a later stage.

I can assure hon. members that with the assistance of the Table officers, I have given most serious consideration to the point raised by the Leader of the Opposition. I recognize it is a very important point, one which ought to be taken most seriously. However, as I said, I do not think I would be justified to establish a precedent by accepting the argument that was advanced by the Leader of the Opposition and I have to rule accordingly.

Mr. Turner (Ottawa-Carleton): Mr. Speaker, it is my understanding that earlier today the Leader of the Opposition (Mr. Stanfield) did not intend to divide the House on the resolution, but merely sought to divide the resolution. In other words, he does not want to divide the House, just the resolution. On the basis of Your Honour's ruling, I wonder whether the resolution could now be called.

Hon. John N. Turner (Minister of Finance) moved:

That it is expedient to introduce a measure to impose a charge on the export of crude oil from Canada and to impose an oil export tax under the *Excise Tax Act* and to provide among other things:

1. That a charge be imposed, levied and collected on each barrel of crude oil exported from Canada during any month commencing with February, 1974, in such amount, not exceeding $4.00, as may be prescribed in a tariff of charges for that month made by order of the Governor in Council after considering the recommendation of the National Energy Board, and that the charge

(*a*) be paid by the person holding a licence under Part VI of the *National Energy Board Act* for the exportation of oil from Canada and under whose licence the crude oil is purported to be exported, and

(*b*) be administered, enforced and collected by the National Energy Board.

2. That in respect of the export of crude oil from Canada during the period commencing on October 1, 1973, and ending on February 1, 1974, the *Excise Tax Act* be amended to provide among other things that a tax be imposed, levied and collected on each barrel of crude oil so exported to be paid by the person holding a licence under Part VI of the *National Energy Board Act* for the exportation of oil from Canada and under whose licence the crude oil is purported to be exported, and that the tax on each barrel of crude oil so exported from Canada

(*a*) in the month of October, 1973, be at the rate of forty cents per barrel,

(*b*) in the month of November, 1973, be at the rate of forty cents per barrel,

(*c*) in the month of December, 1973, be at the rate of $1.90 per barrel, and

Dental Examining Board

(*d*) in the month of January, 1974, be at the rate of $2.20 per barrel.

3. That crude oil for the purpose of the said measure be defined as

(*a*) any crude oil or other hydrocarbon or mixture of hydrocarbons recovered in liquid or solid state from a natural reservoir in Canada, and

(*b*) any natural gasoline or condensate resulting from the production in Canada, processing in Canada, or refining in Canada, of gas within the meaning ascribed to that expression by section 80.1 of the *National Energy Board Act*.

and includes any hydrocarbon or mixture of hydrocarbon that is produced by extraction from oil sands and is not on October 1, 1973 a refinery oil product within the meaning of section 24 of the *National Energy Board Part VI Regulations*.

Motion agreed to.

Mr. Speaker: It being five o'clock, the House will now proceed to private members business. The hon. member for Pontiac (Mr. Lefebvre) indicated a moment ago there is agreement as to the order of business to be considered. The first item stands in the name of the hon. member for Welland (Mr. Railton).

PRIVATE MEMBERS' PUBLIC BILLS

[*English*]

THE NATIONAL DENTAL EXAMINING BOARD OF CANADA

MEASURE TO ESTABLISH NAME, EXPAND POWERS AND OBJECTIVES

Mr. S. Victor Railton (Welland) moved that Bill S-7, respecting The National Dental Examining Board of Canada, as reported (with amendments) from the Standing Committee on Miscellaneous Private Bills and Standing Orders, be concurred in.

Motion agreed to.

Mr. Railton moved that the bill be read the third time and do pass.

He said: Mr. Speaker, I not only have to thank you, sir, but also the hon. member for Toronto-Lakeshore (Mr. Grier) whose time I have borrowed. I hope today's business will not take too long. I just wish to say that Bill S-7 was initiated in the Senate. I am simply the sponsor of the bill. The bill received first reading, second reading and went to the Standing Committee on Miscellaneous Private Bills and Standing Orders. It was duly amended by certain motions which were brought before the committee and reported to the House.

As the bill states, it is simply to change the examinations of dentists and dental specialists in order to have uniformity throughout Canada so the standard will be kept high and there will be portability. The deletion of dental auxiliaries was done by motions or amendments which I will present with the bill. I ask Your Honour's permission to have third reading of the bill.

[Mr. Turner (Ottawa-Carleton).]

Mr. W. C. Scott (Victoria-Haliburton): Mr. Speaker, I do not plan to speak very long on this bill, mainly because I can now accept it as amended. It is a much better bill than the one approved earlier by the other place and sent to the Standing Committee on Miscellaneous Private Bills and Standing Orders.

It was my pleasure to sit on that committee for my party, and to take part in the examination of Bill S-7. I expressed concern at that time over some of the provisions of the bill that would place what I considered to be excessive authority in the hands of the Royal College of Dentists of Canada and in the hands of the National Dental Examining Board.

In the original bill, it was intended that the National Dental Examining Board, with the approval of the Royal College of Dentists, would be vested with the authority to examine dentists, dental hygienists, dental assistants and auxiliaries to dentistry. These examinations would be given to determine the acceptability of such people to gain licenses, without which they would not be able to practice their professions.

The powers implicit in that wording were unacceptable on at least two counts. First, such powers would be excessive and I would be apprehensive of the tendency of people who hold excessive power to abuse that power. In the second place, some of those professionals listed in the category of auxiliaries to dentistry come under the jurisdiction of the various provincial licensing agencies.

I could not agree to this transfer of responsibility and authority from provincial to federal jurisdiction unless I could see written approval from each of the provinces to such a transfer. Some provinces tend to take their jurisdictions very seriously, and rightly so. I do not see how we could contribute to good order and stability in the dental profession by creating ill will between provinces and the federal government over which has licensing jurisdiction throughout the profession. If there are to be changes in this process, it must be done through negotiation, not by legislation.

I mention these things, Mr. Speaker, not because there is a danger in the present bill that such authority will be granted to the National Dental Examining Board, but because it had been in the original bill, and obviously the originator of this bill had such blanket authority in mind. By mentioning this, I served notice that I would oppose any move in the future to use this legislation as a door opener. It would be very easy for someone to propose an innocent-appearing motion to amend the legislation that would result from the passage of this bill. We often deal with bills in this House that seek to make a simple amendment to existing legislation, and they are rarely defeated.

The clause in the original Bill S-7 sought to have auxiliaries to dentistry included with dental practitioners for licensing purposes, and when it was in committee I raised the question of denturists and asked if they were considered to be auxiliaries to dentistry. I learned that they were in fact considered as such. However, as the bill now stands, with these amendments and the word 'auxiliaries' being deleted, we in this party will lend support.

• (1710)

In closing, may I say I approve the provisions contained in this bill? They will lead to a streamlining of the responsibilities and functions of the Royal College of Dentists and the Royal Dental Examining Board. This is a good step, and it could lead to other measures which would benefit both the profession and the people at large. I am pleased to lend the support of my party to the bill and to assist in its speedy passage.

Mr. Knowles (Winnipeg North Centre): Hear, hear!

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

The Acting Speaker (Mr. Laniel): It is my understanding that the House will now proceed to consideration of Motion No. 91 in the name of the hon. member for Toronto-Lakeshore.

PRIVATE MEMBERS' MOTIONS FOR PAPERS

[*English*]

TRANSPORT

REQUEST FOR COPIES OF PROGRAM FORECAST AND BUDGETS A, B, X

Mr. Terry Grier (Toronto-Lakeshore) moved:

That an order of the House do issue for a complete copy (including budgets A, B, X) of the program forecast (program review) by the department of Transport for the latest year for which parliament approved departmental expenditures.

He said: Mr. Speaker, this is yet another in a series of discussions in the House of the principles which underlie this motion and which underlie a number of similar motions standing in my name. I do not propose this afternoon to repeat the arguments I have put forward in previous weeks. I wish, however, to reply to some of the contentions which were made last week or the week before by the hon. member for Nipissing (Mr. Blais) who replied on behalf of the government party to my representations.

In the first place, the hon. member for Nipissing stated, and I quote him:

The government has kept confidential the documents which assisted it in arriving at decisions because its responsibility to parliament and the people is to answer only after decisions have been taken.

The hon. member is correct in the technical, constitutional or legal sense when he makes that statement. But in the statement I have quoted he referred to the taking of a decision, and I want to suggest that the decision the government takes in respect of legislation is not a decision to act but a decision to propose measures to parliament. Until parliament approves the legislation the government lacks authority to act. So, what I am seeking in my motion is information which would acquaint members of the House as to the basis upon which the government made its decision to propose a particular piece of legislation. I suggest that the verdict of parliament upon such legislation would be the better for being better informed as to the reasons behind the government's proposals.

I am not questioning the government's right to act in an executive capacity by order in council or its undoubted right to implement legislation of which parliament has approved. I am suggesting, however, that the reasons for deciding to bring a particular proposal before parliament may validly be presented to members of parliament, not merely in speeches by ministers and government supporters, but by means of supporting documentation which was available to the government itself as it took its original decision.

In the second place, the hon. member for Nipissing, and I quote him again, stated:

Under the committee system, after decisions have been made, opportunities are available to Members of Parliament to demand explanations and to ask why certain things have been done.

Again, the hon. member for Nipissing is correct in a technical sense. It is true that in the committee we have an opportunity to demand explanations. But in the first place we do not always get those explanations and, in the second place, when we do, they are seldom adequate. Then again, valuable committee time which is now taken up as members seek information which could already have been given to them might then be more constructively used to examine the purpose and implications of a proposal in greater depth.

The hon. member for Nipissing went on to say of me:

He wants to push this matter further . . . so that parliament has the power over decision-making prior to decisions being made, by reviewing administrative documents submitted to the cabinet by individual ministers.

Obviously, Mr. Speaker, I am not seeking the power to judge decisions which have not been taken. I am seeking reasons for decisions which have been taken.

Supporters of the government, and I include the hon. member, acknowledge the complexity of the decision-making process, the complicated system of committees within the Privy Council structure, and so on, and they have admitted that in arriving at a final determination the government must go through a lengthy and involved procedure. Why should members of parliament not be allowed access to at least part of the information which the government itself believes to be essential in arriving at a course of action? If the government, in order to arrive at a decision, requires volumes of information, evaluations and so on, surely it follows logically that parliament, which is asked to approve proposals placed before it, should be in possession of some, at least, of that information?

May I again quote the hon. member for Nipissing? He went on to say of me:

• (1720)

He wants the whole kit and caboodle; and he wants it all produced to individual members of parliament before the decisions are made. What is even worse, after decisions are made by the government, he wants to have the power of hindsight in respect of all those documents so he can review the decision-making process and try to pick holes in it.

I suggest that that comment betrays a certain partisan defensiveness and a misinterpretation of parliament's role.

We are not here to pick holes for the sake of picking holes. But we are here to correct mistakes before they are visited upon the public.

The hon. member for Nipissing then suggested that my proposal would be delaying the whole parliamentary process. I suggest, on the contrary, my proposal might speed it up. Because if at least part of my proposal were followed through, we could avoid hours our partisan wrangling and sparring over basic information that commonsense dictates should already be in our possession. The hon. member for Nipissing then went on to say:

> When we look at the whole process of government and the way ideas are fed into the system, we can see how impossible it becomes to expect that all this information leading to government policy could be analysed, classified and fed to someone who has trouble with the blue book.

By the "blue book" I assume the hon. member is referring to the estimates. It seems to me that that comment cultivates and encourages the mystique, which in turn, leads to the obsession with secrecy that surrounds not only this government but, I suspect, all governments in this country. It cultivates the mystique that we are amateurs unable to cope with the professional and expert documentation that the government has at its disposal, that somehow we are incapable of assimilating a lot of information. If that is true of us, then surely, Mr. Speaker, it is true of the members of the cabinet themselves, some of whom are not long into their portfolios, and the behaviour of some of whom portrays at the very least a certain amateurism.

Since government supporters of recent weeks have implied that the cabinet or ministers cannot only decide on the basis of the kind of information that is made available in the estimates, then why should we be expected to be able to decide? The trouble with the estimates blue book—I mention this because this is the basic source of reference that members have available to them in considering government expenditures and proposals—is not that it contains too much information but that it contains too little real information. A sea of figures is not necessarily a sea of facts, and in no sense is it a sea of wisdom.

I suggest that the comments of the hon. member for Nipissing betray what I might call an over-all patronising tone, that somewhow the complexities of government are rather beyond ordinary backbenchers and members of opposition parties, and that if we leave it to the government they will provide us with all we really need to know. I assume that the inference to be drawn from this is that the sooner we give our approval to legislation and expenditure proposals, the better.

To be fair about this, I do not suggest that this is a disease that is common only to Liberal governments. I know it to be true of the Conservative government of the province of Ontario, and I should not be at all surprised if New Democratic governments in their jurisdictions incline toward the same point of view. My concern is with a principle that I think ought to be established more fully in our parliamentary system. I emphasize this point because I am really not here to score partisan points. I am trying to assert—though I may say it is difficult in this parliament, which is nothing if not partisan—that there is an important principle here and it is a principle to which I do not think enough attention has been paid.

Having taken issue with a number of the points made by the hon. member for Nipissing, I want to express my appreciation to him for the way in which he dealt with the central principle none the less. Although he does not agree with me, he at least devoted his entire speech to the basic subject, and I appreciate that.

I have one final point to make, Mr. Speaker. I want to contrast the volume of information that is available to ordinary members of the elected assembly, both nationally and in the provinces, with the amount of information that is available to ordinary elected members of council at the municipal level of government. I admit that we are dealing with a different structure when we talk about municipal decision making. But at the same time we are talking about a wide range of far-reaching decisions, decisions with great implications for the future of our society which are made by elected, rather ordinary men and women, involving the expenditure, in this country globally, of hundreds of billions of dollars a year.

I know that when members of municipal councils come to decide upon a course of action, it is not a question of one or two members of council secreting unto themselves the documentation underlying a certain proposal and telling the other members of council to take it or leave it. It is a question of each member of council having available to him or to her all the information that is available to any member, be that member the mayor or a member of board of control or a member of the executive council, depending on the precise structure of that municipal council.

I suggest there is no evidence whatever that the provision of this kind of information to the municipal councils of Canada has inhibited the proper consideration of proposals, that it has worked against the public interest, that the confidences implicit in this information have been betrayed. None of this has happened and there is no evidence that it has. On the contrary, I suggest that the decisions that are taken at municipal council meetings are probably as well informed as, and I suggest in my many cases better informed than—I speak here of the amount of knowledge shared by all of the eld elected members on that council—decisions that are taken either in this House or in the provincial legislatures. Whatever be the merits of the decision that is taken at the municipal level, in my experience it is most often a decision based on a very large input of information and a very substantial contribution from most members. Each member is privy to the same considerations, evaluations and documentation as the proposer of the proposition.

Without drawing too broad an analogy between the municipal levels and the provincial and federal levels of government, I suggest that we have seen the principle of maximizing information at work, particularly in recent years, most successfully in the more sophisticated councils, and it has worked well. The citizen has benefited. The citizen is better informed because his representatives are better informed, and in the end the decision itself is the better for it.

● (1730)

I think that in sessions to come—and I would hope in the next session of parliament—the government should seriously consider reviewing its procedures and criteria

and should the range of documents and information made available to members of parliament. In my colleagues names there stand on the order paper scores of motions calling for evaluation studies. There are at least 22 more motions, in my name, of a similar nature. Hon. members may be pleased to hear that I do not propose to quote them seriatim. All these motions, mine and those of my colleagues, point toward the same principle that decisions are being made at the executive level which involve billions of dollars, the wisdom of which we have to take largely on the say of the ministry.

The ministry would not be unique if it did not put its own activities in the best light. But the role of the opposition, the role of parliament, is not merely to act as a "clack" for the executive. I suggest that if we had more information at our disposal we could carry on our traditional function more effectively. I suggest, for what it is worth, that if we had more information some of the political snarkiness and partisan backbiting might recede so that we could do a good job on some of the issues which the public would like us to deal with.

Mr. Charles Turner (Parliamentary Secretary to Minister of Labour): Mr. Speaker, it must be pointed out that this is the fifth time the hon. member for Toronto-Lakeshore (Mr. Grier) has had this House debate the matter of departmental program forecasts.

Mr. Knowles (Winnipeg North Centre): Good for him.

Mr. Turner (London East): Good, yes. I am still not perfectly clear, however, whether the hon. member for Toronto-Lakeshore has raised these motions as a matter of principle or as a dedicated search for knowledge. The Treasury Board calls for the program forecasts of departments so that a wide array of potential program matters can be assembled at one point in time and examined on an integrated basis. These program forecasts are tentative plans only: they are proposals developed by public servants within the particular mandate of an individual department. When they are being prepared, few restrictions are made on their scope and individual departments submit their proposals without any full appreciation of the total policy, priority or financial parameters that the Treasury Board will use when selecting appropriated resource allocations.

Invariably, the total amount proposed in the program forecasts of all departments collectively greatly exceeds the available resources that the government can direct to both new and ongoing programs. The program forecasts are prepared many months in advance. I believe departments begin work late in the year on forecasts that lead to the main estimates for a fiscal year that will not even begin until about 18 months later and will end about 30 months after the initial planning. The projections that are included in program forecasts for additional future years would, of course, be even less well defined. Prior to the Treasury Board's examination of the program forecasts, the cabinet must review both their longer-range and their short-range objectives and priorities. Revenues from taxes and other sources must be estimated and the general economic situation for Canada during the year under study must be evaluated.

Transport Budget Forecast

Within this framework, selections must be made from the many competing proposals, and most departments will be disappointed by the number of their plans which do not receive support. After extensive consideration by cabinet ministers, the results of the program review are reported to the individual departments. It is my understanding, however, that departments are not required to edit or correct their program forecasts after the decisions have been reached. As they were only tentative proposals in the first place, their primary usefulness has been served and the departments shift their attention to the details of preparing their main estimates submissions in accordance with the results of the program review.

The end product, of course, is the annual blue book. This is one of the main reasons the program forecasts of departments are treated as internal documents. Proposals prepared by public servants so far in advance of the date of execution, and without full awareness of total government considerations, should not be subjected to intense review by members of parliament using the wisdom of hindsight. This, surely, would tend to discourage the development of imaginative proposals in the future.

In addition to this principle of confidentiality there is a practical flaw in what this motion proposes. Information is a delicate commodity and it is only useful if it fits the purpose. It is easy to have too much information and not enough knowledge. I believe that the adoption of this motion would produce an excess of information but very little additional knowledge or understanding. I am sure we all agree that the confidentiality of the government's spending proposals is such that no information concerning main estimates could be generally released to all members of parliament prior to the tabling of the estimates. This occurs in February, and our standing committees then have until the end of May to study the estimates in considerable detail.

The blue book each year contains over 600 pages of detailed information in each of the official languages, or over 1,200 pages in total. It is my opinion that the availability of many times that amount of information, which still would have to be studied within the same time-frame if the operations of government were to continue, would be more of a distraction than a help in our search for knowledge and understanding of the estimates. And this would be the situation if each member of this House received a copy of the program forecast for every department and agency.

We all have full schedules: we must divide our time wisely between our constituency duties and our work in the House. Appropriation acts are important, but there also is a large amount of other legislation that we must study and debate intelligently. In considering the main estimates, I doubt whether many members would have the time to study this additional information or, in fact, would need it to enhance their understanding. Our standing committees provide ample opportunity for detailed examination of particular programs in the estimates, through the questioning of ministers and officials. Additional written information can be obtained from these officials if a committee member so requests. But selectivity is the key to knowledge here, not tons of information.

It may be that the real problem for the hon. member for Toronto-Lakeshore is that he has not yet learned to make full use of the information that is already provided to him. I noted in *Hansard* for last May 24, when the hon. member spoke to an identical motion concerning the program forecasts for the Department of Industry, Trade and Commerce, that he made some remarks concerning the blue book, the estimates. He referred to the blue book as a "veritable sea of figures". He pointed out that he was a new member in this House and "perhaps a member who has been here for a generation or longer may be able to find his way through them". He conceded that the presentation of estimates had been altered somewhat in recent years, but he still found that the blue book's program descriptions and outlines of objectives shed no light on the expenditure programs detailed in its pages. Frankly, I find this difficult to understand.

The hon. member seems to believe that the way to comprehend this "sea of figures" is to dilute it by adding 10 or 20 times as many figures. He wants to count the branches on the trees and forget about the forest. As the hon. member has indicated that he does not understand what the blue book is all about, perhaps a few words of guidance would be appropriate. Of the 600 pages in the blue book, the first 50 provide valuable summary information. There is a description of the contents of the book and the method in which the information is presented. This is followed by a number of statistical tables. These tables provide total information by department covering both budgetary and non-budgetary expenditures, and also show breakdowns in terms of operating, capital and grants and contributions' spending.

Another table deals with man-years by department. There are presentations of the estimates by the various functions of government and by standard objects. Another table presents major budgetary items showing the division between estimates to be voted and those that are statutory. In these tables, the new estimates are compared to the estimates for the present year. There is a wealth of information for a new member to digest in just these first 50 pages of the blue book. They provide comparative data which indicate clearly the major areas of importance established by the government.

● (1740)

The blue book then presents considerably more detail on the programs of each department and agency. The estimates of the Secretariat of State, for example, run to some 60 pages in the 1973-74 blue book, and those for the Ministry of Transport cover 50 pages. Each departmental section begins with a general summary. This is followed by a subsection for each program. The various votes, statutory amounts and non-budgetary items are shown for the program. Then the program's estimates are displayed against the component activities, showing expenditures for operating, capital grants and contributions and non-budgetary items. Any revenues or free services received by the program also are displayed.

There is a brief written description for each program, including a statement of its objectives and sub-objectives. Expenditures also are displayed by standard objects. There are details on the manpower planned for the program. Grants and contributions are itemized. In all cases the new estimates are compared to the current year, and in several tables the actual expenditures for the previous year also are shown.

The subject of the motion today is the production of the program forecast for the Treasury Board. Section 28 of the 1973-74 blue book contains 13 pages of information on the Treasury Board, including the National Research Council of Canada which reports through the President of the Treasury Board. I will not go into full detail, but I would like to point out that the Treasury Board's estimates are displayed under three programs: central administration of the public service, government contingencies and centrally-financed programs, and employer contributions to employee benefit plans. The program concerned with the central administration of the public service is broken down into six activities: expenditure, management; personnel management; evaluation and planning; administrative policy; departmental administration; contributions to superannuation accounts. The expenditure, management, activity has an authorized level of 100 man-years. I would like to read the description of this activity that is contained in the blue book. It reads as follows:

> Expenditure, management—On the basis of the analysis of departmental plans and programs to recommend to the government the acceptance or modification of specific expenditure proposals in order to: reflect the priorities which the government assigns to the objectives; increase the effectiveness of existing and proposed programs; increase the efficiency with which the manpower, facilities, equipment, materials and supplies are used in the operation of programs; and to develop the estimates for the approval of parliament.

I understand that the 100 man-years in this expenditure, management, activity—with considerable help from the other 555 program man-years in activities such as planning and evaluation, personnel management and administrative policy—are devoted full-time to the examination of the various expenditure plans of departments and agencies, not the least of which are the program forecasts.

If the hon. member for Toronto-Lakeshore is having difficulty comprehending 600 pages of blue book information, I doubt that he could do a better job with 10 or 20 times that amount of supporting program forecast data. A large number of man-years at the Treasury Board are devoted to integrating the program forecasts of individual departments into a comprehensive package that is related to the over-all objectives of the government and to the available resources.

I would think that the departmental program forecasts would only be meaningful when they were examined in such a total context. Efforts by opposition members to select isolated proposals for scrutiny would not be a contribution to the better understanding of the government's intentions; and clearly it would be impossible, given the volume of data and the time available, for any member of this House to make comprehensive use of all the program forecasts.

The hon. member for Toronto-Lakeshore suggested in earlier remarks on this subject that he would settle for some form of edited version of the program forecasts. I submit that such an edited version already exists and is presented to all members of parliament and to the public. It is called the blue book. This is the book that individual members of parliament should in their studies deal with

proposed government expenditures. It is not a perfect document and it could stand improvement, but it is of considerable value when properly understood.

I think that if this motion were adopted it would result in a large waste of public funds in terms of thousands of printed pages of material delivered to members of parliament and probably the Senate that not only would not be read but would probably fill up half the office space on Parliament Hill. Surely this is not what we would consider as progress in our examination of the government's expenditure proposals.

In closing, I wish to state again my objection to this motion and recommend to the hon. member for Toronto-Lakeshore that he earnestly study the contents of the blue book and then ask himself whether he need take up any more of the valuable time of this House in seeking information that he does not really need.

Mr. Grier: Mr. Speaker, I rise on a point of order. The hon. member who has just spoken referred to a speech that I made in May when I admitted that, as a new member, I had difficulty in finding my way around the blue book and I was questioning whether it had all the values that the hon. member ascribes to it. I want to tell him that I am now a few months older, a little less new, and I find the blue book even less helpful than I had thought it might be.

The Acting Speaker (Mr. Laniel): Order, please. I have difficulty in accepting that kind of point of order. In effect, the hon. member is answering the hon. member for London East (Mr. Turner), and I think he should not seek the floor unless he has a real point of order which concerns the proceedings of the House.

Mr. Jack Cullen (Sarnia-Lambton): Mr. Speaker, I think the hon. member for Toronto-Lakeshore (Mr. Grier), when he raises motions and inquiries of this sort, is in effect filling one of the roles of an opposition member. I think they have an obligation to speak out and to secure as much information as they can, no matter whether it eventually ends up in the waste-basket or in their closets as material which they can read when they are no longer serving as members of parliament. There is a large amount of information available to all hon. members. I think the hon. member, in presenting the motion in this way, has indicated that he wants information of a special type on a particular subject—and I think, frankly, that he is entitled to ask for it.

It has been my experience, in the very short time I have been here, that this government is probably the least secretive government that we have ever had in this chamber. I think the opposition parties weaken their own case when they sincerely seek information such as the hon. member has done here and then put on the order paper not five, ten, fifteen or twenty questions, but 259 motions for the production of papers. It is pretty difficult, then, to take them seriously and to believe they are sincere. It seems to me they should zero in on areas where they really want papers and where the government would be hard-pressed to come up with arguments as to why they should not be produced. Perhaps the debates would then be better debates. I am somewhat suspicious of the sincerity of opposition members when I see on the order paper 259 motions for the production of papers.

Second, on cursory examination today I noted that 3,424 questions have been placed on the order paper this session. The Parliamentary Secretary to the President of the Privy Council (Mr. Reid) has indicated that 80 per cent to 85 per cent of them have been answered. However, the opposition still say, "We want answers to the other 15 per cent." It may be precisely those questions which are the ones that should have been placed on the order paper in the first instance and should not have been smothered and buried under 3,424 others. It seems to me that if members of the opposition concentrated on questions to which they legitimately wanted answers, they would not weaken but would in fact strengthen their position. It is very easy to answer many questions.

● (1750)

Mr. Gleave: Would the hon. member permit a question?

Mr. Cullen: Yes.

Mr. Gleave: Is the hon. member trying to leave the impression that there is any operation of government which is not legitimately subject to the scrutiny of members of this House?

Mr. Cullen: No, Mr. Speaker. I think the hon. member was probably talking to his colleague rather than listening to my comments. I made just the opposite point. I think each department is subject to scrutiny, questioning and motions for the production of papers; but I do not think this scrutiny requires 3,424 questions and 259 motions. The point I am making is that members of the opposition parties, by putting that number of questions and notices of motions for the production of papers on the order paper, in fact weaken their case.

From my experience as a former parliamentary secretary, I can say that when we looked at many of the questions which came to our department we found them extremely easy to answer; and if we found that one out of 15 questions was difficult to answer, it was very easy for us to say we would answer 14 but would have to delay the answer to the fifteenth because it was too difficult, because we did not have the information, because the information was confidential or for some other reason. I say that you weaken your own case, when you are going after a particular department, if you ask too many questions and put on the order paper too many notices of motions for the production of papers.

Every department should be subject to the most careful scrutiny by members of the opposition and by members of the government party. Remember, Mr. Speaker, that before a minister produces a bill or a policy he has to clear it with his backbenchers. This is an area where we can focus on the things we are interested in, rather than blanketing the minister with 50 questions, of which only five are tough, with the result that he answers the other 45 first.

I think hon. members opposite could make better use of the money that has been made available to opposition parties for research and in that way find out what, in effect, is in the blue book of estimates. If the hon. member

for Toronto-Lakeshore has difficulty in that respect, I sympathize with him. However, I suggest that opposition members should make use of their research staff to zero in on their particular fields of concern without trying to become experts on the whole book, because that is impossible even for members of the Treasury Board. By making proper use of research facilities and staff we can find out what we want and then put questions on the order paper that make more sense. This would put the government in a position where it would have no other course than to answer those questions because it would look ridiculous if it allowed them to remain on the order paper.

As I have pointed out, Mr. Speaker, this government has been the least secretive of any. It was on this government's initiative that funds were made available to opposition parties so that their members could do better research, become better informed and be in a better position to question ministers.

I agree with the removal of estimates from committee of the whole and referring them to the appropriate standing committees so that members of those committees can become experts in particular fields. I defy any member of this House to say that he can become an expert in every field for which we have responsibility in parliament; but by having a special standing committee dealing with particular estimates, by using the blue book and the research staff and by doing a little digging on his own, a member of parliament need not feel frustrated. Also, the information he needs can be obtained from the minister during committee hearings. I am proud of this government for making money available to opposition parties so they can do a better job in carrying out their responsibilities. However, Mr. Speaker, I must say it was much more fun in the previous parliament when I was sitting opposite the NDP benches and could hear their interjections.

I listened very carefully to the hon. member for Toronto-Lakeshore. I thought he made a rather weak analogy when comparing city councils to this chamber. City councils work to develop a particular project and budget. I point out that all the information in the blue book is available to cabinet ministers, but I do not think each of them reads all the material that has to do with another minister's responsibilities. However, the principle suggested by the hon. member has some merit.

The hon. member for London East (Mr. Turner) has pointed out that it would be very costly to circulate all this information. It seems to me that if the opposition parties each selected one of their member to serve on a shadow cabinet—as I understand is done unofficially at the present time—possibly all this information could be made available to that particular expert, so that if he were questioning the Minister of Transport, for example, the member also would have all the information available to the minister. This is an approach that could be considered. In this situation I suggest that not only would selective material be made available, but in fact all the information that was available to the minister. But, of course, we would run into the difficulty of finding enough members of the NDP to form a shadow cabinet, as will be the case particularly after the next election.

Mr. Knowles (Winnipeg North Centre): We are not shadows; we are real.

[Mr. Cullen.]

Mr. Cullen: I would have much more to say, Mr. Speaker, but time has run out.

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

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

ENERGY SUPPLIES EMERGENCY ACT

MEASURE TO PROVIDE FOR ALLOCATION BOARD, MANDATORY ALLOCATION OF SUPPLIES AND RATIONING OF CONTROLLED PRODUCTS

The House resumed consideration of the motion of Mr. Macdonald (Rosedale) that Bill C-236, to provide a means to conserve the supplies of petroleum products within Canada during periods of national emergency caused by shortages or market disturbances affecting the national security and welfare and the economic stability of Canada and to amend the National Energy Board Act, be read the second time and referred to the Standing Committee on National Resources and Public Works.

Mr. Bill Knight (Assiniboia): Mr. Speaker, I had the opportunity just before private members' hour of beginning my remarks related to energy policy in Canada. In the short time I had, I suggested I would deal with the present situation in the province of Saskatchewan, a riding of which I have the honour to represent, and with the situation related to the oil industry in Saskatchewan. Also I propose to deal with the proposals of the government of Saskatchewan, its implications and suggestions for policies on a national level or, indeed, for any other province of Canada. I was pointing out at five o'clock that the Saskatchewan oil reserves are some 800 million barrels and that our rate of discovery of new resources had levelled off in the last seven years. However, our production rate continues at 80 million barrels per year. This means a lifespan for our oil fields of only ten years. If we discover more reserves, then obviously the lifespan of our oilfields will be extended.

Our oilfields were developed by private interests, and those private interests were well rewarded. By 1964, the oil industry collectively in the province of Saskatchewan had found and had sold enough oil to recover the costs of exploration and production. Since 1964, $800 million in profits has been realized in the province of Saskatchewan from oil only worth at that time between $2 and $2.50 per barrel. I emphasize the figure of $800 million in profits, Mr. Speaker.

In the world situation of escalating oil prices we now face the possibility of private interests—in terms of the large multinational corporations and oil companies operating in the province of Saskatchewan—having the opportunity to gouge massive profits and windfall gains from the province of Saskatchewan. If they take that profit and those windfall gains, there is no guarantee that one cent will be spent on research, development and exploration for new fields and new sources of petroleum in Saskatchewan. They could spend it, because of their multinational interests, in any part of the globe where they have business interests. Therefore, the government of Saskatchewan last week introduced legislation to prevent these private interests in the province gouging the rightful heirs to the resources—that is, the people of Saskatchewan. The government of Saskatchewan will not allow them to take windfall profits and invest them anywhere the private interests like: it has moved to a program of public control. This action of the government is related to almost every field in the oil industry of Saskatchewan: it is related to exploration, to production, to refining, to profits, to utilization and, indeed, to conservation.

Mr. Speaker, I have heard a lot of comment to the effect that this proposal of the socialist government of Saskatchewan is somewhat congruent with the position of the government of Alberta. I think we could test this contention best if we examined the remarks of the president of the Canadian Petroleum Association when he had read the legislation introduced in the provincial legislature. He said that the legislation proposed by the Saskatchewan NDP government that in effect takes control of the province's oil and natural gas is probably the most vicious piece of legislation ever enacted in North America.

● (2010)

Of course, we have heard similar contentions before. We heard them in connection with the government auto insurance and in connection with hospitalization and medical care. Yet those programs were expanded across the Dominion of Canada. I predict that the kind of policies enunciated by the government of Saskatchewan will become the criterion for public action by governments and people who will be concerned in future with the development of our energy resources. The petroleum association did not attack the activities of the Alberta government in the same way that it attacked the activities of the Saskatchewan government. That alone should show any member the difference between the action taken by the province of Saskatchewan and that of the province of Alberta.

What are the powers being established by the government of Saskatchewan? The legislation is to establish an oil conservation board which is to phase-in production controls. That government is moving in the direction in which I believe every level of government concerned with this matter ought to move. It is doing something to conserve our resources and to make sure they are properly utilized in order that future generations will have enough energy for the production of the primary commodity, food. The province of Saskatchewan has not been satisfied just with establishing an oil conservation board: it has already established a potash conservation board. The jurisdictional rights of that conservation board have been challenged by the government of Canada and by the Minister of Justice (Mr. Lang). The federal government has said that natural resources such as potash should be left in the private hands of the potash industry.

Therefore, in dealing with a natural resource such as oil, Saskatchewan has moved not only to establish its constitutional right over natural resources but to establish the province's legal holding or legal right with regard to oil within the province. It has done this to avoid the kind of challenge that was encountered regarding the potash conservation board. Although the oil and gas freehold rights within the province of Saskatchewan are in the hands of large private companies, the provincial government has moved to assume control and ownership of these freehold rights. Before the introduction of the legislation the province held 66 per cent of these legal holdings; now, however, it will be in control of 90 per cent of all reserves. The only people to be exempt from the provisions of the legislation will be farmers operating the many small holdings throughout the province. The multinationals, the holdings of the CPR and of the Hudson's Bay Company are to be challenged.

As the legislation relates to windfall profits, the province is moving to make sure that the difference between the wellhead price of $3.98 a barrel and the domestic or international price will not go into the hands of the private oil corporations who can invest the money anywhere they want, but will go to the province of Saskatchewan which will use it for investment in Saskatchewan—for exploration, research and the development of oil supplies and reserves. This investment will meet the needs of Saskatchewan and of the people of Canada. There is a fundamental difference between the actions of Alberta and of Saskatchewan in that regard. Further, there is a price, called the base wellhead price, of $3.08 and there is also the barrel price of $3.38. Under the legislation, the oil companies will be allowed to keep the 30 cents, with the proviso that they spend it on exploration and development in Saskatchewan. If they do not, the moneys accrued will go to the province and to the people of Saskatchewan.

The tax on non-producing mineral land is to increase from 20 cents per acre to 50 cents per acre. If this tax is not paid, the mineral land lease is to revert to the Crown, the only exemption, again, being for farmers who hold some of these lands. There is provision for the production costs of oil companies in Saskatchewan to be reviewed twice yearly. This provision is included in case there is need to revise the wellhead price, in order to meet any legitimate increase in production costs. Further, there is provision for companies to receive a rebate from the treasury of Saskatchewan for exploration and development carried on within the province. If there are new findings, the province is to be given the right to gain an equity in those findings. The legislation also allows for control of wholesale pricing within the province.

So, Mr. Speaker, the democratic (socialist) government of the province of Saskatchewan has said that our non-renewable resources are not to be handed to the private interests: these resources are to be utilized as a public utility for the benefit of the province and the people of Canada. I submit we ought to follow that government's lead and treat and develop our non-renewable resources as

public utilities. What are the implications of this policy nationally and for other provinces? I believe the province of Saskatchewan, in announcing this kind of policy, has shown a guiding light in the cold winter blizzard. It is introducing the kind of program which will mean that in the province there is to be public control of our resources and that they are to be developed in the interests of the people, and not of private capital.

Further, I believe the provincial government has done something fundamental which any national government, regardless of political philosophy, will need to consider. What do I mean? A province with less than one million people, whose major business is agriculture, has said that the multinational corporations can no longer be a law unto themselves, that they have a moral obligation to the people of the province with regard to the manner in which they extract the resources, sell them and make profits from them.

The province is saying that no longer can multinational corporations adjust the free flow of capital across boundaries or provincial borders without being obligated and accountable to democratically elected governments, provincial or federal. The province has outlined the kind of approach which national governments must take to all sorts of multinational corporations, not just to those operating in the oil industry. Therefore we, the people's elected representatives, have gained the right to plan and organize the utilization of a non-renewable resource for the public interest. The multi-national corporations are being called forth for public accountability.

● (2020)

In the move related to revenue from oil leases and lease rights, by increasing that revenue from 20 cents to 50 cents an acre the province of Saskatchewan has shown the federal government the manner in which they can move to increase their revenue from some of the many leases that are now held across the Northwest Territories. In order to have the right of lease, these corporations must be prepared to pay for it.

We have a public corporation, Saskoil, in the province of Saskatchewan. Saskoil will gain some of the funds related to the windfall profits that might have gone to the multinational corporations. These will be used for exploration, development and control of wholesale pricing. Through its experience in the activities in which it is involved, that public corporation can offer an outline for the kind of power and jurisdiction which the national petroleum corporation as suggested by the Prime Minister (Mr. Trudeau) ought to have.

The kind of policy enunciated in the province of Saskatchewan means there is a move toward something very fundamental to the national interest, namely, a government is openly saying to its people that it is not going to sell or to allow its oil products to be plundered from the ground and sold on the market for a fast buck. That energy source, because of its non-renewability, will be dealt with through a conservation board. The flow of the product from the fields will be done in an organized and planned manner, not according to the freewheeling of a few private corporations. This is the natural resource about which the provinces feel most strongly in terms of their right to have some control. This power was only gained by the western provinces in 1930. It has allowed Canada an opportunity to seriously reconsider the basis of our confederation. The national policies outlined by Sir John A. Macdonald and carried on by each successive federal government is surely, in these fast changing times, being called into question and calls for massive review of our energy resources. The Prime Minister and his ministers should now begin seriously to examine the economic and social foundations related to confederation. I believe very strongly that we will hold this country together and that there is no question of western or eastern separation. I believe we can do this by making some fundamental changes in the economic arrangements of this country.

Western members from all parties have talked about the freight rate structure and its inequities. We have talked about some of the policies relating to the marketing of wheat and domestic feed grains. We have talked about the need for revision of the eastern tariff structure as it relates to protection of the eastern market at the expense of the western producer. We have talked about income stability for western producers. Perhaps now, in a less emotional situation, the first ministers of our country will consider the need for revision of the economic and social basis of a national policy that has become outdated. The federal government has an opportunity to learn from the actions of the province of Saskatchewan how to gain public control over a very essential resource, as well as how to develop it offshore and in the Northwest Territories.

When the Premier of Saskatchewan appeared over provincial-wide television he said there should be some accommodation, because of economic issues, for a province which in principle agrees to a domestic price that is different from the international price. We have faced a two-price system for other commodities and we have not hollered about or condemned all of confederation. Every day of the week farmers in the province of Saskatchewan, which is our greatest wheat producing area, subsidize domestic wheat for the consumption of the Canadian population at a rate of 50 to 60 cents a bushel. That is a subsidy by the farmers of Saskatchewan to the people of Canada that should not be forgotten.

The Minister of Justice who is in charge of the Canadian Wheat Board has by edict, not by resolution of this House or by change in legislation, introduced a kind of domestic price on feed grain. What province is the greatest producer of feed grains? Saskatchewan. We have taken issue with that policy far more emphatically than the domestic price of our wheat.

We have a commodity called oil. We are relating it to domestic prices. The premier suggests an accommodation, a revision for some of the economic and social ills which Saskatchewan feels strongly about. The Premier of Saskatchewan has not gone as far as the Premier of Alberta. That is why I resent remarks such as "blackmail". The Premier of Saskatchewan said he is prepared to agree to the principle of a two-price system for oil in Canada, with an accommodation. That is not the case with the Premier of Alberta. I want to quote to this House the opening remarks of the Premier of Saskatchewan when addressing

the people of his province. This ought not to be forgotten in the sequence of events. He said:

> Tonight I want to talk to you about our new oil policy in Saskatchewan. Before I do, let me first say that the Saskatchewan government approves most of the moves toward a national energy policy announced last week by the federal government.
>
> We support extension of the oil pipeline to Montreal and other efforts to make Canada self-sufficient in oil. We support the announced intention to set up a national oil corporation to help find and develop new Canadian oil and gas. We support the intent of the federal government to hold down the price for Canadian consumers of western Canadian crude.

He went on to say they did not accept the method in which export tax funds will be handled. Therefore, on many economic and social issues there is room for accommodation. I usually enjoy cartoons, but the kind of petty and ridiculous cartoon that appeared in tonight's Ottawa *Citizen* will not in any way, shape or form help to resolve this question.

● (2030)

The minister, in his answers, referred to the export tax. However, he did not clear the air in relation to the way in which the money would be turned back to the province. I believe that if he were to clear this matter up, accommodation would be far easier.

I support without hesitation the principle followed and the action taken by the government of Saskatchewan. A government of Saskatchewan is saying once and for all that a non-renewable resource is a public utility which cannot be misused by multinational corporation but has to be used in the best interests of the people. That is a legitimate policy, the kind of program which ought to be considered by other provinces and by any national government, regardless of party.

Mr. Jack Cullen (Sarnia-Lambton): Mr. Speaker, listening to the hon. member for Assiniboia (Mr. Knight), I found myself wondering whether we were in the House of Commons or in the Saskatchewan legislature.

Some hon. Members: Hear, hear!

Mr. Cullen: I do not feel it is the role of a federal member of parliament to attempt to defend a policy introduced in a provincial legislature. I thought we were supposed to be talking tonight about a federal bill.

Mr. Turner (Ottawa-Carleton): A two-policy party!

Mr. Cullen: It would seem to me that if the action taken by the premier and government of Saskatchewan is as good as the hon. member would have us believe, the premier and his supporters are the ones best suited to put that message across not only in their own province but thoughout Canada. They do not appear to have got through to the Ottawa *Citizen*—

An hon. Member: They were wrong about medicare, too.

Mr. Cullen: I don't know if it is a good policy as far as Saskatchewan is concerned, but I must say it worries me, as a Canadian, because it seems to me to be another example of a tendency to balkanize this country. But whether the Premier of Saskatchewan accepts a policy or not is not the point. His policy should stand on its own feet. If he agrees with our policy, he should say so loud and clear; and I believe the hon. member for Assiniboia (Mr. Knight) should say exactly the same thing. I am concerned, because if one province begins to use the natural resources it happens to own as a means of bargaining with the federal government, what is to stop each and every province doing exactly the same thing and saying, "We shall go along with a national policy, But..." Mr. Speaker, that "but" does not fit in with my idea of a national policy.

The bill before us is a weapon the government must include in its arsenal if it is to attack energy problems. The debate on second reading has been wide-ranging, touching on all aspects and leaving it open to all hon. members to express varying points of view. But if what I have read in the press is true, and if what I have heard around the corridors is true, and if the official opposition intend to filibuster this measure as they are threatening to do, I say they are adopting an irresponsible posture, endeavouring to create a phony issue. The issue is not this bill; it is not the subject of this bill: it is, rather, the setting up of a national petroleum corporation, pricing, the construction of a pipeline from Sarnia to Montreal, the export tax, wellhead prices, the ownership of resources including those discovered offshore, the distribution of windfall profits, exploration, and so on. To filibuster this bill is to adopt a posture beneath the dignity of what one would expect form Her Majesty's Loyal Opposition.

When I spoke of an opposition filibuster I heard voices from across the way telling me to sit down. I gather that no one on this side of the House is supposed to participate; we are not supposed to attack the opposition. This afternoon the hon. member for Calgary South (Mr. Bawden) spoke, and the hon. member for Hamilton Mountain (Mr. Beattie) wanted to speak after him because he had other responsibilities to meet tonight. I do not fault him for that. Many members of parliament have similar engagements, so we had no objection to letting a second Conservative member speak. We wanted to be reasonable. But there comes a point at which government supporters have to stand up and let it be known they are proud of a policy to which they made a substantial contribution, and proud of the minister who currently bears such a heavy responsibility.

The tragedy about a filibuster at this time is that it may very well deprive the federal government of the authority it will need to cope with an emergency situation in the future. If the opposition filibuster this bill, they may well endanger the people in the eastern part of the country whom the Leader of the Opposition (Mr. Stanfield) says he is endeavouring to protect, if we are to believe press releases coming out of Halifax today.

There may never be a necessity to allocate supplies on a national scale. I hope it will not be necessary. However, my information is that some degree of allocation is already taking place and that the corporations are themselves deciding who shall get supplies as gas stations find they do not have enough to meet the demands of their customers. It seems to me that if there is to be allocation, it is the

responsibility of the government to take such action and not the responsibility of the multinational corporations.

I say to the Minister of Energy, Mines and Resources (Mr. Macdonald) that we are prepared to sit here over the holiday if necessary to pass this bill. If we are obliged to sit here, I think we can award the official opposition the title "The guys who stole our Christmas". Make no mistake, the spirit of Christmas is here. This bill, which is for the general benefit of Canadians and for the particular benefit of those who live in eastern Canada, will get third reading even if we have to stay here during the Christmas season.

The Leader of the Opposition says we have a two-price system and that he and his party are in favour of a one-price system. Well, one price would mean a higher price for all Canadians. The interesting thing about this stance is that it is in direct contradiction to the policy adopted in 1961 by the right hon. gentleman from Prince Albert (Mr. Diefenbaker). In order to encourage the development of Alberta resources, the country was divided into two regions in accordance with national policy. I have no quarrel with that decision; I think it was necessary and right. But one of its consequences was that prices in the west were higher than they were in the east. Now the situation is reversed and the east will pay more than the west until the pipeline is available to guarantee a supply of western crude. Then, maybe, a one-price system will be possible.

One of my recommendations to the minister will be that we set up a pricing agency: possibly the national petroleum corporation could fill this role. All the oil would be pooled and the price would be the same all over Canada except perhaps for a proportion reflecting the cost of transportation. When the Conservative Party talks about one price at the present time it is not facing up to reality. Fortunately, the Canadian public is too intelligent, too sophisticated and too well-informed to approve a one-price system today, especially when the suggestion comes from a party which concedes it has no policy or, at least, a party which has yet to produce one.

As to the pipeline proposal, I am parochial enough to hope that it will run from Sarnia to Montreal, but if it is in the best interests of Canadians that the pipeline should go through Sault Ste. Marie, so be it. I say that the heartbeat of the chemical industry in the Sarnia-Lambton area is prepared to concede that a pipeline going to Sarnia may not be crucial. I feel it is incumbent upon me as the member for that area to point out that the distance might be shorter, that we might need more steel than necessary for a northern pipeline, but I also recognize that it will create jobs if the pipeline goes through the north: it will be going through areas not as densely populated. So, Mr. Speaker, there are plusses on the side of both groups; but it seems to me that we in the heart of the chemical industry valley can certainly use that pipeline and tap into it to the benefit of the growing petrochemical industry in the Sarnia-Lambton area.

● (2040)

Why do I say we need more, Mr. Speaker? It is contemplated at the present time that a large, world-scale plant will be built in the Sarnia-Lambton area, the Sarnia olefins and aromatic project which has become known as the SOAP project. It is a project worth $230 million, and at the present time there are four partners looking into the feasibility of building such a world-scale plant. So feedstocks to the petrochemical industry are an absolute necessity.

Many people do not appreciate what the chemical industry manufactures. They have a tendency to think of it as being pretty well localized. I say, with respect, that a healthy chemical industry is healthy for all of Canada. We have heard about the petrochemical industry and the chemical industry building itself up in Quebec. Certainly we have it in Sarnia, Ontario, and now we hear of a large-scale plant being planned for Alberta. As I say, a healthy chemical industry is very definitely healthy for all Canada. The chemical industry has a multitude of raw material sources. It uses these materials to manufacture products which are numbered in the thousands, most of which lose their identity in the finished product that the public sees. For example, the raw material, propylene, which is derived from crude oil ends up as foam in an automobile dashboard. This differs markedly from industries which have many raw materials and a single product, such as the automobile industry, or an industry such as petroleum which has a single raw material and many products. The extent of its linkages with other manufacturing industries is evident. For example, four major industrial groups—agriculture, mining, forest products and textiles and clothing—have a major and direct linkage to the chemical industry. So a supply of crude oil to this particular industry is an absolute necessity.

A strong and growing chemical industry is in the national interest because it is a high-technology, high-value added industry which has a large multiplier effect in creating employment in other industrial groups. While the industry currently consumes the equivalent of only 3 per cent to 4 per cent of the crude oil refined in Canada, this roughly $70 million in feedstocks is upgraded to produce resins, synthetic fibres, organic chemicals and fertilizers with a final consumer value in excess of $2 billion. This value added effect, or ability of the chemical industry to generate wealth, is illustrated very vividly if one considers the case of ethylene, the world's largest volume organic petrochemical. Take the case of ethylene made from ethane. It takes $5.8 million worth of ethane to make $40 million worth of ethylene, which can then be converted into $140 million worth of first-line derivatives, such as vinyl chloride monomer, $300 million worth of second-line derivatives, and $800 million worth of third-line derivatives.

While it is obvious that a country should always strive to upgrade its raw material, it is critical that Canada do so with our petrochemical feedstock at this moment in time. Ethylene currently is in extremely short supply in Canada, as it is world-wide. In this situation, foreign producers or countries will invariably choose to upgrade products like ethylene in their own country and export added value products rather than export ethylene itself. As second-line derivatives become short, they will export third-line derivatives, and so on. Let me draw the attention of the House to these statistics. When we in Canada export $6 million worth of petrochemical feedstock, we face the prospect of importing back $800 million of third-

line derivatives. The adverse effect of this on the Canadian economy in terms of jobs, taxes and balance of payments is obvious.

The chemical industry provides high-quality employment for Canadians in its 1,200 plants. Scientists, engineers and managers with university-level education comprise some 15 per cent of our total work force of 76,000 people. The level of wages within the industry is 20 per cent above the national average. One study recently completed indicates that had the $766 million of chemical imports into Canada in 1971 been replaced by domestic production, this would have meant a permanent increase in employment in Canada of between 40,000 and 50,000 jobs. If we just balanced the trade, then 27,000 to 35,000 additional jobs would have been created.

Small plant size, small markets, low tariff walls, the upward-valued Canadian dollar, lack of integration, high transportation costs, global overcapacity and dropping prices gave the industry real problems. In effect, they were fighting products from world-scale plants which were built to serve markets ten times larger than their own, coming across some of the lowest chemical tariff walls in the world, and they were fighting with small plants sized to the Canadian domestic market.

It will take the petrochemical and the oil industries working together three years to establish a sound chemical feedstock position. During this three-year period a continuing co-operative attitude must be maintained between the two industries for the good of secondary industry. Where is the chemical industry going today, Mr. Speaker? For the following I am indebted to Mr. Elliott, vice-president of marketing at Dow Chemical. He has this to say. On the plus side of the industry are the expectation of good, over-all economic growth in Canada; the expectation that government will continue to encourage the development of secondary industry and the processing and upgrading of more primary products at home; rising world level of demand in chemicals, plastics and man-made fibres; currency alignments which have resulted in a devaluation of the Canadian dollar versus other world currencies, excluding the U.S. dollar; tax reductions for manufacturers which will help overcome the severe problem of low profitability in the industry, and the rising prices of chemicals. So the future is bright.

The Canadian government's policy of "Canada first," guaranteeing security of supply to a plant such as the proposed SOAP plant, is the correct policy. I heard the hon. member for Assiniboia talk of multinationals. When the members of his party talk of multinationals they never talk about their good side, only their bad side. I realize there are some groups that do have to be watched and regarding whom we must be cautious; but I should like to suggest to the House that hon. members also think a little about the plus side of the multinational corporations. After all, where else in the world could we get world-scale technology, capital and a global marketing organization hungry for products upgraded in Canada?

If we can marry this expertise with Canada's abundant raw materials, I suggest that we in Canada will have it made. It is a time to be bullish. I think the markets are there, both export and domestic. Canada has the raw materials and the skilled labour required. We have a sound base and a global scale technology. Capital is no problem. It is time to "go," Mr. Speaker. We have before us a bill to meet an emergency situation. I suggest that to kill or to filibuster this bill would be to create a phony issue.

● (2050)

[*Translation*]

The Acting Speaker (Mr. Boulanger): The hon. member for La Salle . . . for Joliette rather.

Mr. Roch La Salle (Joliette): Thank you, Mr. Speaker. In any event, in Joliette it's as if it were the riding of La Salle!

Mr. Speaker, I would like to take advantage of the few minutes at my disposal to comment this important legislation, Bill C-236.

All hon. members recognize, as such, the importance of this bill in our present situation, and I doubt that I am exaggerating when I say that the Canadian people are very much concerned about the problems with regard to our oil policy.

We also recognize, Mr. Speaker, and this is of great concern to the people, the price increases in recent months. Of course, it is surprising that we should face price increases and feel concerned. But the problem does not seem to be one of production. Production seems adequate but, because there is no planning policy, transportation and supplies would seem to be the real problem. For lack of a policy, transportation and supplies are responsible for higher prices.

In view of the situation, it is clear that Canadians are very much worried about the next few months. We are all hoping as members that the government and Parliament will find ways to ensure that consumers are provided with the essentials. We hope that we will not be subject to rationing.

Of course I must admit quite objectively that no one could foresee the Middle East crisis which is surely of no help in solving the present problem.

I would like first of all to acknowledge the efforts made by the Minister of Energy, Mines and Resources (Mr. Macdonald) in the last few months. One hon. member has put the price of $1 a year on the value of his services and his competence. Well I would like to be a bit more objective. We must admit that the present minister has made some efforts and has shown concern in the current crisis.

Bill C-236 seems to be aimed at giving this government some rather extraordinary powers and it is proper to ask ourselves if we are not infringing some provincial jurisdictions. The federal government has perhaps an opportunity to seize some powers, considering the present crisis. It would be embarrassing for the provinces to justify themselves with regard to those problems by keeping those powers.

Last week I heard the Prime Minister (Mr. Trudeau) who assured the House that he was in favour of the establishment of a National Energy Board. We do not know exactly what will be the powers of that board. In my view, it is extremely important to know all of them and to be able to measure their consequences.

It seems that the establishment of a national energy corporation is required in view of the present influence of oil companies. It is clear and I think that everybody agrees that if the government was forced to accept certain price increases, the oil companies now have a marked influence on government policies, which is unfortunate.

Because of the lack of a long term policy which should have, I think it must be said, been initiated a few years ago, we are led to recognize more and more the marked influence of these companies and the need to establish a national energy corporation.

Once again, what will these powers be? We hope to find out as soon as possible. We hope that they will enable this corporation to restrict the influence that the oil companies have always had.

We have also heard the wish of the right hon. Prime Minister that the Borden line be abolished, that a pipeline to Montreal be built and, in short, that a national energy policy be developed.

Because of this oil policy, Canadians think that a national policy is the same as a national price. The price freeze for all Canada, except of course the eastern provinces, was announced in the right hon. Prime Minister's speech.

I think that we must wonder about the announced policy which provides for two prices, one for the east and one for the west.

We, in the east, have long deplored, Mr. Speaker, a feed grain policy which has been very costly, not only for Quebec, but for all eastern producers. We have denounced this policy for approximately 30 years and because of all our efforts and the support of the responsible agencies we have succeeded in urging the government to adopt its recent national policy, a policy which aims at, and should normally bring, equality between eastern and western producers.

● (2100)

I think that westerners have shown very great patience towards this policy which has been quite costly for western producers. And today we are considering a two-price national policy for oil products. I would urge the minister and the government to consider equal prices for easterners and westerners. It is unconceivable that we should accept this legislation which is favourable to easterners who have to face competition on the world markets and which, at the same time, provides for westerners a price freeze for the months to come namely the most difficult ones.

I would hope that the Prime Minister who announced a federal-provincial conference would first enable us to take stock of the provincial position about this policy. I wish that this federal-provincial conference will take place before this bill is passed. I do not mean that it should not have been submitted to the House. On the contrary, I find it necessary because of the current serious crisis and of Canadians' concern.

However, should we pass this bill during the next few days, being aware of the January federal-provincial conference, how could the provinces refuse to abide by orders accepted by Parliament? Why were not provincial officials first called and apprised of the principles of this legislation and of the powers we are going to grant the federal government and to which extent will the provinces be prepared to admit those powers?

The House is unaware of all the negotiations which have taken place between the federal and provincial governments especially the Quebec government. I have every reason to believe that the government of Quebec intends to make some suggestions and also to maintain some jurisdiction in oil matters. But as the federal-provincial conference will be held in January and chances are this bill will be adopted before Christmas, I wonder how we can count, for example, on the respect of the provinces while asking hon. members to adopt a bill before this federal-provincial conference has been held?

I think that this is an important aspect to point out because I do not quite see how this federal-provincial conference can be held only in January while we are being asked to pass a bill which should provide powers to the federal government. I do not suggest that these powers are unrequired, but I wonder how the provinces will react to these powers that the federal government wants to give itself, if it really wants to respect the wish of the provinces and listen to the suggestions that they could make.

Therefore, should we delay the passage of this bill? Should we ask the federal government for a federal-provincial meeting as soon as possible so that we may know exactly and specifically what the provinces want? As far as I am concerned, Mr. Speaker, this is a most important matter, particularly when there is talk of granting increased powers to the federal government in the field of energy. Again, without doubting the goodwill of the responsible minister and taking into account the current crisis, I have proof that he made very great efforts to correct the situation and give some assurance to the Canadian people.

Of course, as a Quebecker I could not fail to emphasize a particular aspect.

In fact, we have the privilege of being administered by a government in which more than half the members come from the province of Quebec. The people in Quebec expect those members to bring enough pressure to bear so that prices will be equalized between eastern and western Canada. In my opinion, the people in Quebec are absolutely right in hoping that government members from Quebec, who are a majority, will see to it to make the minister aware of this problem and obtain through this bill price equalization between eastern and western Canada.

Last Monday, during the debate on a non-confidence motion, I noticed that the Leader of the Official Opposition (Mr. Stanfield) even asked whether the Quebec members were selling out their province. The question may have been relevant, Mr. Speaker, but as this bill has not yet passed third reading I take the liberty of calling upon members from the province of Quebec to make more pressures than ever before and urge the minister to give that guarantee that all eastern Canada and not only the province of Quebec will not have to pay more for its products than western Canada. It is extremely important to point out that aspect of the problem because the people of Quebec have a right to insist that representations be made by their members in that respect. Members from Quebec

have the duty to answer that question as well as meet the aspirations and desires of the Quebec people.

What the leader of the official opposition had to say might have seemed harsh but I think they were right on. I point that out to invite government members as well as other members from Quebec to impress on the minister the importance of ensuring that equity between eastern and western Canada and not to apply again that practice on the feed grain policy which proved very costly to the province of Quebec and eastern Canada and created some measure of economic separatism.

Quebec did not invent it because I remember reading an article on that not too long ago. Mr. Gérard Filion stated that economic separatism did not originate in the province of Quebec but had been invented 30 years ago by the Canadian Wheat Board which through its policy unfortunately practiced discrimination against eastern producers. We have before us a legislation which may have the same results.

Allow me, as a member from a constituency concerned with the problem, to remind the Quebec members that it is important instead of blaming or criticizing the minister to urge him to understand. I think he is open to any suggestions made in the House. We must make those suggestions objectively, and this is what I am trying to do. I ask the minister to ensure this price equalization between the East and the West. So, nobody in the East would be inclined to think that the federal government attempted to protect the West to the prejudice of the East.

I do not think at all that the minister intends to establish such a policy. I must say that even Quebec or eastern members must strive to obtain such an equalization from this government. Indeed, this must be said in this House. All members agree on the possibility of establishing a uniform price both in the East and in the West. I listened to the remarks of other members, even western members, who are clearly in favour of a single price across Canada. Thus, we will have obtained from this government the necessary respect and objectivity.

● (2110)

I want to take this opportunity to point out that the Quebec government still has a long term policy for the petrochemical industry. For many months people have been talking about the building of a seaport for giant tankers. Rumors were even heard about a possible agreement between Quebec and Saudi Arabia providing for the building of refineries. To what extent will this bill allow the province of Quebec to fulfill its ambitions?

I do not know yet the powers that the federal government will be yielding in the field of energy. We are talking about a federal-provincial conference. Now, I believe all those questions could have been discussed before the bill was introduced in this House. I am not saying this piece of legislation is not needed. But, I would have liked, Mr. Speaker, this federal-provincial Conference to take place well before the introduction of this bill. To what extent will this bill allow a province like mine to undertake anything worth while? Of course, other members will want to emphasize the interests of their own provinces and that is normal. If they did not, they would not be performing their duty in an objective way.

As far as I am concerned, I am keenly aware of the importance for my province to have its petrochemical industry developed further. I am anxious to see my province get ahead with certain projects relating to refineries, supplies, and security where petroleum products are concerned. The extension of the pipeline to Montreal will have Quebeckers pay more for Canadian petroleum products than for off-shore products. Considering the price situation on the world market, it could very well be that for some time, the oil coming from Alberta will not be more expensive in the East than the one coming from foreign countries. It is also possible that, in view of the fact that the crisis may well cease to exist, people in Quebec could be forced to pay higher prices because we will still have been provided with supply facilities.

We know perfectly well that if we build this oil pipeline, there will be compulsory minimum consumption. What will be the price of the products coming in from Alberta? How far is the government willing to go with its pricing policy which would enable us Easterners to take advantage of a resource coming from Alberta, a Canadian resource. I am not against our consuming Canadian resources. On the contrary, I think we should consume products coming from a Canadian province. But I think it is equally important that we guarantee Easterners prices which will not be higher than the prices they can get abroad. It has been suggested that the government absorb any excess and I think this is very good. The government should guarantee to people of both the East and the West, the benefit of identical prices.

I believe that my remarks are very objective and I hope that hon. members will think of securing this equity to both eastern and western Canadians.

Mr. Speaker, we have heard various comments. There are objections, arguments and criticism on both sides of this House. I think that as a whole, members of various parts of this country have made excellent suggestions and I hope that the minister, who paid great attention to the debates, which is heartening for us hon. members, will consider these suggestions and that Quebec members will take advantage of the fact that they are in large numbers to force this government to answer my suggestions, that are also put forward by members from Quebec.

Besides I am convinced that Quebec members are quite interested in satisfying as much as possible their constituents. Before I conclude, I would like to refer to the lead article I was reading recently in a Montreal weekly paper. It was written by Claude Lavergne and calls for reflection. This is what Mr. Lavergne said:

> The energy policy announced this week by the Trudeau government is a step in the right direction. On a short range basis, it prevents Canada from suffering a crisis in the uncertainty of a general election, then it secures the short term allocation of our western oil throughout Canada.
>
> Nevertheless Ottawa did not go all the way in its efforts toward Canadian security in terms of stability in the field of energy.
>
> Having decided to maintain the oil price freeze throughout Canada, with the exception of the eastern provinces, including Quebec, the federal government is not afraid to create two classes of citizens within one piece of legislation and within the same boundaries.

This was not said by me, Mr. Speaker, but by a very objective editorialist. He has often praised this govern-

ment, criticized it from time to time. I think that his article was worth being read in this House.

Therefore, having decided to maintain the oil price freeze throughout Canada, with the exception of Quebec and the eastern provinces, as I said, in fact the central government has given this responsibility to the provinces while it is the only one to profit by the present price increase. And I go on:

By shifting this responsibility upon provincial governments, he is making fun of people, and in order to understand this fully, one must take a close look at the oil tax structure.

On the other hand, Ottawa takes full advantage of the rising market because it applies its tax in terms of a percentage of the sales price to the wholesaler, a tax which is, of course, in any case, passed on to the consumer. This means, therefore, that Ottawa should be the first to help the consumer, which, of course, does not prevent the provinces from also giving him a helping hand.

There is no doubt that this situation will be considered at length at the federal-provincial conference on energy—

According to me, this conference comes too late.

—which will bring together all the premiers in Ottawa in January, but all the same, in the meantime, nothing will be done to help the taxpaying consumer who is condemned in addition to remain helpless in the face of a further spiralling inflation brought about by this galloping increase in the prices of energy.

It must be noted also that Ottawa is the only level of government to tax heating oil which is not a luxury in Canada, needless to say.

The Minister of Health and Welfare emphatically stated that he saw to it that welfare recipients will not have to suffer hardships because of this price increase. However, the fact remains that by taking such action, he is giving them a Greek gift.

He is giving with one hand while getting twice as much in the other and in many cases, from the very people to whom he is giving a bonus.

It seems that if the New Democratic Party—

I regret that there is no member of that party in the House at the present time. I continue the quotation:

—which will support the Liberals tomorrow on the non-confidence motion, sincerely wants to help primarily the poorer Canadians, it will have to make the full weight of the balance of power felt in favour of a remission of oil charges.

It would be a beneficial measure for the consumer!

Mr. Speaker, that editorial deserves some consideration. The government is not necessarily blamed, but urged to consider the seriousness of the present crisis in Canada as well as the difficulties and worries it is causing for all Canadians. Every weekend in our constituencies, many ask us what will happen and if the government will provide the needed supplies. Therefore production is not the issue. It seems that we produce enough oil products to keep us warm this winter. It seems that the problem is one of transport and supply. The lack of long term policy is causing concern to the Canadian people, and rightly so. A world crisis also distresses the government. To be sure, our role consists in making recommendations and helpful suggestions to the government with the hope they will be taken into consideration. I believe my remarks have been very practical. I am quite willing to co-operate for a national policy set up which would be equitable throughout the country, but if this measure did not ensure equal prices for both east and west, I would not be able to support it.

[Mr. La Salle.]

I would have wished that the provinces be invited to a meeting before the bill is introduced. I doubt that the bill, if passed, will meet all the criteria and all the aspirations of the provinces. The lack of prior consultations with the provinces still leads us to believe that the government is mistaken and in spite of that we are still called to take a position on a crisis, a problem that it is urgent to settle. I trust that Quebec members will assume their responsibilities by getting from the government equal prices in the East and out West so that Quebec citizens do not pay more for their products than westerners.

Mr. Albert Béchard (Bonaventure-Îles-de-la-Madeleine): Mr. Speaker, could I put a question to the hon. member for Joliette?

Mr. La Salle: I agree, Mr. Speaker.

Mr. Béchard: Mr. Speaker, the hon. member for Joliette has referred to a division, to two parts of the country, East and West. Does he remember that the Borden line was the work of a progressive conservative government of which he was once a member and to which he has sworn that he would not belong anymore? Furthermore, does he know that it was the previous progressive conservative government which divided the country in two parts? He also referred to the feed grains policy. Does he know also that this discrimination between East and West concerning feed grains was encouraged by progressive conservative governments and especially by that of the right hon. member for Prince Albert (Mr. Diefenbaker)?

● (2120)

[*English*]

Mr. Deputy Speaker: Order, please. I think the question regarding the so-called Borden line is a legitimate one pertaining to this debate, but it seems to me that matters regarding feed grains might be raised at another time. I recognize hon. member for Joliette (Mr. La Salle) for his response.

[*Translation*]

Mr. La Salle: Mr. Speaker, I have tried to state very objective opinions. Whether this policy was adopted by the Progressive Conservatives or the Liberals is hardly any concern of mine. I urge this government not to repeat the same mistakes. Whether they were made by this or that government—and I feel perfectly free to talk about this—is irrelevant. I only say to the government that if the Progressive Conservatives have made mistakes, it is not forbidden to think that so have the Liberals. That we do not always repeat the same mistakes is what matters. I only urge this government not to make mistakes, to make the necessary corrections to the bill it introduced and which does not guarantee price parity between eastern and western Canada. And if the Progressive Conservatives are responsible for such mistake, Mr. Speaker, I hope that the hon. member for Bonaventure-Îles de la Madeleine (Mr. Béchard) will see to it that the Liberal government does not make the same mistake.

Mr. Béchard: I would ask the hon. member for Joliette whether he was in the House last Thursday when the right hon. Prime Minister (Mr. Trudeau) made his speech

announcing the oil policy. Has he forgotten that the right hon. Prime Minister then said that he wanted to make Canada one country by abolishing the Borden line, and that the policy was for oil to run at the same price throughout Canada? It is a six-year program.

Mr. La Salle: Mr. Speaker, I have listened carefully to the speech of the right hon. Prime Minister. I had gathered from his speech, Mr. Speaker, just what the hon. member for Bonaventure-Îles de la Madeleine understood, and in view of the declarations of the minister in charge, that the east is far from being assured of benefitting from prices as low as those in the west. To my mind, the hon. member for Bonaventure-Îles de la Madeleine should study the consequences of this bill, because it does not do much to guarantee equal prices. I am very happy the question was put to me: it gives me a chance to tell the hon. member for Bonaventure-Îles de la Madeleine that I am willing to co-operate with him so that all Quebec members insist that the minister set the same prices for the east, and specially for Quebec.

Mr. Béchard: Does the hon. member for Joliette know that there is—

[*English*]

Mr. Deputy Speaker: Order, please. If this is the last question, I will allow the last reply.

[*Translation*]

Mr. Béchard: Could I ask a question to the hon. member for Joliette, Mr. Speaker?

I heard the comments that the hon. member just made, but is he aware that there is no pipeline yet between Sarnia and Montreal? Is he aware of that? And does he know that until there is, we shall have to get oil from somewhere?

Mr. La Salle: I am certainly aware of it, Mr. Speaker, but is there any need to ask such a stupid question? It certainly must be a stupid question, Mr. Speaker. It is obvious.

I should like to tell him that the hon. member for Joliette is aware there is not yet any pipeline between Sarnia and Montreal and that he understands that this policy was aimed at extending the pipeline to Montreal and I said clearly in my speech that I was not against the idea. I only wanted that the province of Quebec be assured of getting a fair price. The hon. member for Bonaventure-Îles de la Madeleine did not give me the assurance that his government would promise Quebec equal prices with the west. And this is what the Quebec population would like to learn not only from the hon. member for Bonaventure-Îles de la Madeleine, but from all other members of the province who are in majority in the government. As for the French power within the Liberal party it is time, Mr. Speaker to make maximum use of it.

[*English*]

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, there seems to be some suggestion that the Conservatives are filibustering this bill. May I just point out to you that the last four speakers have been non-Conservatives. If I could put a title on my speech it would be this, "Don't try to turn the rest of Canada against us, Mr. Trudeau". That warning appeared in an editorial in the Edmonton *Journal* two days ago which began with the following words:

> Prime Minister Trudeau's attempt to portray Albertans and Premier Lougheed as the ogres in the energy crisis is surely a cheap and barefaced cover-up. It ill becomes him.

That sums up the feelings in Alberta today about the energy debate. Something is happening in Canada today that I do not like. The Prime Minister (Mr. Trudeau) is playing with national unity in order to demonstrate to Canadians that his energy policies—and only his—are saving unity; and, of course, that Alberta is looking out only for Alberta and thus hurting Canada The Prime Minister shows signs of wanting to pit the rest of the country against Alberta so that he will have a ready-made election issue. The strategy is becoming clearer all the time, and it is in this context that we are now debating Bill C-236, the energy supplies emergency act. If it needs saying, I will vote against this bill on second reading because I am opposed to its principle.

The hon. member for Peace River (Mr. Baldwin) and the hon. member for York-Simcoe (Mr. Stevens) have given lengthy explanations of their opposition. I am in agreement with their views and add the following reasons for my opposition: the government comes to us with an act that would—

> —provide a means to conserve the supplies of petroleum products within Canada during periods of national emergency caused by shortages or market disturbances affecting the national security and welfare and the economic stability of Canada—

Acknowledging that it cannot prove that an emergency exists, the government tells us that the bill is for insurance against an emergency. No wonder the hon. member for Peace River called into question the integrity of the "insurance broker". Let us not forget that the proposed energy supplies allocation board would have immense powers and that, as clause 10 makes clear, the board would act under the instructions of the government. Again, all this might be acceptable if there were a genuine national emergency. But, Mr. Speaker, there is no energy crisis in Canada. As the Prime Minister himself noted when he spoke in the debate on this subject in 1972, Canada imported 770,000 barrels a day, while at the same time exporting 950,000 barrels. During the same time we produced 1.7 million barrels of oil per day, while consuming 1.55 million barrels. Eighty per cent of that production came from Alberta.

The Alberta government has made it clear that it will not allow Canadians to suffer from an oil shortage this winter. In a policy statement on the use of Alberta energy, Premier Lougheed set security of supply for Canadians as the first of five priorities for the Alberta government. The premier said:

> Eastern Canada is confronted with a possibility of shortages this winter because of action by the Arab oil states—and I want to make it clear that Albertans feel a genuine concern about this situation. We have indicated our willingness to assist in every way possible to help ease this problem. In fact, national security of supply has been an Alberta concern for many years. In 1959, and again in 1969 and again in early 1973, the Alberta government attempted to persuade the federal government that a pipeline to Montreal was and is in the national public interest. The response in the past to this suggestion has been negative. If the Montreal

pipeline was in operation now any shortages of energy in eastern Canada could be avoided.

Mr. Speaker, we do have severe transportation and pricing problems, but these could be solved by federal-provincial consultation provided that an atmosphere of good will can be maintained. At the very least, we should give no thought to passage of Bill C-236 until we see the outcome of the federal-provincial conference of first ministers on energy in January. The preceding member, the hon. member for Joliette (Mr. La Salle), elaborated on this point at length. The atmosphere of that conference will be crucial in achieving joint federal-provincial policies and programs on the use of Canadian energy. If this bill passes before the conference is held, it will produce more confrontation rather than the consultation which is so desperately needed to solve energy problems.

● (2130)

I believe that the extreme coercion involved in Bill C-236 could only be justified under exceptional conditions, and then subject to the consideration of justice. Thus, we come to this question: In the absence of any clear demonstration of a national emergency, why does the government want such a club in the form of an energy allocation board? One answer to that, a deeply troubling one, is the predilection of this government for authority.

With the benefit of hindsight, Mr. Speaker, we know the government overreacted to the crisis of October, 1970, which led its taking exceptional powers under the War Measures Act. The government did indeed trample on individual liberties and civil rights. It depicted the crisis as greater than it was, then stepped in to save the country with dictatorial action. Many members were later sorry that they had given their consent to the War Measures Act. If the public had known at the time the limitation of the crisis, it would never have supported the sweeping deprivation of civil rights.

I point out to you, sir, and to members of the House that the wording the government used when it sought these powers in 1970 is very similar to the wording used in seeking the present powers. On October 16, 1970, speaking in the House when he introduced the War Measures Act, the Prime Minister said:

> The government recognizes that the authority contained in the act is much broader than is required in the present situation, notwithstanding the seriousness of the events.

He went on to say:

> To those who will voice concern at the extent of the powers assumed by the government under this procedure, I can only say that I sympathize with their attitude, and applaud them for speaking out. I hasten to suggest, however, that the legislative record of this parliament in the field of individual liberties contributes unequivocally to its credibility and good faith.

We know what the credibility and good faith of this government have been like in the intervening years. May I draw your attention to the words used by the Minister of Energy, Mines and Resources (Mr. Macdonald) in introducing this bill last week. As recorded on page 8442 of *Hansard*, the minister said:

> In spite of its efforts, the technical committee is unable to advise the government of the precise extent to which international crude oil deliveries to Canada will be reduced. However, the committee has recommended that the government plan for possible curtailment as great as 20 per cent for these areas which are dependent on overseas oil.

Thus, we see the government once more coming to us with an evaluation which is not supported by facts. Actually, in the present situation the facts have not been outlined which led the government, in its extremity, to seek these powers. The government's swift and unnecessary use of extreme powers in 1970 makes it imperative that before we ever again give such powers to it, or one of its created boards, it must prove to us that a crisis really exists. Denis Smith, one of Canada's distinguished political scientists, has summarized the situation in the following way:

> At the moment of decision, when it has been forced to choose between participation and the exercise of the state's authority, the Trudeau government has always opted for authority.

There is a second and even simpler explanation for the government's motive in presenting this bill. We have seen how the political balance in this House has sent the government scurrying leftward to start a national petroleum company. We have seen the vigour of the Prime Minister's attack on Premier Lougheed in Vancouver last Friday in which the Alberta premier was depicted as an oil baron blackmailing his fellow Canadians. We saw the strange performance of the Prime Minister yesterday in linking the record of the Alberta members in this House on the energy question to, of all things, the language issue.

Responding to the assurance of the member for Peace River, that Alberta members want to secure the supply of oil for the people of eastern Canada, the Prime Minister said "... I wonder if he could assure a supply of Alberta members to Quebec on the bilingual policy." When I objected to this tarnishing of Alberta members as bigots on the bilingualism issue, the Prime Minister responded"... it is more important to Quebec to have acceptance by Canada of the bilingual policy than to have a gallon of oil from Alberta." Linking bilingualism and energy is a feat of political legerdemain that can only divide Canada. To pose the energy question in these terms is an outrageous, irresponsible act of the Prime Minister.

Over the past few days and weeks, Mr. Speaker, we have seen the strategy of isolating Alberta forming in the minds of the Prime Minister and those Machiavellian figures who stalk the east block. That strategy is: Alberta versus Canada on energy; Alberta versus Quebec on language; Alberta squeezing or freezing the Maritimes; Alberta the bad, Trudeau the good. What an election issue! What a dream! Let us not be so naive as to dismiss the idea that this government would try to create such an election issue. This is a government that uses, and abuses, national unity for its own political survival.

Mr. Lalonde: Don't confuse Alberta with Alberta tories.

Mr. Roche: But the Prime Minister should take note of a basic fact: Albertans are Canadians first. We have contributed our share to the development of Canada and we will continue to do so. As the Edmonton *Journal* remarked:

> Albertans do not back the witless slogan, "Let the eastern bastards freeze in the dark". Albertans recognize that the national oil policy of a federal Conservative government which gave us an Ontario market benefited us. It benefited Ontario too, and that is

how Canadians who are also Albertans, would want it. Don't try to turn the rest of Canada against us, Mr. Trudeau.

Whether we are talking about language or energy, Mr. Speaker, Albertans are the brothers of eastern Canadians. We will not be the tools in a ploy to set up an energy dictatorship. We will oppose policies inspired not by the needs of Canada but by Liberal desperation.

● (2140)

Mr. Bert Hargrave (Medicine Hat): Mr. Speaker, as my contribution to this debate tonight I propose to tell the House of the particular significance of energy in my constituency of Medicine Hat and, more specifically, the city of Medicine Hat and the close town of Redcliff. These two locations, only five miles apart, comprise approximately one half the total population of my constituency of Medicine Hat. In addition, I propose to try to indicate to my colleagues the impact of our present energy debate on myself as a native Albertan from the viewpoint of a rural agricultural land owner of both surface rights and mineral rights. May I first point out that southeastern Alberta's interests are mainly concerned with the production, use and export to other parts of Canada of natural gas. While there may be some oil deposits and production, it is our natural gas that I will be commenting on in particular this evening.

First, a brief history of gas discovery and development in the constituency I represent. Natural gas was first discovered in 1883 by the CPR when boring for water at a point 40 miles west of Medicine Hat. Gas was struck at about 700 feet and was used to light and heat a railway section house. Later, in 1891, Sir William van Horne, then president of the CPR, offered to loan a drilling outfit to the town of Medicine Hat to be used to locate coal beneath the townsite. No coal of any importance was located, but a strong gas gusher came in at 660 feet. This became Medicine Hat's first gas well. Gas from this well was used in commercial operation by Charles Coulter to burn limestone and manufacture lime for his building operations. In addition, I should point out that this particular gas well was also the first gas well in the province of Alberta.

In 1892 the CPR drilled a second gas well adjacent to their railway station. This well was used primarily to entertain visiting dignitaries who came through on the railway. They did this by rather spectacular blowoffs that were fired to illustrate this tremendous natural resource below the city of Medicine Hat. One such blow-off for the benefit of Rudyard Kipling prompted the author to describe Medicine Hat as the city "with all hell for a basement". Later, in 1899, Mr. Coulter drilled a well in his backyard and used the gas for lighting and heating not only his own home but a number of his neighbours homes as well. In about 1900 or 1901 the town drilled five gas wells that were used by their waterworks plant and supplied all residences. This was the start of a city-owned utility system that still operates most successfully for both gas and electric power.

About this same period an enterprising promoter from Sarnia, Ontario, came west and settled just south of my own post office of Walsh, Alberta. His name was J. A. Grant. He established a very large ranching operation called the Sarnia Ranching Company. It was financed, of course, by risk capital from the Sarnia community. Grant had considerable know-how in the drilling industry and was probably the first commercial gas well driller in southern Alberta. Of course, he picked up this knowledge from his experience around Sarnia.

In the late twenties and thirties a series of wildcat oil wells were drilled east of Medicine Hat, all using ponderous hand-erected wooden towers and walking beams for the drilling action. It is worth noting that all these earlier wells were drilled in the expectation of finding oil and that the gas found in all of them was of very little practical and commercial use. One such well, known as the Draisin oil well, ran wild and burned for years in the Many Island Lake community just north of my ranch where it acted as a landmark and beacon when we trailed cattle across that open-range country.

As a schoolboy in Medicine Hat, two features involving natural gas have become solidly etched in my early memories. First, while learning to skate on the Saskatchewan River in winter, we were able to locate gas bubbling through ice cracks and light it to warm our hands and feet. Second, all our streets in Medicine Hat, even in my own school days, were lighted by gas street lights that were never turned off. From that beginning, Mr. Speaker, gas production has come a long way to the present day state of development. To illustrate this, I would like to bring members up to date with some figures. Here are some production figures for a 75-mile producing area centring at Medicine Hat. That is a block 75 miles west, south and north, but only extending 30 miles east to the Saskatchewan border. To the end of October of this year, 2,597 gas wells were producing 248 billion cubic feet of natural gas. There are 718 oil wells producing 18.9 million barrels of oil. Percentagewise, this represents about 10 per cent of Alberta's gas production and 2 per cent of our provincial oil production. In addition, this production comes from 60 per cent of Alberta's gas wells and 5 per cent of our oil wells.

The large percentage of gas wells is related to closer spacing and lower drilling costs of these wells due to relatively shallow production depths. These depths range from 1,000 to 2,000 feet. Not included in any of these statistics, supplied by the Alberta Energy Resources Conservation Board, is the tremendous potential of natural gas reserves under the 1,000-square mile Suffield defence research reservation just a few miles north of Medicine Hat.

Only this morning the *Globe and Mail* in a special report commented with some startling observations on these reserves. These observations are important enough that portions of this news item should be quoted for the record. This is a quotation from an article in this morning's *Globe and Mail* headed "Suffield gas prospects prove up."

● (2150)

The 1,000 square miles of the Suffield military reserve in southeastern Alberta are proving up a substantial natural gas potential following exploratory drilling under the auspices of the provincial government.

Petroleum industry experts have already suggested that the Suffield range could ultimately become the largest gas field in Canada, at least until gas finds in the Arctic islands or the Mackenzie River delta are developed.

"South of the sixtieth parallel it will probably remain unrivalled as the largest single gas field in Canada" says a petroleum industry man long active in the southeastern Alberta region.

In market terms it could increase Alberta's known gas reserves by 10 per cent, the equivalent of eight years' supply at present consumption rates in Ontario.

According to preliminary estimates, eventual proven fuel reserves in the Suffield block could surpass an estimate made earlier this year by Premier Peter Lougheed that the area could hold four trillion cubic feet of gas worth at present wellhead prices at least one billion dollars.

Contractors have drilled 26 wells in the first round of the current winter exploratory program. All confirmed gas discoveries. Another 51 wells have been licensed to be drilled during the remainder of the 1973-74 winter season. About 78 wells will be taken down to an average depth of only 1600 feet to reach potential gas bearing zones to complete the evaluation phase of the military range.

Subsequently, private industry would develop the Suffield reserve in conjunction with the Alberta Energy Company which has among its portfolio of investments title to all the gas which might be found under the prairie land north of Medicine Hat and in the vicinity of the Medicine Hat gasfield, until now the largest proven accumulation of gas in Canada.

The Suffield gas is less costly to develop than fuel from the equally prolific foothills belt which because of difficult drilling conditions could be as expensive to explore as Arctic gas prospects. The Suffield gas, according to industry information, is probably the last of the easy-to-get reserves in western Canada. In addition, it is free of most impurities, dispensing with the need for expensive processing plant.

The article concludes by saying:

Pipeline connections to transport fuel from the Suffield block are readily available, too.

This concludes the portion of the *Globe and Mail* story that I thought was most timely and pertinent. As might be expected, this relatively recent energy development in my constituency has had some very satisfying results. First, the population of Medicine Hat, which has remained almost stationary during the ten years from 1961 to 1971 at about 25,000, has increased dramatically. Since 1971 it has increased by well over 4,000 to 30,500. In addition, the agricultural community served by Medicine Hat and Redcliff—essentially the same area as I described in my comments about natural gas production—has enjoyed a long overdue bonus as a result of well drilling, pipeline construction and related service activities which have benefited the entire agricultural area. This agricultural community is one of the most sparsely settled areas in populated Canada due, of course, to its semi-arid climate with the ever-present threat of drought.

Here are some tangible results of the energy boom. First, the expansion of a longstanding ceramics industry and more recently a thriving fertilizer plant taken over from United States control by Western Co-operative Fertilizers Limited, a Canadian, farmer-owned corporation. I should mention, also, the establishment of a Goodyear Tire and Rubber plant. In the petrochemical field, a new carbon black industry known as Cancarb came into production only about a month ago. Also under construction in the petrochemical field is our $55 million Allarco plant.

All these developments, and many more, including sprinkler irrigation using natural gas for power, are the end result of generous reserves of relatively cheap natural gas. All Canada would benefit from these activities quite apart from the value to central Canada of exported surpluses. It is no exaggeration to suggest that both the city and the rural communities serviced by Medicine Hat and Redcliff have waited some 20 odd years for this pay-off.

[Mr. Hargrave.]

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

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

FISHERIES—PROPOSED LICENSING POLICY FOR EAST COAST FISHERMEN—SOCIAL IMPLICATIONS IN NEWFOUNDLAND

Mr. Walter C. Carter (St. John's West): Mr. Speaker, in a statement to the House on November 14, the Minister of Fisheries (Mr. Davis) outlined the government's new policy with respect to the registration and licensing of all fishing craft, skippers, crew, traps and all other fish-catching units. The effective date of these new licensing regulations is January 1, 1974.

The minister's statement in this connection has given rise to a great deal of uneasiness and concern on the part of a large number of Newfoundland fishermen. The hon. gentleman failed to answer a number of important questions which are obviously in the minds of the fishermen affected. Tonight I should like the minister's parliamentary secretary to answer some of the questions which have been put to me by some of the fishermen in my constituency and in other parts of Newfoundland.

For example, how does the minister intend to define a bona fide full-time fisherman? The nature of the Newfoundland economy is such that people living in the rural areas must fish for certain periods of the year and must also, of necessity, get a job on shore, in construction, on the highways or whatever else offers, so as to earn sufficient money to exist. What will happen to such people? Will the minister's new licensing policy prevent them doing what they and their forebears have been doing for centuries, that is, earn a partial living from the fishery?

Another important question that I hope the parliamentary secretary will answer is this: How will the new licensing regulations affect the payment of unemployment insurance of fishermen? For example, will UIC benefits be restricted to full-time fishermen a defined by the minister and his officials? Or will they apply to fishermen who of necessity fish for part of the year and then work on shore for the rest of the year to earn sufficient money to exist?

● (2200)

Another important question that comes to mind is, how will these new licensing regulations affect many of our young people who have to fih during the summer to earn sufficient money to enable them to go to school or university during the winter? How will these regulations affect

many of our disabled veterans and others who suffer form disabilities that prevent them from becoming full-time fishermen? Will these people be permitted under the new licensing regulations to carry on as a they have been doing now for a number of years, and as their forebears in the province have for centuries?

These regulations as we see them, in the absence of any detailed information given by the minister, could very well have the effect of changing, perhaps destroying, a whole way of life in Newfoundland that has existed since we first settled in the fifteenth century. We believe the Minister of Fisheries (Mr. Davis) and the government have a responsibility to make sure that the people are affected by these regulations have them fully explained to them. I venture to suggest that all the people of Newfoundland will be affected by them, because the fisherman of Newfoundland also affects the entire population and economy of the province. We believe that these regulations are of sufficient importance to warrant hearings being held in the province, say by the fisheries committee or some other type of wide consultative body, in order that the fishermen become fully acquainted with the implications of the new regulations and their possible effect on their way of life.

I have had several public meetings with the fishermen in my riding since the minister announced these regulations on November 14, but I have been unable to find one who could tell me what they were all about. Obviously, the fishermen are in the dark, as it were, with respect to the possible effects of these regulations and I think this is grossly unfair on the part of the minister and his officials.

We have had a history of fishing in Newfoundland without licensing for nigh on 500 years. I contend that if the minister decides to defer the implementation of these regulations for six months or a year in order to give the fishermen a chance to find out what they are all about, this will not have any drastic effect on the future of the fishing industry. The least the Newfoundland fishermen expect is that they be told what the regulations are about and hopefully given the chance to express their opinions and views on the question of licensing and the future of the fishing industry.

I suggest it is unheard of for a minister of fisheries to stand in his place in this House and in a very dictatorial way declare by way of ministerial decree that the fishermen of Newfoundland will be required to be licensed as of January 1 next. We are not against licensing, Mr. Speaker, for the purpose of gathering statistics on the industry. But certainly I and my colleagues on this side of the House feel that in a matter of imposing restrictive licensing on our people, especially at such short notice, we are entitled to know all the facts and implications of such a policy. For this reason I hope the parliamentary secretary will enlighten me tonight and will tell the people of Newfoundland what are the possible effects of these new licensing regulations.

Mr. William Rompkey (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, I have three minutes in which to answer about ten minutes of questions. I shall do my best. I think there has been a misinterpretation which has led to some confusion. Let me try briefly to make some points. The basic reason behind the licensing program is simply that it is an inventory: I think that is the best way to describe it. It is an inventory or stocktaking.

The hon. member, who has been in the building trade, will know that if one is to build a house, one must know what materials are available to work with. We do not know how many boats we have, and we do not know how many fishermen we have or where they are. It is a stocktaking, inventory or head count so that we will know what we are dealing with. Then we can go on to manage and improve it. That is the first point.

There will be no restrictions. Those who have fished will continue to fish. Anyone who has a history—I think the policy says this in so many words—in the fishery and has fished for seven years, eight years or more will be able to do that. There is no restriction on the number of fishermen. Anyone who wants to fish will be able to get a licence.

Mr. Carter: Mr. Speaker, would the hon. member permit a question?

Mr. Rompkey: I have only three minutes: you will have to let me continue. So far as the registration is concerned, it will start with the offshore fleet, the trawler fleet. It is a head count. It will gradually move inshore. It will be about 18 months or more before we get to the inshore fishery. In the meantime, while it says that the policy will come into effect in January, 1974, by the time that policy is applied in respect of the inshore fleet there will have been adequate time for consultation.

We will be setting up very shortly committees in the Atlantic area which will have on them a majority of fishermen and people from the industry, federal fisheries people and people from the provincial government. These people will be looking at the policy of registration and licensing. They will decide how it could be applied to their particular area. I think that is the answer to the question concerning what is a bona fide fisherman. I think we have not stressed enough the committees that will be set up on which the fishermen will serve. They will be consulted. We would like to leave to them the question of the definition of what is and what is not a bona fide fisherman.

For those who do not fish commercially there is absolutely no restriction in respect of small boats 35 feet and under. There is absolutely none, and the policy so states. Anyone who wants to fish or jig for cod or set a herring net, or whatever, will be able to do so. There is no thought to deny the birthright of Newfoundlanders, as I think has been suggested from time to time. People who want to fish to provide a few meals in the winter time, or who want to put some fish away, or the pensioners whom the hon. member mentioned, will be able to do this. There is no thought of applying this policy to that type of person.

Let me deal with a few other points the hon. member raised. So far as unemployment insurance is concerned, I agree with him that changes should be made. We are working toward making those changes. I agree with him wholeheartedly that the plan as it presently exists is unfair to fishermen. I think it should be changed. I believe what we would like to see is possibly some sort of catch insurance eventually. We cannot do that without this licensing policy because unless we know who the catch

insurance policy is to apply to, how can it operate? It cannot operate; it is impossible. So we must have the licensing policy in order to put into effect a proper catch insurance program. I think this is what many people would like to see. I think they would like to get away from unemployment insurance but, as a sequel to unemployment insurance and as an improvement on unemployment insurance for fishermen, have a catch insurance program.

The Acting Speaker (Mr. Laniel): Order, please. I am very sorry but I must interrupt the parliamentary secretary because the time allotted to him has now expired.

REGIONAL ECONOMIC EXPANSION—PROPOSAL TO ESTABLISH REGIONAL OFFICES—POSITION OF NORTHERN ONTARIO

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, on April 10, 1973, in the Standing Committee on Regional Development an exchange took place between the minister and myself in respect of decentralization. I should like to remind the House of some of the things the minister said to me at that time. At that time I asked the minister whether the government was decentralizing in Toronto, and he replied that they were not. I asked whether northern Ontario was not ready for decentralization, and the minister replied:

I am sorry, I have not been asked the question about how we are going to decentralize because I am afraid we got sidetracked onto a few other issues. But I will be very glad to say to you that we are not decentralizing to Toronto. That would not be decentralizing at all; it would be recentralizing in another place, and that is not what we intend to do.

● (2210)

Then on July 17, 1973, as recorded at page 5699 of *Hansard*, I asked the minister the following question:

Mr. Speaker, my question is for the Minister of Regional Economic Expansion. In view of the minister's announcement that DREE will be decentralized and four regional offices established, will he inform the House whether northern Ontario is to be the recipient of one of these regional offices?

HON. DONALD C. JAMIESON (MINISTER OF REGIONAL ECONOMIC EXPANSION): Mr. Speaker, it will not only be the recipient of a regional office; there will be other regional offices established in Ontario and there will be a very special office established in northern Ontario.

Then lo and behold, on November 26, 1973, the Regional Economic Expansion Department issued a press release in which the following statements were made:

The new organization plan provides for a major decentralization of the staff and activities of the department and for the establishment of regional headquaters in Moncton, Montreal, Toronto and Saskatoon. It also provides for the strengthening of the departmental offices in provincial capitals, which are to be headed by a senior official at the director general level.

It is fairly obvious that there is a great discrepancy between what the minister says will happen and what actually is taking place. The minister displays a complete insensitivity to the feelings and needs of the people in northern Ontario. What is in effect taking place is the recentralizing of the department's bureaucracy in Toronto, and if anyone knows how the people of northern Ontario feel about that kind of thing, how they view Toronto in the perspective of northern Ontario, they will know that it means for them "business as usual" so far as DREE red-tape and the people of northern Ontario are concerned.

I raised this whole matter of what the minister euphemistically calls the decentralizing of DREE in the miscellaneous estimates committee hearing on November 28, 1973. I asked the minister about the cross-purposes of these two regional offices which he annouced, one in Toronto and the other at the Lakehead, and the myriad smaller offices in other parts of the province. The minister is never at a loss for words and he was not at a loss on this occasion, because this is what he said:

Well, a continuous monitoring service is built into the decentralization through which on a regular basis—and by regular, I suppose in most instances, it would be daily—advice is provided to a co-ordinating centre here in Ottawa on just what is happening, what offers have been made and so on within the various parts of the country.

The whole operation boggles the mind and sets the stage for even more confusion than before. Gulliver described some of these situations in his travels, and it seems to me that we in northern Ontario will experience that all over again. What the minister should be doing is setting up, in addition to the regional office in Thunder Bay, a regional office in Sudbury to service northeastern Ontario and eastern Ontario. He should be setting up a co-ordinating office in Toronto, not an office of the kind he describes in his press release which is in effect decentralizing the bureaucracy from Ottawa to Toronto.

Let Toronto have the co-ordinating office. Let them fiddle around with the statistical evidence once the approvals have been given and offers taken up in the areas that need them. It seems to me that the minister can uncomplicate things and can make them much smoother for the people in areas such as mine in northern Ontario who have applied for incentive grants under the DREE program.

Mr. Charles Turner (Parliamentary Secretary to Minister of Labour): Mr. Speaker, following the announcement in the Speech from the Throne in January, 1973, that the Department of Regional Economic Expansion would be decentralized, the Minister of Transport (Mr. Marchand) made public on July 16 a copy of a memorandum from his deputy minister to the staff of the department which described in detail the objectives, the basic plan, the principal functions and regional variations of the department's new plan of organization. The document stated clearly that the new plan would provide for a genuine decentralization of the department's analytical, implementation and administrative units.

The department's new plan of organization is aimed at providing for improved integration of departmental activity, for a better capacity to administer existing programs and for improved interdepartmental co-ordination. It also provides for more comprehensive analytical work and for co-operation with provincial governments in the identification and pursuit of developmental opportunities.

On August 10 the minister announced the locations of the regional offices of the department, and in the case of Ontario the announcement mentioned that the regional headquarters for the Ontario region would be in Toronto and that there would be an office in Thunder Bay. At the time of that announcement the minister also indicated

that consideration would be given to the establishment of other departmental offices in northern Ontario.

When appearing before the Standing Committee on Miscellaneous Estimates recently, the minister further stated that this matter would receive priority consideration once the department's initial decentralization is completed. The Toronto office will be headed by an assistant deputy minister, who was appointed on October 19, and the Thunder Bay office will be under the direction of a director. The decentralization of the department is now well in progress. The six assistant deputy ministers have been selected and their appointment was announced on October 19 and on December 3. The appointment of four of the ten provincial directors-general was made public on November 20, and further appointments are to be made soon.

I think that from my comments the hon. member will conclude that no time is being wasted and that this department is rapidly putting into place the administrative machinery to implement its new programs. Detailed consultations about these new programs have been held over the last months will all provincial governments and these have now reached the final stage. The minister will be making announcements about the objectives and features of the department's new development thrusts in all provinces over the next few weeks as soon as agreements are reached with individual provinces.

In the case of Ontario, Mr. Speaker, it can be said that the consultations have been very effective and it is hoped that the signing of a general development agreement covering the federal-provincial developmental effort in Ontario will take place soon.

AIR TRANSPORT—HEAD TAX ON PASSENGERS—SUGGESTED CHANGE FOR PASSENGERS USING FEEDER AIRLINES

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, I see with regret that the Minister of Transport (Mr. Marchand) is not in the House tonight to participate in this debate, but as I look over the serried ranks of the government benches it comforts me to realize there is someone there to speak with all the awesome authority of the Minister of Transport. I asked the minister on December 6, as recorded in *Hansard* at page 8471, if he would consider making changes in the new head tax of $2.80 on air passengers that would make it less discriminatory against people who live on islands or reside in cities and towns on feeder airline routes. His answer was no.

Victoria airport has been vastly overcrowded for a considerable length of time. I asked a question, that was answered on September 19 this year, concerning the crowding of a variety of airports and received a list of seven airports which showed that Victoria was far more crowded than any of the others. This is a very handsome airport but far too small for the number of people crowding through it, particularly in the tourist season. I need only say that Victoria airport in the tourist season is a little more than twice as crowded as Toronto airport was before the opening of terminal No. 2, and anybody who had the experience of passing through Toronto airport before they opened terminal No. 2, which drained off hundreds of thousands of people, will realize just how crowded our pretty little airport is.

• (2220)

I might say in passing that it is very well staffed and managed and the people who are employed there, like all the people engaged in welcoming tourists and visitors to Vancouver, are noted for courtesy and efficiency. I understand there is a compromise solution that has been offered to enlarge the airport, which I welcome; but I would have preferred that they had moved their plans two years ahead to a more appropriate date of 1974 and had gone ahead with the original plan to enlarge it. However, I do not want to upset anything that will alleviate the overcrowding situation next summer.

On the question of the $2.80 head tax, Mr. Speaker, it would be hard to design a more iniquitous and unfair tax than this when you relate it to the people who are going to use it. It is not related to the length of the trip or the ability to pay, or first-class or economy fare or old age pensioners; it is just a kind of bludgeon and everybody is hit with $2.80 no matter how far they are going or no matter how long they will be in the airport. I understand a change has been made now and that people will not have to pay $2.80 every time they change on a single trip.

Just looking at the trip from Victoria to Vancouver, that comes to $13 now. I might recall for the parliamentary secretary that 11 years ago we used to travel from Victoria to Vancouver for $5. It was subsequently raised to $8 and it is now $13. This tax will make a total of $15.80, a 21 per cent increase. At the same time there is a subsidized ferry route which takes you to Vancouver for $3.25 midweek and that includes the bus to the ferry and to downtown Vancouver. The fares for air travel do not include bus fare, so that adds another $4. People are going to be discouraged from using air travel from Victoria to Vancouver, and 80 per cent of our passengers go to Vancouver. It is not only bad business and unclear in its execution; it is also likely to cost them dearly in passengers in the long run. When they enlarge the airport they might find that passengers have dropped off.

We have no proof that the department is in need of this money. Airports have always lost money; airports always need money. I suspect someone has come up with this idea for raising money perhaps after travelling in a foreign country where they have seen a sales tax or a head tax. A sales tax would be more fair than this type of tax. Somebody probably came home and said to the Minister of Transport, "Let's charge everybody $2.80 for using our airports". Probably they do need the money, but they have not explained to this House or anybody else that they need it. They would do well to look at the submission made by the Air Transport Association of Canada. This group, of course, is not disinterested but they ask that the proposed airport charge should wait.

At the present time, although it is due to start on or after January 1, there is no inkling whether the tax is to be collected with the ticket, whether there will be cash registers in the airports, whether the commissionaire is going to collect it, the tax collector, or who. This is a disgraceful display of bad administration, Mr. Speaker, and it should be halted until they find out, first, why they

need the money and, second, how they are going to collect it and whether they can figure out a system for people travelling short distances which would be more fair. People who travel short distances, other than people on the west coast, are usually the people from the east coast, the most depressed area in Canada.

Mr. Leonard Hopkins (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, I appreciate the problem the hon. member faces. He has explained it very well and the problem with regard to short flights. May I begin my answer by reading the press release put by the Department of Transport on December 4, 1973. It reads:

> The $2.80 airport charge announced yesterday, which is to be levied on air carriers, will be applied only once regardless of the number of planes a passenger embarks on in the progress of a continuous one-way trip, transport minister Jean Marchand announced today.
>
> In his news release of yesterday, Mr. Marchand announced that the airport charge will be levied as soon as the administrative details can be worked out. To clarify questions which have arisen, Mr. Marchand said there will be only one charge regardless of how many planes a passenger embarks on in the course of a continuous one-way trip.

This answer obviously affects to a major degree people flying on shorter airline routes. It is true that achieving reasonable equity in the collection of this charge, while at the same time minimizing the impact on any particular group who use the airport facilities, is a difficult task. The earlier proposal for an air transportation tax had the advantage of being directly related to air fares and thus in relative terms it appeared less onerous. However, while the impact of the transportation tax may have appeared less severe, in terms of equity based on use of facilities it had obvious undesirable features. The current airport charge which is to be collected from the air carriers at the rate of $2.80 per enplaning passenger is in fact almost directly proportional to passenger use of airport facilities.

The airport charge is levied on the carriers. It is not yet clear how they will choose to recover the costs involved. However, in the competitive air travel market it may be that strategic pricing will require the adjustment of any particular air fare by more or less than the amount of the airport charge. Until carriers have obtained approval for any revisions to tariffs it will be difficult to know what the final impact of the airport charge will be.

It is intended that the levy on air carriers of $2.80 per passenger will remove a portion of airport facilities' costs from the general taxpayer and will have them borne by those who choose to travel by air. This, in my view, is a significant step in achieving equity and fairness in the allocation of airport costs.

Motion agreed to and the House adjourned at 10.30 p.m.

HOUSE OF COMMONS

Friday, December 14, 1973

The House met at 11 a.m.

ROUTINE PROCEEDINGS

[*English*]

COMMITTEES OF THE HOUSE

FOOD PRICES

Third report of Special Committee on Trends in Food Prices—Mr. Cullen.

PRIVILEGES AND ELECTIONS

Third report of Standing Committee on Privileges and Elections—Mr. Stewart (Okanagan-Kootenay).

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

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[*Translation*]

DRUGS

TABLING OF FINAL REPORT OF COMMISSION ON NON-MEDICAL USE OF DRUGS

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, in conformity with the terms of Standing Order 41(2), I have the honour of tabling, in the two official languages, the final report of the Commission of Inquiry into the Non-medical Use of Drugs.

* * *

[*English*]

INDUSTRY

CLOSING OF HAWKER SIDDELEY FORGE OPERATION—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I rise pursuant to Standing Order 43 on a matter of urgent and pressing necessity. In view of the action presently under way by the management of Hawker Siddeley Canada Limited to dismantle their forge at Trenton, Nova Scotia, the largest such operation in Canada, in view of the great strategic and industrial importance of this unique facility to Canada, and in view of the possible efforts that this course of action will have on the work force of Hawker Siddeley's Trenton operations, as well as the interests of the industries which have grown to depend on the capacity of this forge for special projects, I move, seconded by the hon. member for Egmont (Mr. MacDonald):

That the Minister of Regional Economic Expansion and the Minister of Industry, Trade and Commerce forthwith instruct the management of Hawker Siddeley Canada Ltd. to immediately cease the dismantling of this unique forge and the machine shop used in connection therewith, until suitable alternatives have been discussed and arranged.

Mr. Speaker: The House has heard the motion proposed by the hon. member for Central Nova. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent.

* * *

FINANCE

TABLING OF REPORT OF SUPERINTENDENT OF INSURANCE ON SMALL LOANS COMPANIES AND MONEY LENDERS FOR YEAR ENDED DECEMBER 31, 1972

Hon. John N. Turner (Minister of Finance): Mr. Speaker, pursuant to Standing Order 41(2) I should like to table a copy of the report of the Superintendent of Insurance for Canada for the year ended December 31, 1972, on small loans companies and money lenders licensed under the Small Loans Act.

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YOUTH

GOVERNMENT POLICY RESPECTING PROGRAMS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, I have a motion to move under Standing Order 43. Because of two recent actions within the Department of the Secretary of State, the shifting of Opportunities for Youth to Manpower and the failure to complete an evaluation of all summer youth programs, both indicating a major government policy shift, I move, seconded by the hon. member for Sault Ste. Marie (Mr. Symes):

That this House urge the Secretary of State to make an early statement outlining the reasons for the abandonment of any youth policy despite glowing promises by the Prime Minister two years ago and the spending of millions of tax dollars on this aborted policy.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity.

Oil Export Charge Act

ENERGY

OIL PIPELINE EXTENSION—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent necessity. In view of the Prime Minister's announcement on Thursday of last week that the oil pipeline will be extended to Montreal, and in view of the great potential for industrial development in Northern Ontario if such a pipeline were built through that region, I move, seconded by the hon. member for Sault Ste. Marie (Mr. Symes):

That this House recommends to the government the building of the extension of the Montreal pipeline through Northern Ontario.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity. Introduction of bills. First reading of Senate public bills. Government notices of motions. Oral question period. Is the Minister of Finance rising on a point of order?

Hon. John N. Turner (Minister of Finance): On a point of order, Mr. Speaker, did Your Honour call introduction of bills?

Mr. Speaker: I did, quite some time ago. Is it the wish of hon. members that we return to that item?

Some hon. Members: Agreed.

Mr. Stanfield: Mr. Speaker, just to indicate how anxious we are to co-operate with the government even when it makes mistakes, we would be very pleased to revert to the order for the introduction of bills.

* * *

OIL EXPORT CHARGE ACT

PROVISION OF EXPORT CHARGE, OIL EXPORT TAX UNDER EXCISE ACT AND ALLOCATION OF REVENUES FROM TAX

Hon. John N. Turner (Minister of Finance) moved for leave to introduce Bill C-245, to impose a charge on the export of crude oil from Canada, to impose an oil export tax under the Excise Act and to allocate certain of the revenues derived from the oil export tax.

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

[Mr. Speaker.]

• (1110)

ORAL QUESTION PERIOD

[*English*]

ENERGY

DOMESTIC OIL PRICING—STAGING IN OF INCREASES NEXT YEAR—MINISTER'S POSITION ON DISCUSSION WITH SASKATCHEWAN PREMIER BEFORE FIRST MINISTER'S CONFERENCE

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources, and I will give him an opportunity to return to his seat. I should like to ask the minister if he is now prepared to hold consultations with the premier of Saskatchewan with a view to resolving any differences between the two levels of government on domestic oil pricing arrangements before the first ministers' conference next month and in particular, has the minister undertaken to seek out the views of the province of Saskatchewan toward staging in oil price increases next year?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I have had the opportunity of talking to the premier and I suggested to him that in advance of the federal-provincial conference it might be desirable to postpone the application date of his new legislation at least until February 1. He took that under advisement.

INCREASE IN CRUDE OIL PRICE PROPOSED BY SASKATCHEWAN—REQUEST THAT PRIME MINISTER PERSONALLY INTERVENE WITH PREMIER

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, I should like to direct a question to the Prime Minister. In view of the comment of the Minister of Energy, Mines and Resources that the question is under advisement concerning the proposed increase in the price of crude oil in Saskatchewan, and bearing in mind that such an increase might result in an extra cost of $100 million to the consumers of Canada, will the Prime Minister personally intervene with the premier of Saskatchewan on this matter?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am not quite sure in what sense the suggestion is constructive. I know it is understood that we are going to discuss this matter at the January conference of first ministers. The principle on which the government is going to proceed was put before the House in my statement last week, and we will discuss on this basis with all the premiers. I imagine there will be some consultation in advance, but I see no purpose at this stage in talking personally to Premier Blakeney.

STUDY OF IMPACT OF PROPOSED INCREASE BY SASKATCHEWAN IN CRUDE OIL PRICE

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, I should like to put a further supplementary to the Minister of Energy, Mines and Resources. Has his department completed or do they have under way any study of what in fact will be the impact on the consuming public and

industry in Canada should Saskatchewan increase the price of its crude oil as suggested by about $2 per barrel?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, the impact of further price increases at the instance of any of the producing provinces is a matter that has been under study.

OIL PIPELINE EXTENSION TO MONTREAL—STEPS TO AVOID DELAY IN COMMENCEMENT OF CONSTRUCTION

Mr. David Lewis (York South): Mr. Speaker, I should like to ask a question of the Minister of Energy, Mines and Resources arising out of a story in this morning's Montreal *Gazette* that the president of Interprovincial Pipe Lines, Mr. Waldon, appears to be of the opinion that work on the extension of the pipeline to Montreal may not be started or will not be started until the spring of 1975, with the result that there will be another year's delay in the pipeline coming on stream. Is the government taking energetic steps to avoid the delay which the president of Interprovincial Pipe Lines apparently expects and perhaps even welcomes?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, it strikes me that Mr. Waldon's comments were related to the length of the regulatory proceedings that would precede construction and the possibility of telescoping the time frame of those proceedings without doing prejudice to the public interest required by the National Energy Board Act. This is something that we have had under discussion with the board.

Mr. Lewis: May I ask the minister what precise steps, if any, have been taken to make sure that the hearings by the National Energy Board will not take the time that Mr. Waldon suggests they might, and whether in fact the two sets of hearings might not be held simultaneously by panels of the board in order to avoid the rather dangerous delay suggested by the president of the pipeline company?

Mr. Macdonald (Rosedale): Mr. Speaker, we will want to respect the responsibility of the board toward its procedures, but we are bringing to the board's attention the general public concern that there should not be undue delay in this regard.

REPLY TO DEMANDS BY SYNCRUDE CONSORTIUM

Mr. David Lewis (York South): The Minister of Energy, Mines and Resources is, of course, aware of the fact that Syncrude made certain demands on the federal government. They first asked for a reply by November 16 and then decided to extend that a month to December 16, which is next Sunday. What demands has the Syncrude consortium made and has the federal government replied to any of those demands?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I believe my colleague, the Minister of Finance, has dealt with the response in relation to the taxation problem. I think a brief summary of that would be that the parties to the transaction have amended the nature of the transaction so that it would fit within the federal income tax law as it exists rather than requiring an amendment or some kind of special exemption. With regard to the question of pricing in particular, the companies had inquired as to the prospects of there being an assured price for the Syncrude product at a level which would enable the development to go ahead. We have indicated to them, in line with the comments made by the Prime Minister in his statement of last week, that a pricing policy would be envisaged which would enable higher cost resources to be brought on stream. One further element would be the risk of the project having to be run at less than optimum capacity because of shut-in requirements. We have agreed that the tar sands project, because of the necessity to have an optimum operation, would not be subject to the same risk of being shut in as would, for example, a conventional well.

* * *

[*Translation*]

MANPOWER

LOCAL INITIATIVES PROGRAM—REPORTED KIDNAPPING OF TWO PUBLIC SERVANTS IN RIMOUSKI

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I have a question for the right hon. Prime Minister.

In view of the delays of the Department of Manpower and Immigration in accepting local initiatives programs, because of which two federal employees were kidnapped in Rimouski this morning, does the Prime Minister intend to intervene directly with the department to get those projects approved on the double?

[*English*]

Mr. Mark MacGuigan (Parliamentary Secretary to Minister of Manpower and Immigration): Mr. Speaker, the department is aware of this matter. The minister is returning from Toronto to give personal attention to it and in the meantime all proper steps are being taken.

* * *

ENERGY

OIL—MEASURES TO ASSIST EASTERN CANADIANS TO COPE WITH HIGH PRICES

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I have a question for the Prime Minister. In view of the right hon. gentleman's advice to eastern Canada two days ago, "If you cannot afford foreign oil, don't buy it," I wonder if he could indicate briefly what plans the government has for this winter, perhaps in conjunction with provincial administrations, to provide some alternative source of fuel, or does he have any policy in this regard?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I think the hon. gentleman has misconstrued my remarks.

Mr. Hees: You said it. We heard it. It is that simple.

Mr. Trudeau: The question seems to have been, what would we do to make sure that the price of offshore oil

would be lowered, or something along those lines. With regard to the consuming end, we have indicated various responses. I summed them up in my speech. I would refer the hon. member to it. I would also remind him that we suggested that in January we would be discussing with the provinces the measures or approaches we might take jointly to meet any further problems that might subsist.

Mr. MacKay: I thank the Prime Minister for his very interesting answer. I do not want in any way to be unfair to him, but he did say a couple of days ago, as recorded at page 8669 of *Hansard*, that the federal government can in no way determine the price at which—

Mr. Speaker: Order, please. I wonder whether we might not try to have questions rather than debate. Perhaps the hon. member could ask the question directly rather than referring to a prior statement. It might be easier for the Chair if that were done.

Mr. MacKay: All right, Mr. Speaker. Perhaps the right hon. gentleman could indicate to us what specific measures he has for the short term. I indicated to him before that I wondered whether he was considering a short term subsidy or some other means to protect the people of the five eastern provinces of Canada from the very critical situation which is compounded by problems of transportation and supply from offshore sources. Surely he must have some specific measure so the people of eastern Canada will know how they are going to heat their homes this winter.

Mr. Trudeau: Yes, Mr. Speaker. In an earlier statement I indicated that the Minister of National Health and Welfare had communicated with the provinces, for instance, to ensure that our Canada Assistance Plan payments would be adequate to help those who are on welfare. I also indicated the escalation of various payments, family allowances and so on, which are now going toward offsetting the higher cost of living.

Mr. Hees: Give them a little welfare and hope they make it.

● (1120)

Mr. Trudeau: If the hon. member is arguing that the federal government alone should bear the responsibility for these higher prices, I would just say that is not our view. Those provinces have for many years benefited from lower world prices compared with the people west of the Ottawa Valley line.

Mr. Hees: So let them freeze now.

Mr. Trudeau: It is not a question of letting them freeze. It is a question of who should pay the subsidy. I do not think the federal government should assume, as hon. members opposite are, that the taxpayers of all Canada should alone subsidize the people of certain provinces. I think the provincial governments themselves have some responsibility in this regard, particularly in view of the fact for years they have levied higher taxes on that cheaper oil in their provinces.

[Mr. Trudeau.]

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a supplementary question for the Prime Minister. Because of the fact that for a number of years there has been a balance in favour of Quebec and the eastern provinces in terms of the price of crude which never exceeded 50 cents a barrel, is it the Prime Minister's position that this justifies a national policy which involves the five eastern provinces paying perhaps an additional $3 a barrel? Is it the position of the Prime Minister that, because there has been a balance, sometimes as much as 50 cents a barrel, in favour of the Atlantic provinces and Quebec in terms of the price of crude, those provinces should be left to bear the cost of crude oil running as much as $3 or more a barrel more than the rest of Canada?

Mr. Trudeau: No, Mr. Speaker. It is the government's position that the provincial governments have some responsibility in assisting the citizens of their provinces, that the federal taxpayer, that is to say, taxpayers from every part of Canada, should not be asked to subsidize a loan to the eastern consumers in this particular circumstance. The government intends bringing forth propositions to the federal-provincial conference—

An hon. Member: What are they?

Mr. Hees: There are six very cold weeks ahead.

Mr. Trudeau: If members opposite would support us in a unilateral declaration policy, I would be glad to state it now, but they have often been urging us to consult with the provinces.

Mr. Hees: You have not got a policy.

Mr. Trudeau: George, I think you should go back to the time when you just contented yourself with looking like Gorgeous George.

Some hon. Members: Hear, hear!

Mr. Hees: I am getting to him. The Prime Minister says, let them burn wood. That is his policy.

Mr. Speaker: Order, please. Perhaps the Prime Minister might be allowed to repeat his reply. There are a few supplementaries by the hon. member for Central Nova and the hon. member for St. John's East. We will then try to move on.

Mr. Hees: I didn't know I could get under your skin so well.

Mr. Trudeau: The hon. member does not get under my skin with the knife he put under the skin of his former leader.

Some hon. Members: Oh, oh!

Mr. Hees: You are frightfully funny this morning. Let's get back now to your wood burning policy.

Mr. Trudeau: I must repeat that I do not assume that the federal government must in every case subsidize citizens of some provinces when the provincial governments themselves have just received $190 million in equalization

funds over and above the amount received in previous years. They have received this as a result of a change in the equalization policy. I believe they have some responsibility toward their own citizens, and I am a little surprised that federal Members of Parliament sitting opposite have no more concern for the federal taxpayers than they do.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. MacKay: Mr. Speaker, I have what I hope is a reasonably non-argumentative supplementary for the right hon. gentleman. I am not suggesting to the Prime Minister that the federal government bear the entire responsibility, but I should like to ask him whether he is prepared to consider on a short-term basis a measure, for example, reducing to some extent the federal sales tax on gasoline, or something else to help us, because it was the neglect of this government to build a pipeline that put us into this position in the first place.

Mr. Hees: We suggested it four years ago, and you know it.

Some hon. Members: Oh, oh!

Mr. Trudeau: I certainly accept the representation made by the hon. member, but I put it to him and, indeed, to the provincial governments that they, too, might consider reducing their gasoline taxes.

Mr. Hees: And if they did, would you?

An hon. Member: Give your backbenchers a chance.

Mr. Speaker: Order, please. The Prime Minister might be allowed to reply to the question. There are a number of supplementaries. For the moment the Prime Minister has the floor.

Mr. Trudeau: This is the kind of subject we shall be discussing at the federal-provincial conference. I hope the provinces will come to that conference prepared to pay some money. The easy solution of equalization would mean we would take all the money from Alberta and redistribute it to the eastern provinces. I see the hon. member is shaking his head. I hope he and his friends will indicate whether they have some alternative approach which might be useful for the federal-provincial conference in January.

Mr. James A. McGrath (St. John's East): In view of the fact the five eastern provinces have taxed their people to the limit of their capacity to pay and in view of the additional expenditures these provinces have to undertake because of excessively high unemployment, may I ask the Prime Minister whether he is prepared at the federal-provincial conference in January to increase equalization payments to these five provinces so they can reduce their taxes on gasoline?

Mr. Trudeau: Mr. Speaker, the House should realize that as the revenues to Alberta go up because of eventual increases in the price of petroleum the consequences in regard to equalization payments will be of very great magnitude, and that through the very operation of the equalization system these massive new revenues to Alberta will be redistributed through that system to the have-not provinces. This should be kept in mind by members over there who are always urging the federal government to place an even heavier burden upon federal taxpayers so as to help their own provinces. I must urge them to act as representatives of all Canadians and not only of one particular province.

Mr. Speaker: Order, please. Perhaps we might have a last supplementary on this subject, after which I will see the hon. member for Fraser Valley West.

• (1130)

APPLICATION OF EXPORT TAX TO DOMESTIC OIL SHIPPED VIA PANAMA CANAL TO EASTERN CANADA—PRICES AT WEST COAST AND MONTREAL

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I should like to direct two questions to the Minister of Energy, Mines and Resources. Will he give the House an assurance that both export charges and export taxes on crude oil moving from the west coast through the Panama Canal either to Portland and into the pipeline there or to Halifax or Port Hawkesbury will in fact not be included in the final price of the oil when it winds up on the consumer's doorstep, and at the same time will he indicate the difference in the price of oil as it comes out of the Trans Mountain pipeline on the west coast and the price when it comes out of the pipeline at Montreal?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, in reply to the first question, the export tax would, of course, be applicable in respect of exports to foreign locations only. To the extent that oil was received through the Portland pipeline the tax would not be applicable or would be subject to a drawback. It would seem to me that the hon. gentleman's second point was not a question. Could he reformulate it? I did not quite follow him.

Mr. Forrestall: Mr. Speaker, I asked the minister whether he could advise the House as to the cost of oil per barrel or ton coming out of the pipeline on the west coast as opposed to the cost of oil coming out of the pipeline at Montreal? I would suggest that you do have to pay an export tax in order to move oil through the Panama Canal.

Mr. Macdonald (Rosedale): You do not have to pay a Canadian export tax for this purpose.

Mr. Stanfield: Yes, you do; you are collecting it now.

Mr. Macdonald (Rosedale): With regard to the question of cost, Mr. Speaker, the cost difference depends really on the tanker charges through the Panama Canal, which vary from tanker to tanker. I cannot give the hon. gentleman a figure this morning, but it would certainly be possible to compare the tanker charges from Sarnia and Toronto to Montreal with the tanker charges through the Panama Canal.

Oral Questions

YOUTH

ALLEGED ABANDONMENT OF PROGRAMS—REQUEST FOR STATEMENT

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, my question is directed to the Secretary of State and is related to my motion under Standing Order 43. I should like to ask whether the minister intends to make an early statement outlining the reasons behind the abandonment by his department of youth programs?

Hon. James Hugh Faulkner (Secretary of State): Mr. Speaker, there has been no abandonment by my department of youth programs, and I think the hon. member knows that. I think what he really wants to know is when an announcement will be made about the student summer employment program. There will be an announcement made in that regard, I suspect, sometime in January.

Mr. Rose: In view of the fact that after two years there has been no youth report and the Opportunities for Youth Program is about to be transferred to the Department of Manpower and Immigration and therefore there is no youth policy or program, will the minister please indicate whether the problems in this regard have to do with in-fighting in his department, incompetence on the part of the minister or both?

Mr. Speaker: Order, please.

An hon. Member: Do you still beat your wife?

Mr. Speaker: Order, please. A question asked in those terms is obviously not in order.

* * *

FINANCE

MONETARY REFORM—INFLATION—REQUEST FOR REPORT ON CONSIDERATION BY INTERNATIONAL BODIES

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my question is directed to the Minister of Finance. Would he be prepared to make a statement to the House this coming week reporting on the progress or lack thereof being made by the Committee of 20 in dealing with international monetary reform? This is a longstanding problem and the minister has been particularly silent on it. In addition, will he see what efforts are being made in relation to the World Bank, and whether there is some formula for combatting inflation other than extraordinarily high interest rates because in Canada we have had a further increase in the bank prime rate?

Mr. Speaker: Order, please.

Hon. John N. Turner (Minister of Finance): Mr. Speaker, dealing with the latter point first, I made that point at the last meeting in Nairobi, that is, the effect of high interest rate structures of certain major industrial nations on other countries. As the hon. gentleman will recall, I made a report to the House when I came back from that meeting. The next meeting of the Group of 20 will be in Rome on January 17 and 18, and I would think the appropriate time to report to the House would be at the earliest opportunity after that date.

[Mr. Macdonald (Rosedale).]

* * *

[*Translation*]

EXTERNAL AFFAIRS

CANADIAN POLICY RESPECTING ISRAEL AND ARAB STATES

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I have a question for the Secretary of State for External Affairs.

As all Commonwealth countries except Canada have already rejected Israeli claims to Arab territories taken over through violence, can the minister tell us whether he intends to apply, in the near future, a Canadian policy that agrees with that of the other countries of the Commonwealth?

[*English*]

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, as I said yesterday in the House of Commons, the policy of Canada with respect to the Middle East conflict was expressed by me in the House on October 16, and I have no intention of changing it.

* * *

[*Translation*]

ENERGY

REQUEST THAT SALES TAX ON FIREWOOD BE ABOLISHED

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, I should like to direct a question to the right hon. Prime Minister.

As is reported on page 8670 of *Hansard*, he said last Wednesday, in reply to the question asked by the hon. member for Central Nova, that if the people in Quebec and the other eastern provinces find the cost of oil too high, they do not have to buy it. Mr. Speaker, will the right hon. Prime Minister then recommend to the Minister of Finance that he abolish the sales tax on firewood?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the hon. member has certainly misunderstood the reply and the question. The question was: What will the government do to lower offshore prices? I replied that we could do nothing to prevent the Arab countries and Venezuela from selling us their oil at the price that they judge adequate. As for the hon. member's request, I shall put it down on the agenda of our discussions with the eastern provinces, and I repeat that the equalization system will be of great help to the provinces. They will also profit from the income tax on the new family allowances and I believe that this will bring them about $125 million.

So, Mr. Speaker, I would suggest to the hon. member that he be more considerate towards federal taxpayers and not try to lay on them the burden of the provinces.

Mr. Speaker: Order.

[*English*]

Mr. Grafftey: Mr. Speaker, in order to clarify the situation I rise on a point of order. I point out very briefly, and without being contentious, that the right hon. Prime Minister said, as found on page 8670 of *Hansard* for Wednesday, in reply to a question by the hon. member for Central Nova:

> The only remedy we or the provinces have if we do not want to pay that price is not to take the oil.

That is little comfort to the people of eastern Canada, and I would ask the Prime Minister—

Mr. Speaker: Order, please. If the hon. member has a supplementary question he will be recognized for that purpose.

Mr. Hees: He said, let them burn wood.

Mr. Grafftey: That being government policy as announced by the Prime Minister, what specific recommendations or plans does the government have for eastern Canadians this winter, especially those on low incomes? This is why I suggested quite seriously that the Prime Minister might suggest to the Minister of Finance that he abolish the sales tax on firewood and wood heaters.

Mr. Trudeau: Mr. Speaker, I have just spoken to the Minister of Finance and he tells me there is no sales tax on firewood.

Some hon. Members: Oh, oh!

Mr. Hees: So now they can follow the Prime Minister's instructions and burn wood.

Mr. Speaker: Order, please. I recognize the hon. member for Regina-Lake Centre.

Mr. MacKay: Mr. Speaker, on a point of order—

Mr. Speaker: Order, please. I apologize to the hon. member for Regina-Lake Centre, but the hon. member for Central Nova rises on a point of order.

Mr. MacKay: Mr. Speaker, I apologize to you, Sir, for rising on a point of order, but I am sure the Prime Minister would not want to be unfair to me by attributing a different connotation to the question I asked. I did not suggest to the Prime Minister—upon reflection I am sure he will agree—that there was anything he or his government could do to prevent foreign governments from raising the price of oil. I am sure he will agree with that if he looks at *Hansard*. The purport of my question I thought was quite clear. What did he intend to do when the price of oil reached a certain level making it very difficult for people of eastern Canada to afford it?

Mr. Speaker: The hon. member for Regina-Lake Centre.

Oral Questions

TRANSPORT

REQUIREMENT THAT RAILWAYS PROVIDE PROVINCES WITH INFORMATION ON COSTS

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, my question is for the Minister of Transport. In view of news reports that the minister has given the Canadian railways ten days to open their books to the governments of the four western provinces in order to provide financial and other statistical data regarding rail transportation costs, and in view of further reports that failure by the railways to comply will result in legislation compelling them to do so, will the minister advise when he first made the request for such information following the Western Economic Opportunities Conference, have the railways since then refused to provide such information, and when was the ten days' grace given to them?

[*Translation*]

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, the provinces have asked us that the costs be disclosed in July. This request was immediately forwarded to the Canadian Transport Commission. The commission has felt that there could be some legal objections to the disclosure of costs. I then communicated directly with the railway companies two days ago asking them to cooperate by advising me of all the costs concerning the establishment of the tariff and I have given them till December 21, some ten days to answer yes or no. If the railway companies refuse to disclose the costs, obviously for legal reasons and if those reasons are valid, there will be no other alternative than to ask the House to compel the railway companies to disclose them.

[*English*]

Mr. Benjamin: In view of the fact the four western provinces are to be provided with this information, whatever it takes to get it from the railways, and in view of the rail transportation problems in the rest of the country, would the minister advise whether the government is now prepared to require the railways to provide the same information to all provinces, particularly the Atlantic provinces where rail transportation difficulties are also apparent?

[*Translation*]

Mr. Marchand (Langelier): Mr. Speaker, there is no doubt that this policy applies throughout Canada and that we are prepared to provide, on a confidential basis, all components of rail transportation costs.

[*English*]

Mr. Speaker: The hon. member for Athabasca.

Mr. Yewchuk: Mr. Speaker, my question is supplementary to a question previously put to the Minister of—

Mr. Speaker: Order, please. The Chair thought the hon. member had a supplementary to the question now before the House. I understand the hon. member for Saskatoon-Biggar has a supplementary to the question just asked.

● (1140)

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, I have a supplementary question for the Minister of Trans-

port. In view of the fact that last night before the standing committee the Commissioner of the Canadian Wheat Board said it would be necessary for the government to buy a total of 20,000 hopper cars over a period of years in order to move western grain efficiently, will this cost investigation cover rolling stock as well as track and roadbed costs? In other words, will the railways be asked to provide information on rolling stock costs also?

[*Translation*]

Mr. Marchand (Langelier): Mr. Speaker, the type of cars that the hon. member is referring to were paid in the past by the federal government and not by the railway companies.

Now, concerning what will happen in the future, I can really not answer because this is a hypothetical question.

[*English*]

Mr. Gleave: A further supplementary—

Mr. Speaker: Order, please. The hon. member will be recognized for a last supplementary, followed by the hon. member for Athabasca.

Mr. Gleave: Since the cost of rolling stock, including motive power, and roadbed costs are all integral parts of operating a rail transportation system, will this investigation extend to the cost of purchasing and maintaining the necessary rolling stock to run a railroad?

[*Translation*]

Mr. Marchand (Langelier): Mr. Speaker, the initiative of requesting cost distribution belongs to the provinces. In fact, the Prime Minister has offered to the provinces to provide confidentially the required information concerning costs. Now, I could not say what type of information the provinces are going to request. And if they request the type of information that the hon. member indicates, they will get it, of course.

* * *

[*English*]

ENERGY

OIL—AUTHORITY FOR GOVERNMENT TO SHARE IN REVENUE FROM EXPORT CHARGE AFTER FEBRUARY 1 NEXT

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, my supplementary question is directed to the Minister of Energy, Mines and Resources. He has indicated that the export tax will be returned to the producing provinces and also that after February 1 next the export charge will be a matter for discussion between the federal and the provincial governments, which can only be interpreted to mean that the federal government intends to take a share of that revenue after February 1. Could the minister indicate under what authority the situation will change as of February 1 that will entitle him to a share of that revenue to which he is not entitled at the present time?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): I would turn it the other way around, Mr. Speaker. On the assumption that the export charge is collected, it would all go into the Consolidated Revenue Fund unless parliament decided to appropriate it for the provinces.

Mr. Speaker: Order, please. There are less than five minutes to go before the end of the question period. We should try to move on before the end of the question period.

POSITION OF PRIME MINISTER ON POSSIBILITY OF COMPLETING OIL PIPELINE EXTENSION BY END OF 1975

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I should like to direct a question to the Prime Minister as soon as he gets back to his seat. It is based on his statement of November 22, I believe, in which he said in part that "I am now confident that we can complete the pipeline to eastern Canada by the end of 1975." Would the Prime Minister advise the House whether in fact, as a result of the statement by Mr. Waldon, he still stands by that statement, or will he now state he was misinformed and in error?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, if the hon. member had been in his seat and listening he probably would have heard the answer given by the Minister of Energy, Mines and Resources to a question along those lines earlier in the session today.

Mr. Alexander: I did not ask a question of the minister and he did not answer me. I am asking the Prime Minister this question: Will he now state that he is confident the government can complete the pipeline to eastern Canada by the end of 1975, built on the confidence he had on November 22? Does he still stand by that statement? That is all I am asking him.

Mr. Trudeau: Yes, Mr. Speaker.

Mr. Alexander: Mr. Speaker, I would like to know whether the Prime Minister said yes or no.

Mr. Stanfield: He said yes.

Mr. Alexander: He is nodding his head so he said yes. He is petulant again.

Mr. Sharp: Grow up.

Mr. Alexander: Mr. Speaker, I asked the Prime Minister a simple question and he tried to fob me off to the Minister of Energy, Mines and Resources. Now we know that the pipeline will be built by the end of 1975. My supplementary is this, my dear Mr. Prime Minister—

Mr. Speaker: Order, please. The hon. member should direct his question to the Speaker. May I remind hon. members that there are now only three minutes left before the end of the question period.

Mr. Alexander: I am sorry, Mr. Speaker. I wish to ask the Prime Minister a simple supplementary. I have information to the effect that steel will not be available until February or March of 1975, which is somewhat in line with the statement made by Mr. Waldon. Can the Prime Minister indicate whether that is a fact, or does he know whether in fact sufficient steel will be available prior to

that time in order that the pipeline can be completed by the end of 1975?

Mr. Trudeau: Mr. Speaker, I am informed that steel would not be a problem that would be incapable of resolution. I think this line of questioning just points out that the Tories always stand for gloom and doom.

Some hon. Members: Hear, hear!

Mr. Alexander: Mr. Speaker, I rise on a question of privilege. I dislike taking the time to reply to the Prime Minister who seems to have found his old form in the past couple of weeks. We are asking questions because of the conflicting statements coming from the government in the last couple of weeks, which have left many of the people of Canada in confusion. All we are trying to ascertain on this side of the House are the answers to very important questions that have nothing to do with gloom and doom and are asked only to get sufficient information in order that the people of Canada can know what the hell is going on around here.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please.

RESPONSE TO REQUEST OF NOVA SCOTIA AND NEW BRUNSWICK PREMIERS FOR ASSISTANCE IN MEETING HIGH OIL PRODUCT PRICES

Mr. David MacDonald (Egmont): Mr. Speaker, my question is directed to the Prime Minister. Has the Prime Minister yet responded to the request of the premiers of Nova Scotia and New Brunswick to provide some form of direct assistance or equalization with respect to the very rapid increase in the price of petroleum products in eastern Canada, particularly heating fuel where there has been an increase of 20 to 25 per cent since September? Would he indicate what response there has been by the government to the request from those two premiers in particular?

● (1150)

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I have invited them to attend a federal-provincial conference where these matters will be discussed and, hopefully, solved by getting the taxpayers of Ontario, British Columbia and Alberta particularly to pay supplementary taxes in order to help the province of the hon. member.

Mr. MacDonald (Egmont): In light of the fact that earlier today the Prime Minister indicated that proposals would be put forward with respect to the very serious situation in eastern Canada—I hope he is not attempting in some facetious way to minimize the impact of that situation—I wonder whether he, the Minister of Energy, Mines and Resources and other appropriate ministers would be willing, since this conference will not take place for six weeks and presumably it will be some time after that before a definite decision can be arrived at, and in view of the increasing difficulty in eastern Canada now, to have a meeting before Christmas with the five eastern premiers or their responsible ministers to try to work out an interim plan in the same way as the government has agreed to an interim plan for the remaining part of the country?

Mr. Speaker: Order, please. Perhaps the Prime Minister might be allowed to reply.

Mr. Trudeau: Mr. Speaker, I would repeat in another form the answer I gave previously, that if the premiers of these provinces are doing their homework, and I assume they are, they will realize that they will receive through the equalization grants massive sums of money—

Mr. Hees: That old, cracked record.

Mr. Trudeau: —arising from the higher prices which will eventually go to the Alberta petroleum producers. These massive sums of money will be available through the redistribution formula to the so-called have-not provinces, the five eastern provinces. I just put it once again before the members of the Tory opposition that they should consider that a further undertaking by the federal government to raise taxes across Canada once more in order to help these provinces should certainly be held in abeyance until after the impact of the equalization grants is understood by hon. members opposite.

Mr. Speaker: Order, please. We are reaching the end of the question period. The Chair will recognize the hon. member for South Shore on a supplementary and then call orders of the day.

Mr. MacDonald (Egmont): I rise on a point of order.

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

Mr. MacDonald (Egmont): I think that consistently throughout the question period this morning the Prime Minister has deliberately misrepresented the function of the federal government.

Some hon. Members: Order!

Mr. Speaker: Order, please.

Mr. MacDonald (Egmont): It is not good enough—

Some hon. Members: Oh, oh!

An hon. Member: Shame!

Mr. MacDonald (Egmont): It is not good enough to have this kind of misrepresentation—

Mr. Speaker: Order, please. I think I have to bring to the attention of hon. members that during the question period we have had argument and points of order but very few questions during the 40 minutes.

Some hon. Members: Hear, hear!

Mr. Speaker: We are at the end of the question period, and with every question and every answer we have had debate. I am not referring only to questions but to answers also. Let us say that every exchange has been a debate more than a series of questions and answers. This may be very interesting and fascinating from the point of view of

the Chair and hon. members, but we reach the end of the question period without the Chair having been able to see as many members as I am sure all hon. members would want the Chair to recognize. That is why I thought I would invite hon. members to reflect on this aspect of the question period. I am still trying to see the hon. member for South Shore.

Mr. MacDonald (Egmont): On a point of order, Mr. Speaker—

Mr. Speaker: I will recognize the hon. member on his point of order.

Mr. MacDonald (Egmont): I agree with you, Sir, about the lack of progress that has been made in the question period, but I would hope Your Honour and other hon. members would analyse the impact of the Prime Minister insisting continually during the question period on dealing in a facetious way with essential questions on important matters.

Some hon. Members: Hear, hear!

Some hon. Members: Order!

Mr. Speaker: Order, please. The hon. member's comment is not helpful at all. I think we should try to finish the question period on another note. I am sure the hon. member for South Shore will have an entirely non-controversial question to ask, and following the answer I will call orders of the day.

* * *

GRAIN

STEPS TO OVERCOME SHORTAGE OF FEED GRAIN IN ATLANTIC PROVINCES

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I do have a question dealing with an urgent and pressing problem of the people of Atlantic Canada and I should like to direct it to the right hon. Prime Minister. Having regard to persistent reports that many feed grain users in eastern Canada now have only one week's supply of feed grains or less, can the Prime Minister tell the House what specific plans the government now hopes to implement to help in this serious situation?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I will take notice of that question.

Mr. Speaker: Orders of the day.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order, and I hope the government House leader will not walk out.

An hon. Member: Come back here, Allan, and sit down.

Mr. Knowles (Winnipeg North Centre): My point of order arises out of comments I have heard from members in all parties during the last 24 hours. In view of the fact that at four o'clock today we shall be dealing with public bills, I wonder if there could be agreement to a House order that at that time we proceed to order No. 86 which is my Bill C-10 calling for the abolition of the Senate.

An hon. Member: Do we have one for the abolition of Stanley?

GOVERNMENT ORDERS

[*English*]

ENERGY SUPPLIES EMERGENCY ACT

MEASURE TO PROVIDE FOR ALLOCATION BOARD, MANDATORY ALLOCATION OF SUPPLIES AND RATIONING OF CONTROLLED PRODUCTS

The House resumed from Thursday, December 13, consideration of the motion of Mr. Macdonald (Rosedale) that Bill C-236, to provide a means to conserve the supplies of petroleum products within Canada during periods of national emergency caused by shortages or marked disturbances affecting the national security and welfare and the economic stability of Canada and to amend the National Energy Board Act, be read the second time and referred to the Standing Committee on National Resources and Public Works.

Mr. Bert Hargrave (Medicine Hat): Mr. Speaker, last night when I called it ten o'clock I was commenting on how important historically and currently energy in the form of natural gas is to my constituency of Medicine Hat and in particular to the city of Medicine Hat. I had given some specific examples of what natural gas had done for my city, and I had concluded at ten o'clock by saying that all of Canada will benefit from the end product of this activity plus the export of surplus natural gas to central Canada. I added that it is not an exaggeration to suggest that both the city and the rural communities served by Medicine Hat and Redcliff have waited some 70 odd years for this pay off.

I want to give hon. members a personal glimpse of what energy means to me as a landowner. Thanks to the foresight of my grandfather and my father I have been most fortunate in that I presently own the mineral rights to a section of my cattle range. The deed or title to this land not only signifies my right to the surface, but with respect to the minerals under that surface it reads something like this, and I am paraphrasing here from memory. It gives me the rights to all mines and minerals except gold and silver which may be found to exist within upon, or under, and includes precious stones but excludes all coal, which is reserved for the Canadian Pacific Railway.

That is the way in which a deed reads in Alberta with respect to the mineral rights on lands which some of us who are fortunate still own. For 42 years, since our natural resources were returned to the province, mineral right taxes have been paid on this land just like the surface land tax, both payable to the government of Alberta.

There is a very important and fundamental issue at stake here that strikes at the very roots of private enterprise. This is a pillar of my own personal way of life. I refer to the fact, Mr. Speaker, that that land title gives me

the right to develop and produce agricultural products from the surface, and in addition I am entitled to the benefits of production from below the surface, subject only to the restrictions in the deed.

● (1200)

I say to this House that these fundamental rights of the individual, and indeed the rights of the province of Alberta, are in serious doubt due to the very far reaching and severely restrictive powers suggested in this energy allocation bill. Alberta's energy supplies allocation board will be acting as a Crown corporation and it will be their constitutional right to regulate energy production and price. This bill in many respects is somewhat comparable to the first C-176 bill of over two years ago, the federal farm products marketing bill, and is similar at least to the first drafts, with its very restrictive supply-management concepts. Bill C-236 provides for an allocation agency as powerful and far reaching as the wartime prices and trade board.

The supreme power of the minister under this bill surely must be subject to review and revision. The bill as proposed would allow for control of production and pricing of Medicine Hat's utilities that have been operating since 1900, including, of course, its electrical utility. Surely such a prospect will cause grave concern to Medicine Hat's industries and in particular to the new petrochemical industries.

In my opening remarks I went into some detail to point out the significance and importance of natural gas development to my riding. All of this development came about as a direct result of a free and private enterprise system. It should be noted that nearly all of the gas development has been done by that group generally known as the independent petroleum group, owned and controlled mainly by Canadians. This same development was possible because of the risk capital made available by the independents. It was made available, of course, in anticipation of reasonable profits. I say "reasonable" profits and not so-called "windfall" profits. This term, thanks to the NDP-Liberal coalition, is becoming almost as offensive in its connotations as the term "corporate ripoff".

I ask these questions, Mr. Speaker. Was it windfall profits from the United States that first supplied the risk capital to start Alberta's oil boom in pre-Leduc days? Was it windfall profits that helped develop the ranching industry at Walsh, with Sarnia Financing, for the Sarnia Ranching Company? Was it windfall profits that prompted the governor and company of adventurers of England trading into Hudson Bay to invest in the future of Northwest Canada 300 years ago? The same can be asked of the backers of the Northwest Company. Was it windfall profits from the United Kingdom and France that led to the early development of the New England states and French Canada? No one can properly describe the $90 million operational debt of great Canadian oil sands, over and above its capital costs, as windfall profits! In all these cases, of course, there was a genuine profit motive, but surely there was something more that can only be explained by the desire of enterprising men to accept a challenge to develop a new country such as Canada.

There are too many suggestions and insinuations these days that there is something immoral about making a profit. I for one will never be ashamed of any profits I make. And they have not been windfall profits. The cattle industry in western Canada for 20 years, from 1951 to 1971, was without adequate profits and very often incurred losses.

As one of Alberta's 19 members of parliament, I am sure I speak for my constituents when I say that we in the Medicine Hat constituency are very mindful and concerned about central and eastern Canada's energy distribution problem. We will willingly share our excess natural gas on a preferential basis with you, but do not ask us to do it as a handout, and do not ask us to allow the proceeds of the export tax to be used for this purpose. The Minister of Energy, Mines and Resources (Mr. Macdonald) and the Prime Minister (Mr. Trudeau) must be continually reminded of their statements in this House and to the media that the total proceeds of this tax will indeed go back to the province of origin.

In its present form, Mr. Speaker, I cannot support Bill C-236. This is not to say that there is not an energy problem, perhaps even a crisis, in Canada today. It is my personal opinion that there are enough federal government agencies right now to properly deal with the current situation. There were clear signs of this current energy situation long before we got into the heating months. The very important first ministers' conference called for next January should surely have been organized the day after the Middle East war began. Further to this bill, when it does go into committee, the highest priority must be given to a detailed and accurate accounting of our oil shortfall, if indeed there is one.

As I conclude these remarks, Mr. Speaker, I want to make it very clear that I am completely opposed to using taxpayers' money to buy or otherwise take over an existing oil company that was established within a competitive, private enterprise system. Nor can I see the current need for the creation of another Crown corporation as an alternative to a takeover of an oil company.

In most of our large scale Canadian developments we have had to rely on foreign investment to get the job done due to three basic considerations. First, as a young nation we simply did not have enough total dollars available. Second, after more dollars were available, for reasons that are somewhat obscure Canadians were not prepared to invest in their own country. Third, we did not have enough of our own know-how.

Today I suggest that the first and third considerations no longer exist. We do have the dollars and we do have the know-how. In particular, in Alberta we definitely have the know-how for oil and gas development. As to Canadians being ready to invest in Canada, perhaps this is the right time and opportunity to find out. Certainly Alberta found out some years ago that Albertans were more than willing to invest in their future when the Alberta gas trunk line was formed. I have every confidence as an Alberta citizen that there will be a rush to oversubscribe the new proposed Alberta energy company. If we must have a new Crown corporation for energy, why not a Canadian energy company without a single tax dollar in it? Why not give Canadians a chance to subscribe to it on a voluntary

basis? The results could be surprising. Who knows, there might even be some windfall profits.

● (1210)

In conclusion, Mr. Speaker, I cannot close these remarks without a comment on the recent personal attack on Alberta's first minister by Canada's Prime Minister. Prior to the Prime Minister's Vancouver speech, there were clear signs of a new co-operation beginning between Alberta and central and eastern Canada. Certainly there was a feeling that Ontario and Alberta were resolving their differences over natural gas supplies by quiet, behind-the-scenes discussions. The Prime Minister's ill tempered outburst against our Alberta premier sets a new low for federal-provincial diplomacy and indeed lends credence to the suggestion now prevalent that the government has written off Alberta politically.

I said earlier there can be no trade-off regarding the export tax remittance to the provinces. I say further that surely there can be no trade-off involving Alberta oil and the bilingual issue. The member for Edmonton-Strathcona (Mr. Roche) was right on when he said last night in this debate that this is a government that uses, and abuses, national unity for its own political survival.

Mr. David Lewis (York South): Mr. Speaker, I want to take a few minutes to express one or two thoughts on the bill before us, to deal with some of its principles, and to comment on what is happening during this debate on this bill.

The bill proposes that, in light of the possibility of a genuine and serious energy crisis in this country, a crisis more serious than now, some authority shall be vested in the government—the authority is vested mainly in the government and not in the board—to allocate supplies of energy to regions and to activities which need it most and which are at the centre of Canadian life and welfare.

I emphasize that anyone who reads the bill carefully will see that it is not the board, really, which will have these powers. Any actions of the board are always to be subject to approval by the federal government. Frequently those actions are to be initiated by the governor in council. The government is responsible to parliament for any action it takes. Furthermore, if one reads the bill carefully, one will note that no allocation program can begin unless the conditions in Canada are such as to justify the government's declaring a national emergency.

The government seeks to take powers under this bill to do a number of things which are normally under provincial jurisdiction. In order, constitutionally, to be able to exercise those powers or, putting it more cautiously, in order to be able to make a case for exercising those powers, the government would declare a national emergency and rely on the peace, order and good government provision of the British North America Act. Therefore, the program of allocations cannot even start, and the regulations under the act can have no effect, unless the conditions with respect to energy in this country are so serious, so critical, that the government has reasons, which it can substantiate in court, for declaring a national emergency. That being so, I cannot understand some of the arguments which have taken place, in view of the framework of this bill. I will return to that in a moment.

[Mr. Hargrave.]

Certainly there is great need for clarification of a number of the proposals in the bill. Certainly there is great need for a number of amendments, because some of the powers are unnecessarily large or unnecessarily wide. There is need to amend the bill. There is therefore a need for the parliamentary committee to consider this bill as quickly as possible, since that is where the amendments can be brought forward.

Amendments cannot be brought forward in these generalized speeches in which we are now indulging on second reading. They cannot be brought forward so long as second reading is dragged out for some purpose that I cannot for the life of me understand. The actual, substantial changes to the bill can only be made in committee, once the bill is before the standing committee of parliament. There members can see if they can persuade each other to make changes for improving the bill, both as to the breadth of its powers and as to the way in which its provisions may function later. That is why I cannot for the life of me understand why the Conservative members have apparently taken the decision to drag out this debate on the bill.

Mr. Paproski: That is not true.

Mr. Lewis: Well, they might not call it a filibuster, but that is precisely what they are doing.

Mr. Paproski: They are speaking because they have something to say.

Mr. Lewis: Some Conservative members are saying that they are merely using their right to speak.

Mr. Paproski: That is right, and so they are.

Mr. Lewis: That is an old excuse for filibustering a bill.

Mr. Paproski: That is not true in this case.

Mr. Lewis: That is an old excuse for filibustering a bill. I say to you, Mr. Speaker, that those members on the Conservative benches who for days have been demanding action with respect to Quebec and the eastern provinces and who have sought to declare themselves the champions of the people of those provinces are now preventing passage of the very bill which might be of help to those people in those provinces.

Mr. Paproski: That is not correct, and you know it.

Mr. Lewis: This is the only piece of legislation before this parliament which gives somebody the power to allocate supplies to places that are most seriously in short supply. This legislation wants to make certain that people in areas of this country experiencing a particularly difficult energy situation may at least get some of the energy supplies they need in order to carry on their work and their lives. It would make certain that hospitals, schools, old age pensioners' homes and the like would get supplies that are available elsewhere in this country. This is the only piece of legislation which makes that possible.

As I said, it can and should be improved, and no doubt will be improved in committee. But it is perfectly obvious

that for some political reason that God alone knows—certainly I don't understand it—the shortsighted Conservative members in this House are going to prevent this bill from getting to committee where it might be improved, after which its provisions could become available to parts of the country which need assistance.

I can understand that the Conservative party might try to hold up something which deals with the export tax, which apparently it opposes, or the division of the income from the export tax, which it opposes. But why in the name of heaven should Conservative members hold up the only piece of legislation which may be of value to Quebec and the Atlantic provinces if those areas run into serious shortages of supply?

The only reason I can think of, Mr. Speaker, is that Conservative party members are so wedded to the idea that the oil corporations must not be interfered with under any circumstances that they are prepared to put Quebec and the Atlantic provinces in jeopardy by holding up this bill. If I am wrong about Conservative intentions, then I appeal to them to stop the filibuster on second reading. Let us get this bill to the committee. Let us work there to improve it, so that the powers are not broader than those needed and so that they may perform the functions that are intended. But for heaven's sake let us not put Quebec, eastern Canada and other parts of this country in even greater jeopardy by acting as irresponsibly as the Conservative members are acting.

• (1220)

Mr. Robert C. Coates (Cumberland-Colchester North): Mr. Speaker, if all that the leader of the New Democratic Party has to contribute to the debate on this very serious piece of legislation is what he said the last 10 or 15 minutes, he could well have stayed in his seat and kept his mouth shut.

Mr. Lewis: Eight minutes.

Mr. Coates: All he said is that they are so upset about the sweetheart deal they have negotiated with the government to save their own skins from the electoral catastrophe they are going to face sooner or later, and for the sake of the people of Canada it should be sooner rather than later—

Mr. Lewis: Rubbish.

Mr. Coates: Everything he said for the past eight minutes was rubbish, unadulterated rubbish. Maybe if he listened to the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton), he could produce some sort of energy.

The leader of the NDP talked about a filibuster. Before doing that, he should look at who is making the contributions to the debate. Yesterday five speeches were made on this bill. Two were made by members of the Progressive Conservative party, one by a member of his party, one by a Liberal member and one independent. Where the devil do you get a filibuster from that kind of a breakdown?

Some hon. Members: Hear, hear!

Mr. Coates: At the same time this great democrat and protector of the people says that this bill gives the government all the power of a Caesar. That is what he said after sitting through a question period today where we watched the Prime Minister (Mr. Trudeau) act in the most irresponsible manner possible. It is fortunate for the Prime Minister that the debates in this chamber are not televised, because the real crisis in Canada today would be his leadership if people across this country saw the way he acted here today.

An hon. Member: Tell us about the Gallup poll.

Mr. Coates: I will tell you about the Gallup poll. Any time you want to use the Gallup poll as a measure of your popularity, just pull the plug and let the people of Canada show—

Mr. Speaker: Order, please. It seems we are getting on to the Gallup poll and away from the bill before us. Now that we have heard the hon. member's introductory remarks, I invite hon. members to return to the bill.

Mr. Coates: Mr. Speaker, I can well appreciate your concern about the debate and what has transpired, but I will not stand here and allow any member to impute motives as to why a debate is going on in this House in the way the leader of the NDP did without any interruption of his comments. There was no interruption of his attack on me and all other members who might enter this debate to say what they feel is happening and should be happening in this country. As a result, maybe I did digress for a few moments.

I will take Your Honour's admonition to heart and proceed to some of the aspects of this debate that concern me as a member of this House. I am quite willing to apologize to Your Honour for anything I say, but I am not willing to apologize to any member opposite for anything I say.

Some hon. Members: Hear, hear!

Mr. Coates: As a member for Atlantic Canada I am naturally very concerned, not only about what is going to happen this winter, but what will happen in the days ahead. Our people are facing an energy crisis which has resulted from the decision that has been made by this government in so far as the supply of fuel is concerned for the people in that part of Canada.

I am very concerned about the attitude of the Prime Minister. Not very long ago he made a visit to Halifax to participate in a testimonial dinner given for the President of the Privy Council (Mr. MacEachen). It was a gala affair. At that time the Prime Minister cited some very pleasing examples of progress in that part of Canada in so far as regional economic disparity is concerned. He did not encounter any criticism from any member on this side of the House about the statistics he was placing before the people of Nova Scotia, because we recognize there has been some progress made through the Department of Regional Economic Expansion and other federal departments in producing equality of opportunity across this nation. While we did not argue the point, we believe progress could be made faster if some of the policies we

presented to the government and the people of Canada were implemented.

At the same time, in one fell swoop the Prime Minister allowed a policy to go into effect that will do much to eradicate the hard work that has been done by many dedicated people in the federal government, namely, allow an escalation of prices that our people are just not capable of handling.

On numerous occasions my leader has enunciated ways and means of eliminating this problem. The Prime Minister said we will remain at the mercy of the "Sheiks of Araby" as far as the prices of gasoline and home heating fuel are concerned. We in this party do not believe that is good government. The Prime Minister also said that because we enjoyed a lesser cost of petroleum products coming from offshore and, according to his estimate, have had a net dividend of some $500 million, we should not now complain because we have to pay $3 a barrel more for oil than other people in Canada. He forgets two things. First, in order for the poor governments of the Atlantic provinces to produce a highway system equivalent to the system across this country, it has had to tax our people a great more throughout that period of time.

● (1230)

When the Diefenbaker government was in office, assistance was provided to ensure that the trans-Canada highway was as good in Newfoundland as it was in British Columbia. But at no time did the users of petroleum in the maritime provinces enjoy supplies at a price lower than anybody else in Canada. In fact, they always paid more. And they paid more because taxes were higher. It was as simple as that.

An hon. Member: Provincial taxes.

Mr. Coates: Provincial taxes, that is right. Taxes to look after a highway system which is now as good as the highway system in Ontario, British Columbia or anywhere else. But worse than that, in this illogical argument about $500 million, is the fact that the whole of Canada has paid to central Canada a subsidy for many years by allowing the establishment of a tariff system which protects industry in the centre of the nation to the detriment of the east and the west. Every province except Ontario and Quebec has paid that bill year after year. We have accepted it because we felt it was the only way in which to keep this nation together.

At the same time, do not pull out bogey men and say one part of Canda has derived great benefit because of a decision which resulted in oil being supplied from overseas at a cheaper rate than oil produced in Alberta. If we had not made the decision we made in 1961 to divide Canada into two zones there would be no oil industry in Alberta today. If, since 1961, there has been no change in policy, it is not our fault. The Liberal party has been in office for a decade, since 1963. Why would they not have made a decision to upgrade the valuable, successful and realistic policy adopted in 1961 so that a crisis would not arise in the country today?

An hon. Member: So there is one?

[Mr. Coates.]

Mr. Coates: It is not one related to fuel supplies, as far as I can see. It is related to government planning and its inability to think ahead.

Some hon. Members: Hear, hear!

Mr. Coates: The root of our difficulty is that the government appears able to react only when there is a crisis. They go from one crisis to another.

An hon. Member: We solve them.

Mr. Coates: You have not solved anything. As far as I am concerned, the government is trying to manufacture a crisis where no crisis exists, except for price.

An hon. Member: Make up your mind.

Mr. Coates: Then, later on, members opposite will tell us they have solved the crisis. As far as fuel supplies are concerned, it is a phoney crisis. But as far as price is concerned it is a real crisis in Atlantic Canada, and the government had better solve it for the people of eastern Canada. When I refer to eastern Canada, I include the province of Quebec.

The leader of the New Democratic Party says we should pass this bill because the government needs the powers contained in it in order to allocate supplies. Listening to him one would think this was all the bill contained—provision for the allocation of supplies. But the government wants in this bill all the power which could possibly be given to a dictator in any nation in the world.

The leader of the NDP refers to the peace, order and good government clause in the constitution and says it is all right to use it. As far as I am concerned, when the government asks for power which could be used to take over all provincial responsibilities, we had better take a long time looking at the proposal so as to determine whether or not the government should have that kind of power. If there is a crisis in the country, either now or in the future, all the government has to do is to resort to the peace, order and good government clause in the constitution and take action on that basis. If it can act without the power it is seeking by way of legislation, it has the best of both worlds. It need not worry. But this government wants power above everything.

The hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton) is to be applauded for the foresight he has shown ever since he was appointed to be our energy critic. He has displayed an appreciation and understanding of the energy situation not just in Canada but throughout the world. He has been consistent in his approach. He is aware of the dangers that could develop. Time and time again he has enunciated what should be done. Unfortunately, the wisdom he has been willing to impart to the House, to the government and to the country has not been acted upon. As a result we now find ourselves adopting far too late the policy which he was recommending a long time ago.

The hon. member for Qu'Appelle-Moose Mountain was one of the leaders at the Niagara Falls conference which our party held on October 12, 1969. Among the resolutions presented on that occasion was the following:

The tremendous increase in potential oil and gas reserves in recent years means that very large supplies of capital will be required to develop and prove up these reserves. This means that economic incentive to maintain the constant flow of development money into this industry is absolutely necessary in Canada's interests.

So the conference moved that measures be taken to—

Strengthen the national oil policy by constructing a pipeline to Montreal to serve a minimum of one quarter of Quebec needs as a security protection against the interruption of oil supplies from politically unstable areas.

The conference also recommended:

Federal aid in financing power development; the development of a coordinated power grid; implementation of the Fundy Tides power proposal; construction of a gas pipeline along the north shore and south shores (from Sorel East) of Quebec; consideration of the importation of Venezuelan natural liquid gas.

● (1240)

If we could get that Venezuelan liquid gas today at prices that were available in 1969, we would be the happiest people in the world and the people of Atlantic Canada would not be facing the kind of cost of fuel that unfortunately they face today. We have a very serious problem in eastern Canada. One of the things that upsets me, and has upset me over the years, about the Atlantic provinces is that all too often Canada seems to stop at the Quebec-New Brunswick border; people forget there are four provinces that lie beyond, where live Canadians who also have the right to the facilities and the protections that other Canadians enjoy.

When building a pipeline to Montreal, I suggest there is no reason that I can see why that pipeline should not continue at least to Nova Scotia. Someone will probably suggest that if we did that it would create a lot more expense, and make the fuel taken from that pipeline at Halifax much more expensive, but I would put forward two answers to that. If we in the Maritimes are Canadians just as everyone else in Canada, and I think we are, then this government should subsidize the difference in cost in order that we have security of supply in times of crisis, regardless of price.

Secondly, I think we could build a pipeline that could be used in reverse, so that the potential supplies of oil and gas off the coast of Nova Scotia, New Brunswick and Newfoundland could be pumped into that pipeline and directed to other parts of Canada in need of the supplies we might be able to provide in the days ahead.

Mr. Corbin: Where are you going to build the pipeline, through Maine or New Brunswick?

Mr. Coates: We would build it through New Brunswick, of course.

Mr. Corbin: All right, thanks.

Mr. Coates: You buy that?

Mr. Corbin: I sure do.

Mr. Coates: Mr. Speaker, we have two Maritimers talking together, both feeling the same way about the same thing regardless of party affiliation. I think this indicates that we in the Maritimes all feel the same way. We feel we have made a tremendous sacrifice over and over again just to be part of Canada, that Canadians should not think economics must always play a part when our security is in doubt. Certainly it is at the present time, because we do not know what the Arabian sheiks are going to do in respect of our oil supplies. We do not even know what the Venezuelans are going to do, except that they are going to charge as much as they can possibly get for the oil they send us.

We in Atlantic Canada must have a policy that will guarantee us supplies of fuel at the same cost as Canadians everywhere else pay, since we of all people in Canada are the least able to afford to pay the tremendous increased costs we have been hit with recently, especially in respect to our home heating fuels.

We must also have—and we do not have this now—storage capacity in order to make sure that we have fuel oil available in times of winter crises brought on by weather conditions. We just cannot depend on the supplies we have now without additional storage capacity. I do not care how it is done, but the government should see that there is sufficient storage capacity available in the Atlantic provinces, and particularly in Newfoundland where the weather can cause havoc at any time, so that these people will know from day to day they are going to have sufficient supplies of fuel to maintain themselves and their families in the comfort that should be available to every Canadian, no matter where he lives.

This is a very dangerous piece of legislation, the type out of which dictators are made. I would not like any parliament, even one without a party holding a majority, to be given the kind of powers this government is requesting in this legislation. The government has the right to ask for legislation for the allocation of energy in the event of an emergency, but when it seeks the power it is seeking in this bill it is looking for something far beyond what it should have, and I will not support the bill unless that part is withdrawn.

This government could at any time invoke the peace, order and good government clause of the British North America Act in order to allocate energy in the event of a crisis. I suggest the government has everything it requires in this clause, and it is not going to get from me the kind of power it is asking for in this particular bill.

Mr. A. D. Alkenbrack (Frontenac-Lennox and Addington): Mr. Speaker, I rise to take part in this debate on Bill C-236, which is an act, to quote its preamble—

—to provide a means to conserve the supplies of petroleum products within Canada during periods of national emergency caused by shortages or market disturbances affecting the national security and welfare and the economic stability of Canada, and to amend the National Energy Board Act.

I will not take time to go into world politics, the gyrations of which have been the main cause of oil marketing shortages in most of the western countries today. These are shortages in the face of plenty because, although we know our world reserves are not as great as originally estimated, there are still reserves in this old mother earth, whether they be in the Arabian desert, under the North Sea or on the Arctic slope of North America. Even though some Middle East countries are witholding oil supplies from their western customers, I believe some day soon the

tables will turn and they will come hat in hand soliciting business.

From the primitive beginnings leading up to and forming our Canadian confederation, energy has been our chief concern and our chief servant. There is scarcely a waterfall with power potential in southern Canada that has not been harnessed in the past. I point out to the House that even our smaller rivers have been harnessed in the past to saw lumber and grind grain, though many of these flumes, penstocks and wheels have been abandoned. In a good many instances these waterfalls could be rejuvenated and restored in order to contribute a small, I admit, but appreciated supply of electric power in the future.

I have many examples of these power potentials in the riding of Frontenac-Lennox and Addington which I represent. These are small power potentials on rivers such as the Madawaska, which is heavily harnessed already but which still has power potentials that could be harnessed, the Bonnechere, the Mississippi, the Skootamatta-Moira, the Salmon and the Napanee.

● (1250)

Our attention during the past 50 years has been deflected from the smaller waterfalls to those with larger potential, but now I certainly recommend that to offset other shortages of energy, mainly oil, our attention should be turned to the use of these abandoned hydraulic sources.

I can say to you and to the House, Mr. Speaker, with some measure of satisfaction and pride that this type of hydraulic energy and conservation put me into politics. Having been on municipal council since 1953, I ran for the office of mayor of Napanee on a platform of more and better water for the municipality, which was obtaining its municipal water supply from the Napanee river. At that time the river had degenerated into a polluted trickle in the summer months. My policy was strongly supported by the people, and in conjunction with the provincial and federal authorities the Napanee Valley Conservation Authority built the second Depot Lake dam 30 miles upstream in Hinchinbrooke township. We conserved our winter snows and our spring run-off in this reservoir, and we restored to a great degree the mean flows of the river.

Mr. Speaker: Order, please. I hesitate to interrupt the hon. member but I think it is incumbent on the Chair to remind hon. members that a minimum effort should be made by those who take part in this debate to relate their remarks to Bill C-236. I am sure all hon. members are interested in the remarks which the hon. member is making now. They are interesting and relevant to his constituency and perhaps relevant in general to the matter of the conservation of water, but I wonder whether they are relevant to the principle of the bill before us.

I do not want to be unfair to the hon. member because I recognize that many members who have taken part in this lengthy debate until now have digressed, and I would not want at this point to establish a rule of relevancy which has not been applied to other hon. members. But in a general way I invite hon. members to keep in mind that there is a basic rule in debates which is relevancy. Therefore, I invite all hon. members to make an effort to relate their remarks to the principle of the bill which is now before the House on second reading.

I appreciate the fact that perhaps the interesting remarks of the hon. member are introductory in nature. If they are, we will continue to listen to him with great interest.

Mr. Alkenbrack: Thank you, Mr. Speaker. I appreciate the fact that you have pointed this out to me, but I wish to state with all due respect that this debate is on a bill entitled the Energy Supplies Emergency Act, and I am referring to the energy supplies that serve the purpose of replacing some of our depleted oil energy resources.

As I was saying, we restored to a great degree the mean flows of the river. We also helped industry along this river which badly needed more water. Since then, another dam has been built on the third Depot Lake. This policy of conservation of hydraulics and energy and everything that goes with it has paid off handsomely in our area and will continue to do so for posterity. But that alone has not been found sufficient for our requirements.

I have always been cognizant of the need for more energy. In 1963, which was my second year as a member of this House of Commons, in recognition of the fact that we required more industry in our area, that we cannot all be farmers, that we cannot all go to university and be professional people, that a stable majority of us must work with our hands and in technology and industry, I approached Mr. J. L. Gray, president of Atomic Energy of Canada, who was here in Ottawa at that time, and Mr. W. Ross Strike, then chairman of Ontario Hydro Commission, with the purpose of recommending that a nuclear power thermo-electric generating station be built in my area. That was on August 21, 1963.

Some hon. Members: What about keeping to the bill?

Mr. Alkenbrack: I wish to put on the record my written words to them on that day, over 10 years ago, August 21, 1963. I wish to do this now to record permanently the energetic origins of the $500 million Lennox generating station now being built by Ontario Hydro in South Fredericksburg township six miles west of Bath on the Lake Ontario strand.

May I call it one o'clock, Mr. Speaker.

Mr. Speaker: I was going to remind the hon. member who has the floor a second time that in spite of his suggestion that talking on energy brings a member within the terms of this bill is simply not correct. What we are dealing with is not a bill concerned with energy but an act to provide a means to conserve supplies of petroleum products within Canada, and that is the essence of the bill. Again I appreciate the interesting remarks of the hon. member and perhaps the matter might be considered further when we return at two o'clock, but I remind the hon. member who has the floor and all hon. members who feel that there should be a debate on this bill, that they should find something to say about the bill which is before us.

It being one o'clock, I do now leave the chair.

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Mr. Alkenbrack: Mr. Speaker, just before lunch I was talking about the need to conserve energy in order to contribute to the economic stability of Canada, and I was about to read a letter that I sent over ten years ago to the Atomic Energy Commission of Canada and to Ontario Hydro, aimed at that goal of bringing about better economic stability in Canada. This has resulted in the construction of the new oil-fired Lennox generating station in my constituency. At the time we thought that the generating station might take the form of a nuclear power station, but due to problems and difficulties in the 1960's with nuclear-powered stations the decision finally taken was to erect a thermal station using oil for fuel. The letter reads as follows:

Ottawa, Aug. 21, 1963

Dear Mr. Gray:

Pursuant to the appointment which you kindly granted me today, during which we discussed the merits, physical and geographical, of the constituency of Prince Edward-Lennox as the location for a Nuclear Power Thermo Electric Generating Station, I wish to outline the following points in favour of this area.

It is true that a site for a plant of this kind must have the following requisites:

(1) A solid rock foundation of understratum not subject to seismic movement or disturbances of the earth.

(2) A deep and limitless supply of cold clean water.

(3) The site should be in a preferably undeveloped area, sufficiently isolated to be of a minimum hazard to persons and property, and in an area not likely to soon become crowded by urbanization.

(4) The plant should be located where the Provincial and National power grid can be fed by the shortest possible transmission equipment from the plant to the point where it feeds the grid. This makes for maximum efficiency of transmission and minimizes the natural loss of voltage which increases in ratio to distance in the transmission of electricity.

(5) Economically, it is well for a site of this kind to have a suitably developed and well serviced housing area in convenient and safe proximity. This dispenses with the necessity of Government or Hydro having to make huge investments in townsites and services to accommodate their personnel.

Both Prince Edward and Lennox Counties possess all these vital requisites for a plant of this kind. May I point out to you that facing directly on Lake Ontario the Townships of Ameliasburg, Hillier, Hallowel, Athol, South Marysburg, North Marysburg, in Prince Edward County, and South Fredericksburg and Ernestown in the County of Lennox could all readily qualify to accommodate this type of utility. The location of the area as a whole is strategically sound, in that a transmission line from Prince Edward County would feed the power grid in the vicinity of Trenton which is less than 100 miles east of the boundaries of Metropolitan Toronto. If located on the Lennox shores of Lake Ontario, the plant would likely feed the power grid at, or near Napanee, which is only nine miles straight across country from the north shore of Lake Ontario.

Furthermore, it is my firm opinion that a generating plant in this area could most efficiently supply the ever-increasing needs of that fast-developing area of which it is a part, the diversified and productive triangle lying east of Toronto, south of the Ottawa, and north of the St. Lawrence River. I also point out to you that in this latter area, along the lakefront of South Fredericksburg and Ernestown Townships, we have ideal deep water facilities for the economic handling of fuel from large ships in case the generating station may take the form of a coal or oil fired installation rather than of nuclear power.

I thank you for your attention in this matter, confident that in the deliberations Atomic Energy of Canada Limited and Ontario Hydro will give all due consideration to my request that you explore the sound potentialities of Prince Edward-Lennox in your search for a proper site for this utility.

I am,

Yours respectfully,
Douglas Alkenbrack, M.P.
(Prince Edward-Lennox)

I thought the House would be interested in that letter since it resulted in a project that is certainly going to contribute to the economic stability of Canada, one of the subjects and purposes of this bill.

The date of that letter was August 21, 1963. In December, 1968 Ontario Hydro announced its intention to build the Lennox . generating station in South Fredericksburgh township, utilizing facilities conducive to economy of production of electrical energy from petroleum fuels.

This energy supply project is now well advanced in construction, with its 600-foot stack already a towering landmark in the Lennox countryside. As I said, this station will be oil-fired, using a bunker 6-C fuel, a residual oil which will come from Venezuela. This plant will be the most modern of its type. It has the largest oil storage in North America, three tanks 360 feet in diameter and 48 feet high, each of them larger than a football field. Each one of these tanks holds 833,000 barrels of oil. This plant at full load could burn 3,120 barrels per hour. Its four boilers each can produce 3,600,000 pounds of steam per hour, turning four turbine generators to provide a total capacity of 2,300,000 kilowatts.

● (1410)

The Acting Speaker (Mr. Laniel): Order, please.

The hon. member for Madawaska-Victoria.

Mr. Corbin: Mr. Speaker, I hate to be nagging but it seems to me that the Chair twice called the hon. member to order this morning and invited him to address his remarks to the bill that we are presently examining, Bill C-236. I have noted that the hon. member has not paid heed to the invitation of the Chair. I wonder if Your Honour would care to comment on my point of order.

Mr. Baker: On the same point of order, Mr. Speaker, I must say I have listened very carefully to what the hon. member has said since he started this afternoon. It seems to me that if one looks carefully at Bill C-236 one will find that it does have within it potential for the allocation of electric power. Surely if that is within the bill the government must have something within its contemplation with respect to it. I put it to you with respect, Mr. Speaker, that it is quite relevant for a member who has an electricity producing installation within his riding, who has adjacent to or close by his home a Crown corporation that may play a large part at some future time in his affair, to state his view.

We undertake that if any member on the other side wishes to speak about these things and the importance of them, having regard to what powers the minister is asking for, then we are prepared to listen. I think it is discourteous, indeed rude, for the House—

An hon. Member: You are reflecting on the Chair.

Mr. Lefebvre: You are out of order completely.

The Acting Speaker (Mr. Laniel): Order, please.

Mr. Baker: Mr. Speaker, I would not reflect on you.

The Acting Speaker (Mr. Laniel): I am sure the hon. Member's point is valid in his own opinion, but this does not authorize him to make his own speech on the point of order.

[*Translation*]

The point raised by the hon. member for Madawaska-Victoria is one which crops up time and again whenever hon. members deviate, during a debate, from the subject matter of a bill. It is very difficult for the Chair to stop an hon. member from wandering from the subject either in his opening remarks or when trying to describe a problem. I understand that it is not possible to prevent an hon. member from speaking about his riding, when the matter is directly or indirectly related to the legislation under review or when it is locally oriented, I think this works both ways and these admonitions and points of order are excellent opportunities for the Chair to invite hon. members to stick as faithfully as possible to the subject matter of the bill being discussed. The hon. member who is speaking is aware of that, for he himself pointed out to the Chair that all his remarks were the basis of his argument during the debate on this bill. It is difficult for me now to ask the hon. member to restrict his comments. This remark is also applicable to all hon. members on both sides of the House who wish from time to time to deal with certain bills on national parks or oil matters.

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

With your leave, Mr. Speaker, I will in no way dispute your opinion. I obviously accept it, but you have indicated clearly that it is allowed to get away from the subject at times. My present concern, however, is not that my hon. friend on the other side got away from the subject, but that he has yet to deal with it.

[*English*]

Mr. McKinley: You sold your province down the drain. We do not have to do the same.

Mr. Alkenbrack: Thank you, Mr. Speaker. I am very pleased that the hon. member for Madawaska-Victoria (Mr. Corbin) was listening to me and I am glad to note that even in a round about and frequently perfidious way he is interested in the production of energy that would be conducive to the economic stability of Canada.

When the hon. member interrupted me I was speaking about this oil-fired plant in Lennox. This plant at full load could burn 3,120 barrels of oil per hour. Its four boilers each could produce 3,600,000 pounds of steam per hour, turning four turbine generators to provide a total capacity of 2,300,000 kilowatts. In layman's terms, Mr. Speaker, the power generated by the Lennox generating station at the above capacity can provide twice the combined needs of the cities of Kingston, Belleville, Hamilton and Ottawa. If that is not important information to this House, then we should not be debating the subject of energy.

I am pleased to tell the House that the construction of the Lennox generating station is on schedule and within the estimate of $430 million. The first generating unit of the four is scheduled for transmission on April 1, 1975. That is not very far away, Mr. Speaker. The whole plant will be in complete production by the autumn of 1977. Mr. Speaker, I am pleased and humbly proud to have been the prime mover of that project.

Now we get into the next topic, and this might suit the hon. member for Madawaska-Victoria a little better. The new Liberal-NDP coalition has pulled off some weird and wondrous capers in this House since they drifted together 10 months ago for their mutual protection, but this time both parties have outdone themselves. The mere fact that they expect my party to accept a bill that was fathered by desperation and mothered by expediency shows all too clearly what contempt they share for the parliament of Canada and for the Canadian people. This bill is not a solution to the energy shortage facing our country. It is first of all, a concession to the NDP in exchange for the support for a faltering, ineffective and ineffectual government.

Secondly, as my colleague the hon. member for Hamilton Mountain (Mr. Beattie) said earlier, this is purely and simply a panic solution offered by a government that has not to this day defined the problem it attempts to solve. As in so many cases when we are asked to debate a government bill, the problem we are trying to solve here is not defined. One would think that Canadian problems are unique and defy definition. That is not so, Mr. Speaker. We can solve our problems if we approach them in a constructive and co-operative manner.

Canadian problems, like any other problems, can be identified if the government actively seeks to identify and define them. To do that, though, the government has to be interested at all times and concerned at all times. We learned long ago that this government is neither interested nor concerned. There is a slight qualification that should be added here, Mr. Speaker: this government is intensely interested and very concerned, but only in itself. This is called "clinging to power". It is interested in retaining power and it is concerned about its future prospects. Why else would the government party enter into a sinister and sordid alliance with a party whose principles are for sale, not to the highest bidder but to any bidder?

I do not want to leave the impression with members of this House that I do not have any feeling for the predicament that this government is in over the handling of the energy crisis. I have been in government myself now for more than 20 years and I believe in satisfying and fulfilling the public interest. As I watch them floundering around over there, trying to find out what it's all about, I feel very strongly. I have to reserve most of my concern for the tens of thousands of Canadians who are suffering as a result of the government's mishandling of the situation, but whatever is left over I very gladly confer upon the government.

• (1420)

However, I feel it is high time that government ministers got up off their benches to find out just how serious the energy situation is in Canada today. Then, and only then, can we debate measures that will solve the problem to the benefit of all Canadians.

It has been pointed out that the Minister of Energy, Mines and Resources (Mr. Macdonald) has a different answer every time he is asked for an assessment of the situation. His answers are not updated from day to day, as he would like us to believe; they are just different, and that is not good enough. One day the problem is not serious at all. Everyone will be snug and warm all winter, and we will only have a problem if we talk ourselves into believing there is one. Then, lo and behold, Mr. Speaker, when minister is asked the same question but a few hours later, the story is quite different. The situation is serious, perhaps even desperate. He wants everybody to turn down the thermostat, join car pools, give up that Sunday drive and do everything else he can think up to save precious fuel.

I hope that the energy minister can find time to sit in the House and listen to the speeches being made on his behalf in the next few days and on the Prime Ministers' behalf. They should listen and take heed, because we are offering sound and sage advice to them on this serious matter. It is obvious that they have been getting very poor advice up to now, so they might as well sit and listen. If the energy minister decides that it is getting too hot in the kitchen and it is time to leave the House, I would remind him that it may be awfully cold in tens of thousands of kitchens throughout Canada this winter because of his bungling.

The government's answer to the problem is to ask for autocratic and dictatorial power to control the production and use of all energy in our country. I cannot accept this as an answer. This is the government's answer to our urging action to develop a national energy policy. This is the government's answer to a problem that developed in part because they had a majority in the past and exercised the very same powers they are now asking us to give them. They abused that authority in the past and there is every reason to believe that they will abuse it in the future. This power must be kept from them, Mr. Speaker. Let the government go back to the people and seek power through a majority. Let them go to the people and try to explain away their abuse of the power they once had, and let them explain away their bungling and incompetence.

I should like to deal specifically with a few clauses in this bill that I find particularly onerous, and then ask whether any responsible and thinking member of this house could accept this bill, whatever side of the House he or she might be sitting on. I will go so far as to throw a challenge, through Your Honour of course, to the Minister of Energy, Mines and Resources. Will the minister tell us in a few words how this bill could possibly correct the situation that this government has allowed to happen?

Specifically, it has allowed the Canadian people to be caught unawares by a world-wide oil shortage, when we are a major oil-producing country.

Subclause (4) of clause 9 reads:

> The Board and its members are exempt from liability for any act or thing done or omitted by the Board in good faith in the exercise or purported exercise of a duty or power under this Act.

That is nothing but dictatorial power. Although these powers are supposedly vested in the board, they are actually vested in the minister. The powers for which he asks in clause 9 (4) are extraordinary. All of us in this House know that no citizen or resident of Canada can be exempt from responsibility for acts committed or omitted, whether in a private, public or official capacity. The only exception is the Governor General of Canada.

What is the government afraid of? Does the government have plans for this board that it is afraid to tell us about until we have approved its formation? What does this board plan to do, that it should be afraid of being held to account for its actions? There is something awfully suspicious about this provision that would confer greater immunity on the board members than is conferred on judges, parliamentarians or even diplomats. Clause 10 provides that:

> The Board shall act under the instructions of the Governor in Council and report to the Minister of Energy, Mines and Resources from time to time upon its activities under this Act.

This gives the government a cozy little closed type of blanket authority to act in any way it sees fit, and charge it all up to some real or imagined energy crisis, or any other crisis it chooses to blame. Why should this House grant such authority to any agency of government, Mr. Speaker? Why should this House grant such powers to an agency of the Crown, such as the Minister of Energy, Mines and Resources, when he has proved to be incapable of administering his portfolio in the past and present? I do not see how he could be expected automatically to become effective simply because we have granted him powers that no one else possesses in our country.

It is my view that, as a minority government, this present government has more cheek and arrogance than it exhibited even when it had a majority. I am really amazed that the NDP would go along with giving this government so much power, such potential to play partisan politics, when there is no possibility that the NDP will ever reap any benefits from such power. Surely they are not unaware of the contempt in which they are held by this government, which uses them so skilfully for its own purposes.

As one reads through this bill, Mr. Speaker, one can see that it is designed to give this new agency absolute control over every form of energy produced or imported into Canada. The bill gives the agency absolute control over energy accumulation, over storage, over the wholesaling and retailing of energy and over the bookkeeping employed by suppliers and sellers of energy. Actually, Mr. Speaker, it is just the sort of statism that the NDP would impose on the Canadian people and the Canadian economy. If we allow government to open the door as wide as would be the case if this bill becomes law, it will be the beginning of the end for our free enterprise system.

This bill provides, among other things, for a takeover by the government of every aspect of electric power in Canada. I do not want the government to have this power. I do not want them to be the sole arbiter in this area; the

provinces ought to have a voice here. That is why I think we should wait until the federal-provincial conference is held in the near future. As I say, I would not want the government to have this power, any more than I would want it to have absolute power over fossil fuels.

While we are debating this bill, the Prime Minister (Mr. Trudeau) is trying very hard to make Premier Lougheed of Alberta the culprit in the energy crisis, in spite of the fact that the premier has done everything in his power to see that Alberta crude finds its way to eastern Canada. It is not Premier Lougheed's fault that the federal government did not ensure that the pipeline system in Canada was extended at least as far as Montreal. It is not the premier's fault if the federal government still does not know the extent of the energy crisis as far as Canada is concerned.

We know and the Prime Minister knows that it is the fault of the federal government that we are in our present predicament. The Prime Minister is trying to use the energy crisis for political purposes, and this is despicable. He is trying to divide the Conservative party in Alberta from the federal party by trying to convince people in the east that Alberta's government is unwilling to co-operate with the federal government in Ottawa.

Nothing could be further from the truth. I do not blame Premier Lougheed for refusing to let the federal government put him over a barrel, an oil barrel or any other kind. This government has to come up with a scapegoat every time it goofs or bungles, and that is very, very often. This government bungles so regularly that one could set a clock by them, so there is always the need for a scapegoat. I suggest to the energy minister that he might very well be the next scapegoat, simply because he was not able to pin the blame for the energy crisis on Premier Lougheed. The energy minister is handy to the boss very close at hand, and he has fumbled the ball so frequently that he is vulnerable. The minister must be aware that he would not be the first cabinet minister that the Prime Minister has used as a scapegoat to cover up his own miscalculations.

In conclusion, I suggest that the Prime Minister should desist from using the bilingualism issue every time he wants to defuse a potentially explosive situation in the country. I say to the Prime Minister that bilingualism is not more important to this country than oil, the economy and the use of our resources. His statements are beneath the dignity of parliament, and while we are all aware of the contempt he holds for parliament, it would be fitting if he would conceal his contempt for the remainder of the brief period he will be sitting on that side of the House. I suggest that he inflict his spite on his ministers instead of this House and certain regions of this country. Rest assured, Mr. Speaker, the institution of parliament will outlive the present Prime Minister by a very long time.

● (1430)

Mr. J. H. Horner (Crowfoot): Mr. Speaker, in rising to speak in this debate we must acknowledge the fact that the minister in charge of energy for Canada has been attempting for at least the past four months to create a feeling of crisis within Canada on the energy question. At times it appeared as though he had succeeded. Oil was found. Supplies kept coming into Canada. As the issue became more clear in the minds of Canadians, we realized how fortunate we are that we do not yet have an oil crisis.

There is no question but that there is a crisis in the world. The Americans are in trouble. Europe is in trouble. Japan has been in trouble. We must analyse whether we have been using the right methods to meet a crisis if it should develop in Canada.

I have a copy of a daily oil news analysis which was published in New York. It is dated November 8, 1973. I will quote from it to give members an idea of what we are doing. This talks about Calgary and the western Canadian based oil industry that exists. I quote:

> Its 275 companies, from the big subsidiaries of U.S. majors to small independents, have become helpless pawns in the fast-deteriorating energy chess game between Alberta and the Canadian federal Government.

In recent days Saskatchewan got involved in that chess game. We welcome her concern and participation.

Why did the government attempt to create a crisis long before it was necessary? I think this stems from their position in the House of Commons, a very minority position. They failed to gather appeal across the country so attempted to create an issue in the hope they could go to the country and win an election on some short-term policy they had devised. A week ago last Thursday some people thought that going to the country was what we might be doing. However, the Prime Minister (Mr. Trudeau) made a speech in which he attempted to lure the NDP vote. Many right-wing members within his party must have been saddened and shocked by his brazen courting of the socialist philosophy. If they had thought back awhile, they would not have been shocked. They would have realized these were the true colours coming out.

I have an editorial which appeared in the December 8 edition of the *Albertan*. The writer was referring to the courting and marriage that took place a week ago Thursday. It reads in part:

> Socialists for years
>
> Over a period of four years or more I have attempted, quite unsuccessfully it is true, to prepare my readers for the federal government's ultimate move toward socialism. The facts were all there for everyone to see.
>
> Let us go over them again, just briefly. Before the "Three Musketeers" who are the guiding lights of the federal government at Ottawa, Trudeau, Marchand and Pelletier, entered federal politics, they were mouthpieces of the socialist party in Quebec. They campaigned, wrote and distributed pamphlets in behalf of the NDP and it was not until the people of Quebec demonstrated in no uncertain terms that they wanted nothing to do with socialism as a political way of life, that they turned their coats and joined the Liberal party.

The right-wing Liberals succumbed and allowed these men to lead their party. We all remember the leadership convention at which time the Prime Minister took over the party. It should not be a surprise to the free enterprise people within the Liberal party that these thoughts, deep concerns and true feelings have been there for a long time.

What is involved in this bill? It is a reach for power, dictatorial power, power which only a real socialist would love, power which only a real socialist could appreciate, power to take away the freedom of the individual.

Mr. Drury: Price and wage control?

Mr. Horner (Crowfoot): Price and wage control would be nothing compared to the rationing and complete control that this bill could bring about.

Some hon. Members: Hear, hear!

Mr. Horner (Crowfoot): We have had a bit of a rift with the United States over this problem. In their energy crisis, their leader stated quite clearly that by the end of this decade they will have developed the potential to meet their own energy needs without depending on any foreign nation. That is what Mr. Nixon said recently with regard to their energy crisis.

What was being said in the United States in 1969 with regard to the energy crisis? Late in 1969, the United States cabinet report on energy future recommended closer relations with Canada on energy, but suggested that Canada could only be counted upon as a secure source of oil if it took steps to reduce the then total dependence of Quebec and the Maritimes on overseas imports. At that time the United States saw the danger to Canada by taking cheap oil from what might be called an insecure source and doing very little about it.

Was the oil industry of Canada asleep at that time? No, not so. The Canadian independents under the IPEC association discussed the problem with the Prime Minister. He said "Go peddle your oil somewhere else. We do not want it. It is too expensive in the province of Quebec, especially the Montreal market." That is what he said in 1969.

Now, sad but true, we have before us what is called an allocations bill. It is going to set up an energy supply allocations board. The board may control not only products so designated by the Governor in Council, such as petroleum, hydrocarbons, electricity, but even products manufactured from petroleum, according to clause 12(5). The order of the Governor in Council may designate any products manufactured wholly or in part from petroleum or hydrocarbons and bring them under the allocation program.

● (1440)

What will the allocation board do? How much oil will it be able to divert to the five eastern provinces? I suppose that in theory it could divert as much oil as those provinces need. But the board could do this effectively only if transportation was available. I do not know how many members saw the article in the *Financial Post* last week. It described the idea of moving large amounts of oil by rail as pure fantasy, not because the railroads do not have the tracks, but because they do not have the tank cars. Spokesmen for the railway companies have themselves stated before the transport committee that the railways do not own any tank cars, they rent them. The tank car rental companies say there are no more of them available for hire, so it would be impossible to move by rail the 50,000 barrels a day to which the minister has referred from time to time.

Oil is moving to Vancouver right now through the Trans-Mountain pipeline. From there it is being taken by tanker down the coast and through the Panama Canal to eastern Canada. Loading facilities are such that at best it is not possible to deliver more than 70,000 or 75,000 barrels a day to that market. Sad as it may be, the facilities for doing better are not there. They will have to be built. So what will the allocation board really be doing?

How necessary is this board? A meeting of provincial first ministers is to take place in January, and the government, presumably with the idea of promoting a feeling of goodwill among the first ministers when they attend that meeting, wishes to confront them with a bill which has already been passed by this House. Are there no clauses in this bill which are negotiable with the premiers? This has been the trouble about the chess game we have been watching. The federal government has made up its mind as to its intentions and said ho-hum to the provinces and their desires. Is this a fair attitude to take if the first ministers' conference is to be carried on in a proper spirit so as to devise ways of meeting the energy crisis which could develop in Canada should the Arabs shut off the oil being delivered to the five eastern provinces?

Richard Gwyn, a civil servant for some time, now writing for the Toronto *Star,* had this to say on December 8:

> Lougheed, if he wants to do it all by himself, might, at least constitutionally, just be able to do so. His new marketing board will control all of Alberta's production and can determine to whom it sells and at what prices.

So we are headed toward a direct confrontation. About a month ago someone asked the Prime Minister (Mr. Trudeau) to remove the present minister of energy from office and give him the job of House leader again.

An hon. Member: A Senate seat.

Mr. Horner (Crowfoot): That is a good suggestion. He would be the greatest confrontationist the Senate has ever seen. He might liven that place up a great deal. But to send the present minister out to a conference which is headed toward confrontation, taking with him legislation which has already been passed, committing him to an inflexible position, is surely no way to create a proper spirit among the ten ministers who will be present. Mr. Gwyn goes on in this article to say:

> The constitution gives Ottawa jurisdiction over interprovincial trade. But Alberta may have more scope than at first seemed likely. Alberta owns its oil in the literal sense of the word: it comes from Crown lands leased but not sold to the oil companies.

I wish to emphasize that last sentence, particularly for the benefit of hon. members who sit on my left. It is not the terrible multinational oil companies who own this oil but the government of Alberta, according to Mr. Gwyn, and I am inclined to agree with him. This article is one which is well worth reading. It suggests that passing the bill before us would do nothing to create harmony among the ministers attending the conference; rather, it would interfere with the goodwill necessary if we are to meet the difficult situation which may develop in the coming winter.

The *Globe and Mail* of November 30 carried an article under the heading "Saskatchewan orders cutback in oil output." It states:

> A spokesman for the mineral resources department said in an interview that the government had sent letters to oil companies ordering a 16 per cent cutback in production in southeast Saskatchewan (9,300 barrels a day) and a 40 per cent reduction in southwest Saskatchewan (26,200 barrels) for December.

Well, Saskatchewan can do this if it wishes, I suppose, but it suggests to me that the province is getting its back up and is fed up with the confrontation tactics of the federal energy minister. It seems Saskatchewan, too, wants to go to this conference with its mind firmly made up, not prepared to give away very much.

Since that article appeared Saskatchewan, as is well known, has brought in legislation making it plain that by January 1 they will be putting on their own tax of $2.20 a barrel. This will lead automatically to an increase in the price of crude oil in eastern Canada, or at least an increase in the price of that proportion of the market which Saskatchewan supplies, amounting to about 25 per cent of the oil consumed in Ontario.

I do not know what the leader of the New Democratic Party thinks about that, but here again a province is declaring, well in advance of the forthcoming conference, how it intends to act. It is headed for confrontation, particularly if we as legislators in this parliament do not caution the government and make it clear that the allocation bill we are being asked to pass represents a reach for power not granted to any federal government except in time of war. It is an encroachment upon provincial rights.

I know there are few, if any, members of a provincial government who would agree with the terms of clause 14, which states:

> Where it is considered necessary to do so for the purpose of conserving the available supplies of such petroleum products as have been included in a mandatory allocation program, the Governor in Council may amend the mandatory allocation program by adding electric power thereto and establishing mandatory allocation thereof.

This is bound to upset the provinces, especially if this clause is approved by the House before the conference is due to begin. Many people in central Canada have looked upon Alberta as being anti-Prime Minister, and in his speech in Vancouver the Prime Minister attempted to paint a picture of this terrible premier from Alberta and how he has tried to hold up the consumers in the rest of Canada.

● (1450)

An hon. Member: Right.

Mr. Horner (Crowfoot): Some hon. members over there says "right". Let me explain Alberta's position. Alberta has passed and is passing legislation, but it has not said it is going to implement a tax, such as Saskatchewan has, by January 1. Alberta has not cut back on production. In fact, since this crisis became obvious Alberta has increased production to a small extent, in fact to the extent that the transportation facilities could move the products to eastern Canada.

As early as October 29, or perhaps as late as November 29, Alberta laid down a five-point program in which it outlined its oil problems. In the preamble of that five-point program Alberta acknowledges ownership of 85 per cent of the petroleum resources now found in Canada and the fact that it is producing 80 per cent of Canadian production, probably supplying over 50 per cent of Canada's needs at this time.

[Mr. Horner (Crowfoot).]

This five-point program points out what Alberta believes should be its policy, and it is interesting to note that security of supply for Canadians is the number one point on that list. That does not suggest to me that Premier Lougheed is a wild, blue-eyed Arab out to rob the rest of Canada. Security of supply for Canadians is the first point in that policy, and this is a point which was amply demonstrated and should have been apparent as early as 1969.

I will not read the details of each of these points, merely the headings. The second point relates to a fair return for Alberta's resources. The premier does not suggest he wants pie in the sky, but he does want a fair return for Alberta's diminishing resources. What kind of a premier would he be if he did not want that, and what kind of respect would the Alberta voters have for him if he turned over the stewardship for Alberta resources to someone who did not want a fair return? I suggest that any individual in this House, were he premier out there, would ask for the same thing. That is not out of the way at all.

Number three relates to a price for petroleum products for the Canadian consumer. The premier is not suggesting he wants the world price for the Canadian consumer, but he is in fact prepared to negotiate a price.

Number four deals with provincial responsibility for a resource policy. We are living in a federal society under a federal system, and our constitution lays down the fact that the provinces have a responsibility for resources. Section 109 of the British North America Act provides for provincial ownership of mineral resources, and this was part of the making of this country of ours when it was put together under the British North America Act. This may have been a mistake, but we came together with that provision. What kind of a government do we have here that wants unilaterally to break that provision? I am not suggesting that Lougheed will not allow some changes, but I am saying that this government through this Bill C-236 wants unilaterally to break that agreement which eventually brought 10 provinces together to make this country of Canada. We have heard a lot of talk about the fact that this Prime Minister is the one who wants to keep Canada together. He has not suggested that lately, because if he did no one would believe him.

The fifth point in the Alberta oil policy relates to investment opportunities for Canadians. We have heard much said about the profits of multinational oil companies, and about the Ottawa Valley line established by the former Conservative government in 1961. This line was established to encourage Canadian investment in the oil industry and increased production from oil wells in Alberta. At the time these wells were producing at less than 50 per cent capacity. Many of the smaller Canadian-owned companies could not survive with that low production as they did not have the cash flow. There had to be increased demands in order to make sure that these wells were economical and producing more profit. These increased demands have been beneficial to all Canada, as has been proven, and the situation will be even further improved in the next 10 years if everyone adopts the attitude of negotiation rather than demand.

There is no question that during the 10 years leading up to 1961, or even during the seven years from 1954 to 1961,

many small oil companies in western Canada were bought up by or amalgamated with the larger companies because they could not exist with the low cash position they were in as a result of cutbacks in production. This created a situation in which some of the larger international oil companies with huge financial reserves were able to get a hold on the oil industry.

I might point out that even today, as a result of government interference, oil shares on the stock market have been dropping rather than going up, even though prices have been going up and profits have been increasing. When the big oil companies begin to pull out of Canada we will find there is no confidence in the industry, and we cannot expect in that environment that small companies and individual Canadians will plough their money back into that resource. The Prime Minister sort of recognized this when he said in his great speech on Thursday that we are going to create a national oil company. That was very interesting and a lot of people perked up their ears. Members of the NDP to my immediate left pounded their desks because they thought we were on the right road to somewhere.

What have we heard about this company since last Thursday? We have heard it is going to spend $40 million almost immediately on research in developing the tar sands. The Syncrude project has not even started work yet. It has spent over $80 million on research but hopes to get started early next year.

An hon. Member: $40 million over five years.

Mr. Horner (Crowfoot): Someone suggests that the $40 million is to be spent over five years. That shows how much knowledge and interest the Prime Minister has really expressed about this matter. His lack of knowledge and interest was demonstrated last Wednesday as a result of some of his flippant replies to serious questions posed by members on this side of the House. I suggest he has no interest in hardly anything other than the promotion of the French language in Canada. That is about the extent of his interest.

An hon. Member: And he is doing a lousy job of that.

Mr. Horner (Crowfoot): To suggest that the Quebec people would rather have their own language promoted than buy one gallon of Alberta oil is to insult the intelligence and the broadmindedness of the Quebec people, and I hope the Prime Minister lives to regret that remark.

Einstein once said that nationalism is an infantile disease of mankind. With the world becoming smaller because of improved efficiency in transportation and communication, and as we become more knowledgeable of various people throughout the world, that statement of Einstein's, if it was true at the time he made it, certainly is true today.

● (1500)

We should not be afraid of foreign investment. We should have confidence in ourselves and a belief that we can control foreign investment. One wonders, when one looks at this bill and sees the clauses in it, specifically clause 19 which provides that the board will have power to ration, how rationing in Toronto will help us to get more oil into the Montreal market. How will rationing in Calgary help us to get more oil into the Maritimes market? It cannot. It might be an expression of the philosophy that we should all suffer a little together, but this will not help.

We have the reply of the Prime Minister to questions put to him by the hon. member for Central Nova (Mr. MacKay). Last Wednesday the hon. member for Central Nova asked a legitimate question, namely, what the government intends to do about oil prices if they become so high that they will be practically prohibitive in the Atlantic provinces. The Prime Minister replied that if they become too high, people do not have to buy the oil. Was that a serious, sensible, conscientious remark for the Prime Minister of this country to make? It certainly was not. Was he concerned about the people in Nova Scotia, the people in Prince Edward Island or the people in Quebec? He certainly was not. What is the purpose of this bill if the government does not have a contingency plan to offset some extremely high prices that might be demanded in the five eastern provinces? What is the use of setting up this allocation board?

Some time ago, the Minister of Energy, Mines and Resources (Mr. Macdonald) thought that the establishment of this board would assist the government in controlling the ships and in transporting oil via the Panama Canal. It will certainly not load the ships any faster. The loading facilities are being used to the utmost right now in the port of Vancouver and the most that they can get through the port is 75,000 to 80,000 barrels a day. So what will this allocation board do? It will add to the scare crisis in Canada. It will create in certain areas, if it is politically wise to create them, certain hardships because the government wants the country to feel there is a crisis at hand and the knight on a white charger rides to the rescue of the people of Canada. This is the situation they are trying to create. Last Wednesday the Prime Minister did not suggest, in his answer to the hon. member for Central Nova, that he had as yet found the horse on which to ride. He did not see the allocation bill as the horse on which he could ride to the rescue. All he said was that if prices became too high people should not buy.

It seems to me that if this government wants to barter in good faith it should not ask the House to pass this bill, nor should it attempt to have us pass the tax bill which may come up next week. It is all right for the House to debate these bills and to listen to the views of hon. members because the thinking and contributions of hon. members should be made known before the first ministers conference is held. In this way confrontation, which is already taking place between this government and Saskatchewan regarding the cutback in production in that province and the imposition of the tax as of January 31, will be avoided. But if parliament passes these two bills the government will be asking for confrontation; and have we not had enough of that kind of confrontation diplomacy so far between the ten provinces and the federal government, a diplomacy which was originated by the minister?

There are many people who blame the Arabs and claim that all the problems which may face Canada in the future can be laid solely at the door of the Middle East countries. That is not quite so. We know that 30 per cent of the oil

imported by the five eastern provinces comes from the Arab countries. Most of it comes from Venezuela and what might be called OPEC.

Mr. Béchard: Thirty per cent is an important amount.

Mr. Horner (Crowfoot): I am glad the hon. member says that. It amounts to 200,000 barrels a day more or less. We in the province of Alberta have done our utmost, as I said, to continue to increase our production and to meet whatever solutions the transportation industry can offer to move oil into the Montreal market or into the five eastern provinces by boat or by rail. Production might go up to 100,000 barrels a day. It would be oil from the west going to where it has never gone before, namely, the five eastern provinces. Saudi Arabia has cut Canada right off. The minister does not want to acknowledge that fact, but it came out the other day. His classmate exposed him. I should like to see his classmate expose him a little more, because then perhaps the Prime Minister may take an increased interest in the energy crisis and in finding ways to solve it. Perhaps the 70,000 or 80,000 barrels a day which we may be short if every Arab country cuts us off can be made up with increased purchases from OPEC.

I think that one should point out the difficulties in which the Arab nations find themselves. I know from a fairly reliable source that in recent years the North American continent has increased its oil consumption by 6 per cent a year and Europe has increased its oil consumption by about 12 per cent a year. In order to meet these increases the Arab nations would have to increase their production by 30 per cent a year. Let us leave aside for a moment the war in the Middle East and consider what country would not be a little concerned in those circumstances. The Arab countries are aware of their known resources. They see their production having to be increased by 30 per cent a year to meet the demand. What country, in those circumstances, would not say to itself that maybe they should be charging a little more for their oil, maybe they have something that will run out and perhaps they should be getting a higher price to provide a better livelihood for their citizens in the years ahead? Canada is fortunate in this respect; we can become self-sufficient.

Mr. Schumacher: We are.

Mr. Horner (Crowfoot): Yes, we are self-sufficient and we can provide all parts of Canada with oil. But there are two things that all parts of Canada must recognize. First of all, the five eastern provinces have got to say, "All right. We are prepared to take Canadian oil, and if necessary we are prepared to pay a little more for it in the years ahead because we understand the cost of producing oil in Canada is higher than it is in the Middle East." That is an important recognition which they must make. They have to recognize this before Canadian oil is forced upon them as a consequence of this allocation bill.

● (1510)

At the January conference of first ministers held in western Canada, in Toronto or in Ottawa, wherever it may be, they have to say publicly, "We will take this Syncrude oil, this Athabasca tar sands oil. We realize it costs more to produce it, but we will take it even if other major pools of oil are found somewhere else." That is one thing they have to say very clearly and succinctly.

Why should private enterprise build a pipeline to Montreal just on a whim? Because the Arabs today are charging more for their oil, does this mean that forever and a day they will charge more for it? Private enterprise needs some assurance that the five eastern provinces recognize the venture they are entering upon with this oil arrangement.

The second thing that must be pointed out quite clearly is that repeatedly the province of Alberta has welcomed investment in the oil industry. We have not stopped investment money from coming into that province. Maybe we should have done so. Maybe we should say that while we know those tar sands have been there for 200 years, in another 200 years from now they will be even more valuable. But we have not said that. We have said to the province of Quebec that we do not think enough money is coming into the development of the tar sands. We welcome the creation of a corporation by the province of Quebec to spend money in assisting to develop the tar sands. We welcome a joint venture by both Quebec and Ontario, and the Alberta government itself is ready to take part in that venture.

The Acting Speaker (Mr. Boulanger): Order, please. I regret to interrupt the hon. member, but his time has expired.

Mr. Horner (Crowfoot): Mr. Speaker, may I have unanimous consent to express my final point?

The Acting Speaker (Mr. Boulanger): Does the House give unanimous consent?

Some hon. Members: Agreed.

Mr. Horner (Crowfoot): Thank you, Mr. Speaker. I assure the House that I will not abuse the privilege it has granted me. As I was saying, we in Alberta welcome such investment to help meet the crisis that may develop in Canada, and we will invest in that venture ourselves so that we may better assist Canada in the years ahead. We have extended an invitation to a Crown corporation or a provincial corporation, and have even gone so far as to say that in order to encourage others the province of Alberta will go in as a part-owner of the corporation.

Having said that, I would refer to the five points that Premier Lougheed announced as our energy policy in the province of Alberta. Clearly we have invited foreign money. We have invited provincial money. We have invited Crown corporations to invest, purely in the interests of stepping up production. We have assisted in supplying oil to the five eastern provinces by shipping it through the Panama Canal. We have encouraged as much oil to be moved by rail into the Montreal market as is possible. No one in this House, or anywhere else, can say conscientiously and knowledgeably that the province of Alberta and its premier have not done their utmost to ward off any crisis which may be on the horizon. But if this House passes this bill before the first ministers' conference is held in January, few people in the House or in the cabinet will be able to say as much for the federal government.

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, I am very pleased to have the opportunity to make a few comments on Bill C-236 concerning the government's plans to cope with the energy situation in our country. I think it is fair to say that the history of Liberal governments in this country has been of reaction to one crisis after another. Today we have a repetition of that history: things are no different. The government did not engage in the kind of medium or long-term planning that was necessary some time ago and again we are faced with a reaction to a crisis.

Policies on inflation, difficult as they may be to identify, have been one example of a panic and patchwork reaction designed to smooth things over but not to get at the basic cause of the problem. Now we have a policy on energy which also has been created in a panic situation but certainly is not designed to smooth things over. As a matter of fact, it seems designed to strain confederation to the limit.

We have seen the Prime Minister (Mr. Trudeau) and several other ministers making paradoxical policy statements and then putting forward policies that do not accord with their statements. In the past few days the Prime Minister and the Minister of Energy, Mines and Resources (Mr. Macdonald) have placed a great deal of emphasis on the fact that they have frozen the price of oil, that controls have been placed on oil. This is a big thing to them. Yet at the same time we have the Minister of Finance (Mr. Turner) indicating on many occasions, including as recently as yesterday, that controls do not work, particularly when you have a shortage of supply. He believes the problem in that situation must be solved by increasing the supply. Yet what have we seen in the past few months? We have seen controls placed on meat to depress the price, controls on wheat used domestically to reduce its costs, and now controls on the price of oil.

I do not think anybody around here questions that so far as the world situation is concerned there is a shortage of oil. On the other hand, we have a Minister of Finance who says that in a shortage of supply situation controls do not work. Immediately following that we have the Prime Minister and the Minister of Energy, Mines and Resources placing price controls on that commodity. It is no wonder the Canadian public is confused on where the government stands. Are the people to believe the Prime Minister, the Minister of Energy, Mines and Resources, or the Minister of Finance? Which of them is speaking the truth?

More basically, Mr. Speaker, we have in Canada today a government which appears to be more concerned with just surviving than with the realities of governing the country. The policies announced to deal with the energy crisis are good evidence of its desire to cling to power. Obviously some of them were taken from the NDP shopping list prepared just a few days ago. They were grasped greedily by the government in order to save itself. It is obvious that the government has been so preoccupied with the political survival game that it has been unable to govern at all. Recently I read an article quoting a Liberal source as saying that the Liberal Party, since its setback in October, 1972, has been unable to regain control of itself, has been unable to return to "its former grace." In fact, the Liberal Party seems to have entered the menopause, says this Liberal source. I think that Liberal source was rather generous when he suggested they were only in the menopause. If we examine the evidence more carefully, it points much more toward senility. One of the key features of senility is that individuals who suffer from it like to dwell on the distant past and do not like to look to the future because it appears rather bleak. If you examine statements made by ministers and members of the Liberal Party in recent weeks, you will find they have dwelt almost exclusively on past achievements and glories.

● (1520)

The speech made by the Minister of National Health and Welfare (Mr. Lalonde) on September 6 was entirely devoted to telling us how much the Liberal Party had done for Canada in the area of welfare in the last few years, typifying his preoccupation with the past, a typical symptom of senility. In the speech made by the Minister of State responsible for multiculturalism (Mr. Haidasz) a few months ago when this subject was before the House, he spent almost his entire time dwelling on past achievements. Most of his speech was about old history and the glory that used to be of the Liberal Party. If we look at some of the speeches made in recent weeks by the hon. member for Verdun (Mr. Mackasey) we find that he dwelt a good deal on past glories and not too much on the present or the future. When the Minister of Finance speaks he does the same thing, he always reviews old history. All these are examples of a party not in menopause but far beyond the menopause, well advanced into a state of senility.

I have also seen a report recently about the need of the Liberal Party to regenerate, suggesting it was shattered by the last election and has been unable to pull itself together to regenerate to a position of positive leadership. The word regenerate caught my eye because there are only a few creatures on this earth that can regenerate. I am told that if a spider loses a leg or a portion of it, it can regenerate or grow a new part. I am also told there is a certain kind of garden worm which, if you are digging and cut it in half with a shovel, will grow a new head section and a new tail section, so that what was originally one worm may wind up as two worms.

The Acting Speaker (Mr. Boulanger): Order, please. The hon. member is giving us a very good report of what the Liberals could have done had the minister spoken, but the subject matter before us today is Bill C-236 and so far the hon. member has not said very much about it. I hope he will speak more to the bill rather than to history.

Mr. Yewchuk: Mr. Speaker, I am sure that if you consider these remarks carefully you will see they are related to the bill before us. I am just trying to set the framework for my discussion. It would appear that in the last election the Liberal Party was cut in half by the spade of public opinion. I have had much difficulty trying to decide which section is here, whether it is the tail section or the head section that is trying to govern. I think it is probably the tail section. Looking at the energy policies that have been presented to us in the past few months, and at the statement on energy made about a week ago, one must come to the conclusion that it is the tail section of the worm that is governing and trying desperately to grow a new head section, but it appears unable to do so and from time to

time it fits on the NDP head section as a substitute. Of course, that does not work because the NDP worm has been squirming so much that no one knows what path it wants to follow in what direction it wants to go.

Mr. Hellyer: It is waffling.

Mr. Yewchuk: We have the spectacle of a party desperately clinging to power, improvising madly to provide symptomatic treatment for the ills of society but failing to come to grips with the cause of the problem, and therefore not providing the right prescription when it is required—and that is before the crisis occurs, not after. I think when a government deteriorates to the point where it appears to be completely incapable or unwilling to face squarely the problems of the country and provide the solutions which are bold and imaginative and which Canadians expect, it should step aside for the good of the country. When a government is as indecisive as this one has been, it should retreat into a cave to reassess its position; but in the meantime it should allow someone else to do the job, someone who is better suited and better prepared to do it.

The government claims that there is an energy crisis in Canada. No one questions the existence of a world shortage of energy or a world crisis, but we have yet to see the evidence that there is a crisis as far as this country is concerned. A few days ago the minister stated that under the worst circumstances Canada could be as much as 200,000 barrels a day short of oil this winter, but he has consistently refused or has been unable to provide any substantial evidence that there is in fact a shortage now or that there will be in fact a shortage this winter. Just a couple of days ago it was brought to our attention in the House that a couple of million barrels were being shipped out of Quebec to the United States under permit of the National Energy Board. That leads one to wonder how great a shortage there is of this product.

The minister himself indicates that an additional 100,000 barrels a day could be transported to Quebec and the maritimes from the west by way of tankers through the Panama Canal, down the St. Lawrence Seaway and by train and truck and every other means available. Recently we learned that a refinery at Come-By-Chance, Newfoundland, will be in production in the next month or so, producing an additional 100,000 barrels a day which are not committed to any market and are available to Canada.

Even under the worst possible conditions, in view of these facts and in view of the minister's projections, it is difficult to believe that there is indeed a crisis in Canada at this time. Nevertheless, the minister has placed Bill C-236 before the House and it is presently being debated. The bill gives the minister absolute power in the energy field to allocate energy supplies when he thinks economic conditions warrant the use of such power. Inasmuch as the industrial, commercial and business sectors of the economy depend upon energy to produce output, mandatory allocation and rationing of energy and energy products will give the minister complete authority to regulate the domestic economy as he sees fit.

I am not sure that I would be prepared to give this minister that kind of authority, Mr. Speaker. It would be a blatant distortion of the intent of this bill if it were openly to be used as an instrument of economic policy. But one cannot assume that the government would not use such power as this bill provides if the government judged it politically expedient to do so. We have seen examples of government action for expediency in the past, and I am sure we will see such examples in the future. The economic powers that this bill provides cannot be underestimated. The allocation program itself can be invoked when in the opinion of the governor in council the stability of the economy is in danger because of a petroleum shortage or market dislocation.

What about the stability of the economy? I think, Mr. Speaker, that is very much a matter of opinion—presumably the opinion of the governor in council, which in fact means the opinion of the Minister of Energy, Mines and Resources. On this matter his opinion should be identical with that of the Minister of Finance who has stated that a real growth rate of over 5 per cent is still expected in 1974.

● (1530)

The fact that mandatory allocations may be necessary probably means that growth projections are overly optimistic and probably not valid. It would be necessary for these optimistic forecasts for growth to be withdrawn in order to invoke the full powers of the energy allocation bill. Such withdrawal is not likely, particularly in view of the statement made yesterday by the Minister of Finance who spoke in the House in glowing terms about the expectations for economic growth. Also, the Prime Minister told the people of Canada last night that the predictions are for tremendous growth in this country in the next three years, for growth greater than in any other country of the world. So we are left wondering why this kind of allocation bill is required, if it is correct to assume that such growth will occur.

It is quite conceivable that a similar difficulty exists with regard to the opinion of what may be causing economic instability. For instance, the minister may use economic instability as an argument for invoking the powers under this bill. What are the causes of economic instability? They might be large increases in unemployment, not necessarily related to the energy crisis; they could be inflation and spiralling prices which have been completely out of control for months. The causes could be industrial shutdowns through lack of markets, or a general decline in investor confidence. None of these causes necessarily reflects the energy shortage. Equally, this manifest instability could be the result of other factors, such as mismanagement of monetary policy or the result of declining export markets. Therefore, the power which this bill provides for the minister to invoke allocations of energy could well be used as a disguise for the failure of the government's economic policies in general.

We are, however, prepared to accept for the time being the minister's word that there could be an energy shortage—

An hon. Member: I don't know why.

Mr. Yewchuk: I don't know why, either, but we are prepared to accept some legislative authority for coping with the situation, if it arises. However, this bill goes far beyond any conceivable need for power which the minis-

ter may need, or can demonstrate that he needs, for coping adequately with the problem.

Mr. Harding: Then send the bill to committee and amend it. Don't filibuster it.

Mr. Yewchuk: I will have some comments for my friend to my left in a moment. Our biggest reservation is this: should the far reaching powers of this bill be given to a government which has shown itself to be incompetent and incapable of handling effectively the current problems of our country, particularly as this bill gives the Minister of Energy, Mines and resources authority to overrule or negate any provincial priorities relevant to the energy crisis?

Mr. Turner (London East): Tory times are hard times.

Mr. Yewchuk: We happen to be in the middle of Liberal times, and they are pretty hard times. Actually, some of the powers in this bill are so far reaching that the federal government could invade areas of undisputed provincial authority. In the past few weeks we have seen a deliberate attempt to run roughshod over provincial rights. The Minister of Energy, Mines and Resources and the Prime Minister have engaged in confrontation with the producing provinces. For example, in Vancouver the Prime Minister a few days ago at a Liberal fund-raising dinner unashamedly attacked the premier of a province without any justification and without any regard for what that attack might do to confederation. We also saw the spectacle of the party to my left jumping for joy because the Liberals, with whom they are in cahoots, a few days ago put forward a policy which they support. Suddenly they were confounded when one of their own kind, the Premier of Saskatchewan, announced certain things that he wants to do for his province.

The hon. member for York South (Mr. Lewis) has been most critical of Alberta for wanting a good price for its product and some *quid pro quo* from the government. In other words, in exchange for better prices for Canadians that province wants certain things which it needs. The hon. member for York South thought that was terrible. He referred to the Alberta premier as a blue-eyed Arab. Now, suddenly, we have another blue-eyed Arab. Perhaps I should not say that. But the duly elected Premier of Saskatchewan is making demands which are far greater than those made by the Premier of Alberta. Suddenly, NDP members from Saskatchewan have been stopped in their tracks, wondering what to do now. What will they do now, I wonder? Will they support federal policies which would mean a loss of half a million dollars a day to the province of Saskatchewan, or will they reassess their position and decide on which side their bread is really buttered?

The confrontations which the Minister of Energy, Mines and Resources and the Prime Minister have provoked with the provinces have surprised me, as they have followed so closely on the heels of the western economic opportunities conference. If you recall, Mr. Speaker, prior to this conference the Prime Minister and the cabinet stirred up the fondest hopes of westerners that finally the government was taking a serious look at the west, was willing to listen to the problems of the west and, in fact, appeared to be willing to do something about those problems. Now the situation is quite different. We know where this Liberal government really stands so far as the west is concerned. Make no mistake, westerners get the message fully. The Prime Minister has decided to abandon the west, politically, and to go for broke in Ontario. I do not think the people of Ontario or the people of Canada can be fooled by this kind of attack on confederation. I would advise him strongly, as would other members of the opposition, to withdraw from that attitude.

What about my friends to our left, the great principled New Democratic Party which has been supporting this government unreservedly since January of this year? No matter what the issue has been, no matter what the position of the NDP has been prior to any vote, that party has repeatedly and consistently supported the government in order to stay alive itself. Last Monday it supported the government's energy policy. Now there is certain news from Saskatchewan and I am anxious to see what that party will do after today. Last summer, just after the parliamentary recess, the leader of the NDP went roaring from coast to coast saying, "I cannot see how we can support the Trudeau government much longer," knowing full well that there would not be any opportunity to carry out his threat by way of a vote until the middle of October. Then, by chance, in September when parliament was recalled, only one month after he had made those threats, we suddenly found that the tiger's roar had become the cat's purr.

Last week we saw more of the same. The hon. member for York South has been running around the countryside shouting threats of withdrawal of support, but when the crunch comes his party votes with the government. I find that hypocrisy rather repugnant. This is not the sort of behaviour which we ought to countenance. I am sure the NDP realizes that most Canadians find this kind of hypocrisy and this kind of behaviour intolerable. No doubt that is why the party is afraid to let go of the coat-tails of power and why it again stood behind its leader only a few days ago and voted with the government.

What about controls? We had a policy announcement last spring concerning the price freeze which was to be followed by a period of controls. The hon. member for York South, the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) and others nearly broke their necks running around the country telling people why they were against controls and why controls would not work. Now they are suddenly very much in favour of controls. They threatened to withdraw their support from the government unless it imposed controls.

● (1540)

The hon. member for Nanaimo-Cowichan-The Islands is a man whom we have grown to respect for his service to parliament and to the country. Even though I disagree with his ideas, he does what he thinks is right. Even he was unable to resist the temptation a couple of days ago to be a little devious when speaking on the energy situation. I asked the hon. member whether he was really in favour of controls. When we suggested them last February, he spoke against them. However, when he spoke a few days ago he was in favour of controls. His answer was, "Well, all you fellows are suggesting is a 90-day freeze." I do not

believe he really meant that. If he did, it means he read only the first line of our policy paper and then ran around the country making statements based on that first line. If that was not the case, he was simply trying to be a little dishonest and I do not think he would want to do that.

This country is getting into a terrible mess as far as the economy, inflation and energy are concerned. It is not only the Liberals who are to blame; the New Democratic Party are also to blame because they are responsible for upholding this lame duck government. The NDP are maintaining this kind of a situation with a government that refuses to accept its responsibility and refuses to deal with major problems in an effective way. The NDP have to share the blame for this situation and they will have to account for their behaviour to the electorate when the time comes.

Before this bill is passed it would only be sensible for the standing committee to make a very exhaustive and extensive inquiry into all aspects of Canada's energy situation to determine the true extent of the crisis, if indeed there is a crisis. The committee should be empowered to call before it the minister, his advisers, representatives of the oil companies and anyone else knowledgeable about or concerned with the field of energy. Only after that kind of study would it be possible to decide whether there is a crisis and whether the minister really needs the kind of power he is seeking in this bill.

Before concluding I want to deal briefly with the question of the Athabasca tar sands. Syncrude, a consortium of companies, is prepared to construct an extraction plant with a capacity of 125,000 barrels a day. They are now prepared to go ahead. They have made an agreement with the province which will provide to the public treasury the maximum amount of revenue. If this project goes ahead it will mean more than 10,000 jobs in northern Alberta and in other parts of the country. It will mean that the town of Fort McMurray will more than double in population. It will be one of the initial steps in that region becoming a highly industrialized centre of Alberta and in due course a highly industrialized centre of Canada.

At the present time there are many huge construction projects of this kind in the making in North America. They require specialized materials and equipment, specially built metal receptacles and special tools and equipment of various kinds which are not mass produced. I am told that if these materials are ordered now, there is a waiting time of at least several months and possibly one to two years. The federal government should be a little more co-operative and a little more cognizant of the serious deleterious effects of holding up this project. The project is awaiting certain assurances from the federal government, or at least some clarification on where the federal government stands on the whole question. Until these matters are clarified the project will not proceed.

The minister should take a closer look at the significance of this project to Albertans and, indeed, to Canada as a whole, not just because we have a high unemployment situation and require the jobs that would be produced but because we have an energy shortage looming in the not too distant future. Plants such as that proposed by Syncrude cannot be built overnight; it is a matter of years before they are in production. I think we should proceed with this project as quickly as possible. I hope the minister will take whatever action is necessary to get the project rolling without further delay.

[Mr. Yewchuk.]

Some hon. Members: Question.

Mr. Stan Schellenberger (Wetaskiwin): Mr. Speaker, I note a good deal of impatience on the other side of the House and to my left. I hope they will bear with me as we examine this bill, look into each clause and see what it will mean to Canadians in all parts of the country. The hon. member for Crowfoot (Mr. Horner) really dug into what this energy problem or so-called crisis is all about. It is a transportation problem. We in Canada are self-sufficient in oil but we are not able to get it from one end of the country to the other.

I noted that some members of the Standing Committee on Transport and Communications asked the president of Canadian National Railways whether it would be possible to put liners in grain cars in order to move oil from Alberta and other parts of western Canada to the eastern market. That really points up the problem. At the present time the facilities are not available to move oil from Alberta, Saskatchewan and perhaps Manitoba to the eastern markets.

The hon. member for Crowfoot suggested that the port facilities to move oil through the Panama Canal to eastern Canada, or across Canada by pipeline or rail are inadequate at the present time. We should have anticipated this problem of eastern Canada being cut off from offshore oil, necessitating the transport of oil from western to eastern Canada by some method. I suspect that the best method to transport oil from one end of the country to the other is by pipeline. As some members have suggested, we should have looked into this pipeline four or five years ago, not now when we have shortages of all products and transportation problems. There is a shortage of the steel required to build a pipeline from Sarnia to Montreal, not to mention the looping that will be necessary on the Trans Canada pipeline to supply that oil.

● (1550)

Introducing the bill last week, the Minister of Energy, Mines and Resources (Mr. Macdonald) stated it was analogous to an insurance policy. Shortly thereafter, my hon. friend from Peace River (Mr. Baldwin) asked him to disclose the specifics of that insurance policy, for example, what were the risks and how much was the premium. These questions have not been answered and I seriously doubt that they ever will be answered. I would be willing to bet that the minister's policy is of the short term, low dividend, variety. And maybe the minister, too, is of the short term, low dividend variety.

The bill before us is a glaring example of the kind of legislation we have so often been asked to consider. I have seen issues come and go, and generally the NDP find some way of making the issues go. Legislation is all too often hastily prepared and poorly researched. It is difficult to sort out all the contradictory statements we have heard in the past few weeks, not only from the minister of energy but from the Prime Minister. Only last week, for instance, the Prime Minister (Mr. Trudeau) said he would like to see Canada become self-sufficient in energy by 1980. But

we are already exporting more oil than we are importing, so this country does not lack oil supplies for our own use.

There is, in fact, a great deal of capacity in Alberta as well as in other provinces which could quickly be reflected in terms of increased production. We learn, for instance, that refineries in Edmonton are working on the basis of eight or ten-hour shifts. Work could be carried on throughout a 24-hour period, but there is neither the storage capacity nor the transportation needed to get the products out of Edmonton to where they are needed. This is why I say the difficulty we are experiencing in Canada is to a large extent one of transportation, since there is no lack of oil in this country.

For some strange reason the Minister of Energy, Mines and Resources has been reluctant to report to the Standing Committee on National Resources and Public Works. No meeting of this committee has been held since June 7, despite requests from members on this side of the House that the chairman should call one so the present situation might be discussed. In that committee we would have an opportunity to question the minister, officials of his department, representatives of the provinces, perhaps, and people in the industry with a view to ascertaining the nature of the problem and the extent to which it might develop during the coming months.

Mr. Macdonald (Rosedale): Why not pass the bill right now, and we could have the committee sitting next week.

Some hon. Members: Hear, hear!

Mr. Macdonald (Rosedale): Go to the committee stage and cut the filibuster.

Mr. Schellenberger: The minister is saying we should pass the bill in haste. I say we should have been looking into this situation months earlier than this.

Mr. Macdonald (Rosedale): Cut the filibuster and go into committee.

An hon. Member: Give us some answers.

Mr. Macdonald (Rosedale): I will give you more than you can handle.

Mr. Schellenberger: We in this party do not accept the minister's reasoning. As I cross the country I hear varying assessments of our energy reserves. Differing figures are given by the federal government, by provincial governments and by private industry. I believe the minister and his department should long ago have conducted serious research in this field so as to produce statistics the people of Canada can count on. I have heard estimates that the supply of conventional oil in Canada is sufficient to last for 10, 15 or even 20 years. I have heard it estimated that our supply of natural gas is sufficient to last between 15 and 20 years. According to some estimates there are between 500 billion and one trillion barrels of oil in the tar sands in various areas of Alberta.

Surely, with all the funds and expertise available to the minister, a more accurate determination of the extent of these resources could be made for presentation to the people of Canada and members of this House, so that they might have a better basis on which to decide whether a bill such as this is necessary. The present minister deals in uncertainties, and I do not think we should give the government the powers it is demanding in the absence of far more accurate information. An attempt on his part to deal in specifics would at least lend a measure of credibility to Bill C-236.

I should like to turn briefly to clause 35 which deals with opportunity for debate and arrangements for the termination of the act. This measure, as its title implies, is to be invoked only when a national energy emergency exists. I would, therefore, question subclause (4) which provides:

> An order under subsection (3) shall be laid before parliament not later than 15 days after it has been made, or, if parliament is not then sitting, within the first 15 days next thereafter that parliament is sitting.

Mr. Deputy Speaker: Order. This is a convenient point at which to recognize that it is four o'clock. It being four o'clock, the House will now proceed to the consideration of private members' business.

[*Translation*]

Mr. Béchard: Mr. Speaker, I rise on a point of order. In view of the appreciable progress made by the opposition as it carries on its filibuster, the House would perhaps agree to let go the private members' hour in order to enable the Canadian people to know the true colours of the Progressive Conservative opposition.

[*English*]

Mr. Deputy Speaker: The House has heard the suggestion made by the hon. member, that private members' hour be dispensed with and that we resume consideration of the bill we have been discussing. This would require unanimous consent. Is there unanimous consent?

Some hon. Members: No.

Mr. Deputy Speaker: There is not unanimous consent.

Mr. Macdonald (Rosedale): An Alberta Tory said no.

Mr. Deputy Speaker: Is the hon. member for Winnipeg North Centre (Mr. Knowles) rising on a point of order?

Mr. Knowles (Winnipeg North Centre): Yes, Mr. Speaker. I am sorry if I have jumped the gun, but I believe Your Honour was about to call public bills. May I remind the House of the request I made this morning, that at this hour we might call order No. 86, resuming the debate on my Bill C-10, which calls for the abolition of the Senate. When I made that proposal this morning I did not hear any opposing voices. Perhaps the hon. member for Egmont (Mr. MacDonald) would agree with the proposition that this would be a good day to give Their Honours in the other place something to think about.

Mr. Crouse: Very funny.

Mr. Deputy Speaker: The House has heard the suggestion made by the hon. member for Winnipeg North Centre. Again, this would be a matter requiring unanimous consent. Is this agreed?

Some hon. Members: No.

Mr. Deputy Speaker: There is not unanimous consent. The House will now turn to the consideration of private members' public bills.

● (1600)

PRIVATE MEMBERS' PUBLIC BILLS

[*English*]

STATISTICS ACT

MEASURE TO AUTHORIZE COLLECTION OF ECONOMIC AND SOCIAL STATISTICS

Mr. David MacDonald (Egmont) moved that Bill C-7, to amend the Statistics Act (area statistics), be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

He said: Mr. Speaker, perhaps I should have said that if the House would agree to adopt this motion without debate, we could then proceed to discuss the motion of the hon. member for Winnipeg North Centre (Mr. Knowles).

Mr. Knowles (Winnipeg North Centre): Carried.

An hon. Member: Some of us want to speak on it.

Mr. MacDonald (Egmont): I assumed there were some who wish to speak, therefore I think the hon. member for Winnipeg North Centre will have to wait a few more years before we come to grips with his proposition.

Mr. Knowles (Winnipeg North Centre): Not with the help we are now getting from the other place.

Mr. MacDonald (Egmont): I do not want to get into that discussion today. While I might be anxious to debate the matter with the hon. member, I think of equal importance, since he did mention giving the members of the other place something significant to grapple with, would be the opportunity for them to grapple with the modest bill that is before the House this afternoon.

This bill has been standing on the order paper ready for debate for many months, almost from the first month this session of parliament began. The reason it has not been brought forward is that there has been some discussion with members of other parties as to whether it is drafted in the proper from, or whether in some manner or fashion it is still relevant. I expect there will be some comment from other members in that regard. I do not want to get into any legal defence of the proposed motion before us this afternoon, but I have been advised there may be at least one error in respect of the numbering of the paragraphs and it might be more appropriate to have paragraph (d) of section 3 attached as paragraph (e). However, that is a minor matter.

What I really want to deal with this afternoon is the substance of the proposal before the House, and that is the very great and obvious need for better information on a provincial and regional basis available to the federal, provincial and municipal governments and to the private sector. I must admit that when this bill was originally put down, while I had some feeling about its being important, I was anxious to have it brought forward for discussion before this session of parliament either expires, prorogues or whatever will happen to it, in order that we might have an opportunity to consider the matter.

An hon. Member: It is up to you guys.

Mr. MacDonald (Egmont): It is up to all of us, I guess. I realize there are many global and national issues with which we are confronted these days, but I do not think we should lose sight of what is essentially a problem that will continue to confront this government and successive governments in years to come unless we take the problem seriously. Perhaps I could put it best by simply saying that in the last few weeks I have had an opportunity, travelling in the Atlantic provinces and meeting with people both in government and in universities, to be made aware again of the real problems that exist. I intend to speak specifically about Atlantic Canada because that is the area I know best and, quite frankly, that is the area which conerns me most. The real problem that exists is in respect of the lack of accurate and relevant statistical information about the Atlantic provinces. Nothing could be more true to a member who comes from a constituency in the province of Prince Edward Island.

The latest indication of that came last week with the most recent set of statistics of employment, unemployment and changes in the cost of living. When a Prince Edward Islander looks at a report concerning employment, he is faced with very few numbers and a great many asterisks because he is told at the outset that most of the information which can be provided by the most knowledgeable statistical agency in the country, Statistics Canada, is not accurate. What we are told about November, 1973, in terms of employment is that in a general way the labour force represents some 40,000 people, and in a general way there are 36,000 people who were employed during that month. But with regard to unemployment and the unemployment rate no definitive answer can be given. The sort of simple answer for this, since I am not a statistician or an economist and cannot get into all the different quantum explanations, is that at the present time when computations are made in respect of employment and unemployment the figures are averaged to the nearest thousand.

The problem Statistics Canada has in reporting accurate figures for Prince Edward Island is that if there are 999 people unemployed in Prince Edward Island, it is suggested there are in fact less than 1,000 and therefore perhaps there is conceivably no one unemployed there. If the figure is raised to 1,001 by adding two more people to the unemployment rolls, suddenly the unemployment rate jumps in Prince Edward Island from zero to 2,000. That is the kind of confusion and misleading information you get, because Statistics Canada rightly refuses to report this kind of percentage as it would be ludicrous. Prince Edward Island is just one of the ten provinces of this country which receives this kind of information that represents just one of the serious shortcomings and anomalies in the present statistical information available from Statistics Canada.

In a few minutes I intend to mention some of the other problems in respect of our region in terms of having truly

adequate information in order to formulate economic and social policy. In spite of these difficulties we have the audacity—perhaps I should not say "we" because as members of parliament we do not really formulate government policy—but governments have the audacity day by day, week by week to enunciate programs to alleviate problems of unemployment and in respect of the cost of living based on this kind of misleading and, if I can use the term, half-baked information. This happens in a day and age when we know we have gone far beyond the times of Francis Bacon who said many years ago that knowledge is power. We might say today, perhaps paraphrasing some of the information that comes to us from such works as "Future Shock" by Toffler, that knowledge is a key component to change and accelerating knowledge acquisition means accelerating change.

We must have accurate information if government programs which involve billions of dollars of public money are to do the job they are meant to do. To repeat what I said a little earlier, as I visited people who are concerned with human development and social improvement in the Atlantic provinces, people who analyse this question in a detached way in university communities and people who try to work with relevant information in government offices, I found that they cannot do so and they ask, "Why can't we have accurate information and statistics about our provinces, about parts of our provinces and about the region as a whole?" I have introduced this very modest bill—members who have looked at it will see it is very modest—to make the point again that unless Statistics Canada, in gathering the information it gathers day by day, can really do the job it is meant to do, then in terms of formulating social and economic policy we are wasting a great deal of money which could be much better spent.

Many of us who live in the Atlantic provinces think we know what the situation is in regard to our own province and our own region, but we know in real terms that often we can be very much shocked when we see the actual statistics. Just yesterday I had the opportunity of meeting some representatives of the bilingual districts commission who have done a rather intensive study of the language changes occurring within my constituency of Egmont. They were frank to admit that one of the difficulties they had was that they really had to base their conclusions on a rather rough compilation of statistics taken once every ten years—1961, 1971, and so on—and that to try to formulate sensible recommendations in respect of the bilingual complexion for the future of the Egmont constituency would require a great deal more relevant information that is presently available.

Some members may recall that only a few years ago, in early 1971, for the first time in the Atlantic region the Atlantic Development Council produced a strategy. I do not intend to get into the merits or otherwise of that strategy produced by the ministerial advisory council for the Atlantic region. One of the very clear recommendations that they put on the record at that time was as follows, and I read from page 13, recommendation 65:

● (1610)

Data relevant to the economy of the Atlantic provinces are with reference to some subjects, and in some respects, seriously inadequate to provide a basis for the formulation of policies and programs and their subsequent monitoring. The Council has found this a serious problem which has hampered and complicated the preparation of a development strategy. Now that a comprehensive development effort has been launched, steps must be taken to correct this situation.

The council may have been somewhat overoptimistic about a comprehensive development strategy, but to the degree that such a strategy has not been inaugurated it may well be attributable to the fact that we do not have adequate statistics for the Atlantic region. We are faced with a variety of problems in this regard. Much of the statistical information for the Local Initiatives Program, which we were told in the beginning was to be allocated on the basis of unemployment and other social indicators across the country, we find—and I will not get into some of the allegations of political bias—to be based on the 1971 census.

We know only too well that in the period since 1971 a great deal has happened both in terms of the mobility of people and in terms of the economic situation in this country. As recently as this week we learned that across the country, especially in the larger urban centres in the central part of the country, unemployment has been on the decrease, but in the Atlantic provinces unemployment has increased in some places. In some parts of the Atlantic provinces it has increased dramatically, so dramatically that it is difficult to explain.

I have attempted to analyse—again with inadequate figures—the fact that in some of the urban centres in the Atlantic provinces, such as Halifax, Saint John and Fredericton, until two months ago unemployment was down 3 per cent or 4 per cent, and there has been a rather unusual job vacancy situation in some of the larger urban centres. But Statistics Canada is reporting as late as this week that we have a 9.6 per cent unemployment rate in the Atlantic provinces, a 13.6 per cent rate in Newfoundland and 9.9 per cent in New Brunswick. When I try to investigate the situation in Nova Scotia alone, because I thought that being the largest province in population I would find reasonable statistical explanations, I find that Cape Breton has an unemployment rate of 12 per cent and Nova Scotia about 8 per cent, but no one seems to know the explanation for this in terms of regional inconsistencies.

What we are trying to do, quite obviously, is to solve modern social and economic problems with horse and buggy statistics. The time has come to go beyond the horse and buggy stage, to realize that the nature of government and the intervention of government, not only federal government but other levels of government as well, has changed so dramatically in the past decade that to rely on normal social indicators is to waste the time of the general public and to destroy the effectiveness of programs that attempt to focus on the real human problems that exist.

Another example of the situation in the Atlantic provinces is the fact that for years—I do not know how long this goes back but I have statistics, unreliable as they may be, showing that at least for the last two decades—there has been a tremendous amount of out-migration from the Atlantic region. We know that as late as the mid 1960s there was a net out-migration of as many as 25,000 or 35,000 who had left the Atlantic region for other parts of this country or perhaps the United States.

Then we are told that in 1972 there has been a net in-migration for the first time in, I do not know how long. One would have to go back 30 or 40 years. The in-migration in 1972 amounted to some 5,000 people. We do not have enough information, unfortunately, to tell us in what way or in what form these people arrived and who they are, nor where they have gone and why they have come into the region. We do not have the gross figures on migration in or out, and we are left with the situation of trying to formulate economic and social policy without understanding what these semi-statistics tell us.

I want to quote for a moment from a speech that was given by a lady who has some interest in the subject on which I am speaking today. Her name is Sylvia Ostry. Some years ago, Dr. Ostry made a speech in which she made a few interesting comments which I think it might be worth relaying to the members of this House. She suggests in this speech, which I found to be an excellent talk about new directions, that we have to find some new social indicators because the nature of government planning and government action has changed so dramatically.

She suggested that we must develop—

—an emphasis on anticipatory rather than reactive decision making: an emphasis on systems rather than on discrete problem or policy areas. If one stresses the need to anticipate rather than react to problems and recognizes that inter relationships among proposed solutions must be explicitly taken into account, this may lead to a more careful and meaningful exploration of social priorities and effective strategies for their ultimate attainment.

Later in her speech she spoke about the need for—

—an increasingly articulated need by individuals within contemporary affluent societies to exercise more real choice about how they will live.

In the final part of her speech she suggested the following:

—the movement to develop what have been called "social indicators", direct measures of social welfare or distress such as indexes of mental and physical health; social mobility; public order and safety; the quality of the environment; participation and alienation, etc.

She went on to suggest that without these kinds of new statistics we will not be able to do the job adequately in terms of meeting and responding to the changes that are taking place in our society. I suppose that the best example of the situation in which we find ourselves today is the energy crisis. Here we are in a very difficult situation because we have not even begun to think of how we would quantify, how we would gather and how we would display the kind of information on energy utilization, energy needs and energy development either for the whole of the country or for the part of the country which is in most serious jeopardy at present either due to the potential petroleum shortages or to the very rapid rise in prices that has occurred. It points up, again, the lack of foresight that we have had and perhaps the lack of encouragement that we have given to our key statistical and information gathering system, that is, Statistics Canada.

Why do I spend so much time talking about the need for better information? It comes down very simply to this: I think at no time has it been clearer than in the last few months under this government that a good social and economic policy cannot be formulated flying by the seat of one's pants, and it certainly cannot happen because somebody gets up on a specific morning and decides he will have such and such a program or such and such a policy. We have had far too many months and far too many programs of "ad hockery." If we are to get beyond that, if we are to get positive and active government we will not get it unless we establish adequate benchmarks for social and economic development. We cannot begin to establish either short-term or long-term goals unless we have the information, the measurements and the monitoring to make them a practical reality. That is why I hope hon. members this afternoon will support the speedy passage and recommendation of this bill to committee.

• (1620)

Mr. Jack Cullen (Sarnia-Lambton): Mr. Speaker, I was pleased that the hon. member for Egmont (Mr. MacDonald) proposed his amendment and recognized that there was a small error in the drafting. I agree with him that it is insignificant and that the question we are really debating this afternoon is the substance of the bill. I listened very carefully to the hon. member, and I was pleased to hear his comment that he was looking for better information and not necessarily for more information. I am not convinced that we need more surveys, polls and inquiries. It may be that fewer would be in order.

I wonder whether the hon. member, before preparing the amendment, considered who does the work in most of these surveys. I suggest that a good portion of it has to be done by the small businessmen in Canada and, for that matter, by the larger corporations; but they hire staff and write off the cost as a business expense. The small businessman finds himself inundated with inquiries. Since Statistics Canada has been in operation for a number of years, it seems to me that the time has come to establish some form of task force to look into the kind of information that both Statistics Canada and provincial governments are gathering.

Just the other day a small businessman in my riding sent me a folder that contained seven or eight pages of questions. It had his name at the top and his address. It asked for all kinds of information, what kind of work he engaged in, how many employers he had, what he was paying them and what deductions were taken off at source. I got tired reading the questions because the list was so long. On the surface there did not seem to be an adequate explanation of the reason for it. Ture, Statistics Canada talks about such information being confidential, but the small businessman has a right to be a little apprehensive and to wonder how many people actually are looking at the type of information that he has to provide in this way.

The crowning blow for this individual was that he was told he had to complete the questionnaire and that if he did not complete it then under the act he would be subject to a fine. I can appreciate that one of the costs of doing business in Canada calls for completing income tax forms, preparing T-4 slips for employees and even collecting sales tax for the provinces and remitting it to the provincial treasury, but it seems to me we add insult to injury for the small businessman when we send him a leaflet full of questions which he cannot throw in the waste-paper basket. If it were a voluntary matter he could make up his own mind about filling out the questionnaire or throwing

it in a waste-paper basket. But the government agencies seeking the information have the sanction of legislation behind them and as a result the small businessman is not told that he may, at his choice, fill out the questionnaire or not fill it out; he is told he must fill it out.

Like the hon. member, I sometimes wonder if some people come into their offices in the morning, sit down and ask each other whether they should hold a survey on a particular subject, seeking information to help the small businessman to expand, telling him what kind of equipment would be better to use in his particular business. But I wonder if they would be a little more careful in sending out questionnaires to businessmen if they had to pay each businessman $10 for the time he had to devote to completing questionnaires. I wonder if that would limit the number of questionnaires that do go out, and if more careful thought would be given to the kinds of questions asked and to the length of the questionnaires. I have mentioned a figure of $10, but I suggest that the small businessman's time is worth very much more than that simply because of the length of time he has to devote to giving information to the federal, provincial and municipal governments.

I agree that the time has come for an investigation to be made by a task force or some other appropriate authority into the kind of information gathering that is done in Canada, to determine if it is really necessary to have all of these papers that come over the desk of the small businessman. In spite of my comments, Mr. Speaker, I do not wish to be negative about Statistics Canada. I know that many of the surveys it conducts are necessary. But the businessman, when he fills out these forms, is probably asking himself — of course, in the first place he is angry because he has to do it — who is going to benefit? He has spent 15 years building up this information, learning through trial and error that this particular way is the best in which to operate his business; he wonders if all this information is going to be culled from him to be used by somebody else who has not had to go through the school of hard knocks, who can take advantage of this information and perhaps become established in competition with him. By reading the answers he gives, somebody else may prosper.

Further, Mr. Speaker, the time has come for such a study to be made in order to avoid duplication. As a man who practised law for some 10 or 12 years, although I had a modest business engaging only a few employees I know the amount of paperwork that came over my desk and had to be attended to on behalf of government. I agree that part of it is proper. It is the expense of doing business in Canada, and here I speak of Ontario, the area with which I am most familiar. But on more than one occasion I saw the same questions being asked by the municipal government, the provincial government and the federal government. I was asked why I selected that particular site for my business. The municipality wanted to know for planning purposes but I do not know why the provincial government and the federal government wanted the same information.

I wish to enter a plea with Statistics Canada and other governmental information gathering agencies that they take a long, hard look at the surveys they are conducting and at the results they publish. I sometimes wonder if they really are significant without having all the background and explanations provided. Here I am thinking of things such as the monthly unemployment figures. They come out with the seasonally adjusted figure and the number of people actually unemployed at a particular time. Yet the survey done, I think, is incomplete because of the actual number of people contacted. It is said that for statistical purposes 1,000 people contacted will be as accurate as one million contacted. Frankly, Mr. Speaker, I do not think the people connected with Statistics Canada ever ran in an election, where you can find that after the first thousand votes come in you might be ten behind, but when the next 20,000 votes come in and are counted you end up with a tremendous victory. I think they miss things like that.

This subject is something in which I have been interested ever since I was first elected to this House in 1968. At that time I had many calls from small businessmen in my area. We were examining the question of setting up secondary industry in Sarnia where there is already heavy industry and there is competition between industry with respect to wages. One of the things we discovered with respect to doing business in an area like Sarnia is the fact that all these additional forms, figures ans surveys add to the cost of doing business. Those concerned suggested that if even part of that cost could be eliminated it would be a tremendous help.

As a government supporter and as a member of parliament, I realized there are two sides to the question. I tried to explain to the businessmen that many of the surveys which are done are done with good motives, with the idea of aiding and assisting them. But I have determined from my research that some of the Statistics Canada business surveys are undertaken merely for the purpose of keeping administrative records. Each of these sources in general provides both national, and, to a varying extent, regional data. The hon. member indicates that they do not go into small enough regions as far as he is concerned. I think there is provision in section 3(e) to go into regional areas, but I think there has to be some form of motivation, either that the minister of industry for the province or the treasury has indicated that it would help them to determine where to locate industry, for example, in Prince Edward Island if they had more specific information on an area the size of the hon. member's riding let alone the size of Prince Edward Island.

● (1630)

I think that is good and that kind of information would be very helpful. I sometimes wonder if it would not be much more helpful than the countless hours that are spent on broad surveys that are very interesting to read in the newspaper, but when you throw the paper out, out goes the information on the survey. I think if we got down to a little more focusing on the kinds of information that the hon. member is looking for, maybe there would be a better role to be played by government departments. One of the defences put up by the department is that in these business surveys location is a meaningful concept. This comes back to the question, "Why did you locate in your particular area?" In my law office days I located in my particular area because it was the only upstairs office I could find

that I could afford. I gave the same answer to all the questionnaires, but they indicated that in the business surveys where location is a meaningful concept, like manufacturing and mining, the data are tabulated regionally and the releases are only subject to the confidentiality provisions of the Statistics Act. I assume, Mr. Speaker, that means they remove the name of the corporation which provided the information, and to that extent it is confidential when it is sent out.

In other business surveys where location is not a meaningful concept, for example, transportation and communication, they indicate regional tabulations cannot be carried out. In the case of household sample surveys, here I suppose if someone is at home they may not feel quite so strongly about these forms that have to be filled out, although I know that the busy housewife nowadays feels she has better things to do than to answer surveys. Certainly we find that with Air Canada passengers: when they are handed a slip at the airport I suspect that often it goes into the waste basket at the end of the long corridor. But in the case of household sample surveys, the extent to which regional data can be provided is limited by sample size. As sample size decreases, so does the amount of statistically reliable regional detail which is available. That is my point exactly.

Rather than concentrating on a wide area, I think it would be more appropriate if they focused on a small area and did a more significant and meaningful study. If you do a large area and a few people, the department itself tells you that as the size decreases so does the reliability of the statistics. I suggest, with respect, if you have that on a small scale, on going over a larger area you are really cutting down the statistical reliability but over a wider area. It seems to me that is hardly progress. The high cost of survey-taking makes it important for the bureau to consider carefully the sample size, that is, the cost. I think if we added one more cost factor, tha is, paying businessmen for filling out some of these forms, maybe we would have fewer surveys and they would be focused in smaller areas.

Mr. Speaker, I understand there are other members who wish to speak. I think I have made the point that I wanted to make and on that basis I will resume my seat.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I shall detain the House for only a few minutes. May I say at the outset that if hon. members were not unanimously prepared to discuss Bill C-10 this afternoon, this is a good one for us to be dealing with, and I commend the hon. member for Egmont (Mr. MacDonald) for presenting this bill. As I understand it, his desire is that the quality of our statistics be improved and his bill suggests that one of the ways in which to do that is to provide, in certain instances, for statistics to be obtained on an area basis.

I know that when he uses the word "area" he has in mind geographical areas, but I should like to suggest that there is also room for statistics being gathered on the basis of social areas. In particular I am thinking about the consumer price index, popularly known as the cost of living index, which is produced by Statistics Canada. If I understand it correctly, this is one index right across the whole spectrum of society. However, there are certain groups, old age pensioners, veterans and, commencing in 1974, recipients of family allowances to whom the consumer price index is not just a statistic but is the basis on which the amount of money they will receive is determined.

I submit, Mr. Speaker, that the cost of living increase experienced by the whole community might not be close at all to the actual impact of a cost of living increase on old age pensioners, veterans or mothers with children for whom they are receiving family allowances. When you are an old age pensioner, the kinds of things that you may have to buy are of a limited number and, as I say, that cost of living factor can be quite different from the factor for the entire community.

I would hope that when the people at Statistics Canada look at this debate and consider whether ways may be found to improve the quality of our statistics, they will consider the desirability of statistics that show what is the actual cost of living increase for groups like old age pensioners, veterans and mothers in receipt of family allowances. People who are in receipt of these benefits are forever surprised when they get their increases because in their experience the cost of living has gone up for them much more than is reflected in their pension increases. I think this problem could be met if we had statistics computed on the basis of social areas as well as on the basis of geographic areas.

I have one other sentence and then I shall sit down, Mr. Speaker. I liked the reference by the hon. member for Egmont, or maybe it was a quotation from Dr. Sylvia Ostry before she became Chief Statistician, that maybe it is time for us to be making anticipatory rather than reactive decisions. I think this is true particularly in the area of enabling people, especially pensioners and others, to cope with the rising cost of living.

[*Translation*]

Mr. Pierre De Bané (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, in substance the amendment introduced by the hon. member for Egmont (Mr. MacDonald) is appropriate and deserves the support of all hon. members.

I say in substance because I think there has been too great a tendency in this country to consider only national statistics, national aggregates, and not often enough the statistics of various areas which differ substantially from national statistics.

Having said that I have doubts about the advisability of the hon. member's amendment which would not produce the results he seeks because it would frustrate the clause he wants to replace and which seems to me to be very important and very useful.

As to regionalizing our statistics I think more should be done in that respect. Our bureau of statistics, now called Statistics Canada, is certainly one of the most competent in the world. Very few countries have available to them a statistical department so up to date, so specialized, so competent, so careful and impartial such as Statistics Canada, which is headed so competently by Mrs. Sylvia Ostry.

Furthermore, I think Statistics Canada should try and do more. I understand that such an undertaking is pre-

vented from taking place mainly because of a lack of funds. If Statistics Canada had more money it could compile a lot more statistics in many more areas. Nevertheless, new studies have to be made. I am sure that all hon. members would be interested in seeing Statistics Canada undertake studies on various questions of interest to the people of this country.

To mention only one, I have been personally interested for some time in the distribution of doctors in Canada and I am trying to obtain data on this subject. Unfortunately, I have not been able to secure any figures from anyone to show exactly which region is short of doctors and how many specialists are lacking in certain regions.

The contribution of the hon. member for Egmont who reminded us how greatly differ regional statistics from national statistics, was quite eloquent about the LIP program. For instance, we know that this year the budget for this program was substantially reduced under the pretense that national unemployment was down by 1 per cent.

I would quote a few figures supplied by the Canada Manpower Centre in my constituency of Matane. In Matane, out of 3,360 people on the labour market, 1,344 are unemployed namely 40 per cent and this in the chief town of my constituency. If you consider now the villages surrounding this town whether it be Petite-Matane, St-Andelme, Sainte-Félicité, Grosses-Roches, Les Capucins, you find that the unemployment rate varies from 65 to 70 per cent. In other places such as Sainte-Paule, Les Boules, Métis, it is as high as 75 per cent.

Imagine what the reaction would be throughout the country if the unemployment rate were to reach 10 or 15 per cent at the national level. It would be a terrible crisis. The public coffers would be wide open and we would accumulate huge deficits to stimulate the economy while such sad situations as those I just mentioned would be of very small importance at the national policy level. And yet those situations have been existing for decades. Those regions are so under-populated that the fact that those people are working or not hardly puts a dent in national statistics.

For instance, in the Gaspe area about 60,000 people are on the labour market out of which about 30,000 are idle. Even if they were working they would not affect the national statistics but I can assure the House that as regards social peace and the economic welfare of this region, statistics such as those affect people's morale, which is absolutely unacceptable.

That is why, Mr. Speaker, I wish to say in concluding how much I approve the proposal from the hon. member for Egmont to regionalize statistics a little more and make them more available. That is a somewhat different question, but it is really related to the first one and the way the hon. member went about it unfortunately does not seem to me the most appropriate way of proceeding.

That being said, I wish again to give credit to the group of public servants, under the extremely able direction of Mrs. Ostry, for their efficiency and fair mindedness, and I hope Parliament will earmark greater funds for that agency so as to enable it to make more intensive inquiries. I mentioned the one about statistics related to the regional unemployment rate, the allocation of doctors and the statistics on poverty in our area. So many other fields would deserve an inquiry on the part of Statistics Canada, something which is not to being done because of a restricted budget.

Mr. Speaker, I believe there is a consensus in the House so that the work already done for the regionalization of statistics be carried on, for this country, as was often said, has several areas which are very different from one another and it would be our biggest error if we were to apply limited and standard measures in a country as big and as diversified as ours.

● (1640)

[*English*]

Mr. Eymard Corbin (Madawaska-Victoria): Mr. Speaker, I intend to be brief and make one or two points only. Unfortunately, I missed part of the remarks of the hon. member for Egmont (Mr. MacDonald) in support of his proposal. I had rushed up to my office to get my coat in order to be ready at five o'clock to jump into the car of my seatmate, the hon. member for Sarnia-Lambton (Mr. Cullen). These days we try to pool our resources in view of the energy problem.

An hon. Member: Why don't you take the bus?

Mr. Corbin: I have never been able to determine which bus serves my part of the city, which is about 5½ miles from Parliament Hill. Another problem is that, like other MPs, I am pressed for time. I am afraid the bus is too slow for my needs, as I need to be in my office early in the morning to attend to problems and as committees usually sit early.

I hope that my brief remarks will not be interpreted as in any way denoting a parochial attitude on my part, because sometimes members from Atlantic areas accuse me of that attitude. I think it is important for members from the Atlantic area to appreciate the views of other members from the area, and not necessarily to condemn those members who live on the fringe of the Atlantic area merely because they do not agree with the views of other Atlantic area members. Much though I appreciate the statements made by members from other parts of the area, who sometimes pontificate on the advantages of the Atlantic area, let me make it clear that although I speak of my area I am also putting forward the views, opinions and aspirations of the area as a whole. On that point I know we may disagree.

Mr. Alkenbrack: On a point of order, Mr. Speaker, this afternoon when I was speaking on Bill C-236 the hon. member for Madawaska-Victoria (Mr. Corbin) raised a point of order, contending that my remarks were not relevant to the bill we were discussing. I now ask Your Honour to bring the hon. member to order and ask him to speak on the measure now before the House.

Mr. Corbin: Mr. Speaker, I certainly appreciate the point being made. However, I thought it was not a bad idea to make some general observations in my opening remarks about things which pertain to the general area from which the author of this proposal and I come. It is in that context that I wish to make a few remarks. I see the

clock is moving on and I am afraid there will not be time for me to make all the points I wished to make. In any case, after listening to the hon. member for Egmont I feel that the suggested amendment is redundant. What he seeks through his amendment has already been well taken care of in the Statistics Act which was amended, I think, in 1971.

● (1650)

I have been assured that there is a special research staff with special responsibility for developing estimates of socioeconomic data for some provincial areas, as well as a provincial liaison and consultative services staff which has prime responsibility for working with provincial government departments and groups of regional provincial governments such as we have in the Atlantic area. For example, this can be useful in the context of the proposed cooperative union of the Maritime provinces. These services are co-ordinated for general or specific assistance in the statistical field.

It seems that some provinces are a little timid or hesitant at times to request services that are available. Most times it is just a matter of getting on the phone or dropping a note to the Chief Statistician on behalf of any provincial government and requesting that special studies be made. It is in that sense the amendment is redundant. I have also been assured that for many years Statistics Canada has worked very closely through conferences and meetings with provincial government departments to develop meaningful statistics at both the provincial and subprovincial levels. That is the main point I wish to make today. I hope there will be an opportunity later to go into this proposition a little more deeply. I hope to be back here in future sessions, and I do not see any problem next year.

I agree with the substance of the bill. Perhaps we can enjoin Statistics Canada to continue this excellent work and branch out into more specific areas of information gathering that are not available unless specific requests are made for them. I think a lot of this information could be made public without waiting for someone to come by, knock on the door and ask for it.

Mr. Herb Breau (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Mr. Speaker, I shall take just a few minutes because I believe it is my duty to point out a few things on the technical side. I agree in substance with what the hon. member proposes. If I had more time, I would expound on a lot of things he said and support them. In this bill the hon. member seeks to amend the act of 1948. That act was replaced with a new act in 1971 called the Statistics Act. The relevant section is 3(e). I suggest this section is even better than the one suggested by the hon. member because of one line at the end. The hon. member's amendment reads:

(d) generally to organize a scheme of co-ordinated social and economic statistics pertaining to the whole of Canada, to each of the provinces thereof—

Up to that point it is the same as the old act. The hon. member has added:

—and to any area of Canada the minister may from time to time designate.

I would point out to the hon. member that the last part of section 3(e) reads:

—and to coordinate plans for the integration of such statistics.

I submit that these words are important. I believe the hon. member agrees. There is a lot of power in the Statistics Act to deal with this, and I do not think the hon. member would want to delete the words at the end of section 3(e). I just want to point this out to explain why we believe we should not proceed with this bill as it now stands. I want to make it abundantly clear that I believe the substance of it is important. I believe we should get better information in certain regions of the country. However, I am very concerned about definitions or impressions that form a part of the statistics that are taken across the country. They do not take into consideration the way of life of the different components of the economy. For example, they do not take into consideration the economic way of life in the Maritimes. More often than not the consumer price index and unemployment statistics do not define in economic terms the status of the economy. As the hon. member stated, they are not a good economic indicator.

In many places in my constituency and other parts of the Atlantic provinces it is impossible to work in the winter or during a certain time of the year. For example, employees in the logging industry and the pulp industry live in rural areas. The roads are not of the same standard as in other areas. Companies do not keep their camps open year-round, so it is not possible for the people to work year-round. These types of situations in certain areas are of importance.

Not only do we require better information, but in the future we should try to define the economic indicators and the socioeconomic indicators in those areas. That is where we should start. Despite the weakness of the bill from a legal standpoint, in substance it is very good and I commend the hon. member for bringing it before the House.

Mr. Deputy Speaker: Has the hon. member completed his speech or is he calling it five o'clock? Shall I put the question?

Some hon. Members: Question.

Mr. Breau: Mr. Speaker, I believe it is five o'clock.

Mr. Deputy Speaker: The hon. member is calling it five o'clock. The time provided for the consideration of private members' business having expired, this House stands adjourned until two o'clock Monday afternoon.

At five o'clock the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Monday, December 17, 1973

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

STATUS OF WOMEN

TABLING OF PUBLICATION, "STATUS OF WOMEN, 1973"—STATEMENT BY MINISTER

Hon. John C. Munro (Minister of Labour): Mr. Speaker, pursuant to Standing Order 41(2) I would like to table a publication entitled "Status of Women, 1973" in both the official languages, which is a review of the activities of the government to improve the position of women in Canada.

The federal government has pledged its support to the removal of discrimination and the provision of opportunity to women in all fields of Canadian life. The government is justly proud of its record to date in this field and in the leadership role it has played in this regard.

One of the most important steps taken by the government is the establishment of a network of positions whose responsibility is to advise the government on matters concerning the status of women.

At the centre of this network is the office of the Co-ordinator, Status of Women, located in the Privy Council Office, Social Policy Secretariat. The co-ordinator is responsible for advising me as minister responsible for the status of women and monitoring all government activities to ensure that they are in accordance with the general policy concerning the status of women. Completing the network are a number of positions in those government departments in which the programs and policies have particular importance to the status of women. The Women's Bureau of the Department of Labour has played an important part in attempting to persuade all Canadians of the importance of equal opportunity for women in the field of employment. Other departments with special positions are: the Treasury Board, the Public Service Commission, the Department of National Health and Welfare, the Department of Manpower and Immigration, the Department of Justice, the Secretary of State Department and the Department of the Solicitor General. There are also, in several personnel divisions of departments and agencies, persons who are responsible for ensuring the equality of opportunities for women within their respective jurisdictions.

The most recent development was the creation in May, 1973, of the Advisory Council on the Status of Women. This council of 30 people from across the country was established to bring before the government and the public matters of interest and concern to women, and to advise the government on actions that it deems necessary to improve the position of women in society. The council has already produced a number of reports and made their presence felt both by the government and the general public.

The Status of Women in Canada, 1973 booklet presents an up to date picture of recent legislation and administrative measures concerning questions of interest to women within the jurisdiction of the federal government. Important steps have been taken in this respect, and the government will continue its march forward until equality of opportunity is assured between women and men in Canada. We, as members of parliament and as Canadians, must continue to work toward this objective.

With your permission, Mr. Speaker, I should like to draw your attention to some of the highlights of the report.

Canada has ratified on November 16, 1972, the International Labour Organization Convention 100 concerning equal remuneration for men and women workers for work of equal value.

The regulations under the Fair Wages and Hours of Work Act were amended to include a provision that in the hiring and employment of workers to perform any work under a federal contract, the contractor will not refuse to employ and will not discriminate in any manner against any person because of that person's race, national origin, colour, religion, age, sex or marital status.

In the latter part of 1972, the government assigned the Public Service Commission responsibility for investigating complaints of alleged discrimination on the grounds of sex, race, national origin, colour or religion with respect to application or operation of the Public Service Employment Act. The commission has set up an anti-discrimination Branch to conduct such inquiries.

● (1410)

The government has continued its policy for nominating qualified women to the Senate, as judges, and to boards and commissions and other senior posts. Since October 30, 1972, this government has appointed, or reappointed, 73 women to various boards and agencies. This includes two judges of the Superior Court, four Citizenship Court judges, four full-time Commissioners of the Immigration Appeal Board, and the Chairman of the Food Prices Review Board.

Within the Public Service, the April, 1972 Cabinet directive to deputy heads to encourage the assignment of women to higher echelon positions resulted in the establishment by the Public Service Commission's Office of Equal Opportunities for Women of an interdepartmental committee to co-ordinate action and provide a mechanism for exchanging information and measuring progress. This committee is jointly chaired by senior officials from the Public Service Commission and the Treasury Board.

Status of Women

Guidelines developed by the Public Service Commission and the Office of Equal Opportunities for Women have been directed to all deputy ministers to assist departments in effectively developing equal opportunities for women programs.

The Department of Manpower and Immigration is appointing consultants in each regional office with specific responsibilities for Manpower services to women. This is in addition to the position already established at the department's headquarters to provide advice and functional guidance in the matter of employment problems of women.

The government has continued its financial support of women's voluntary associations. The Citizenship Branch of the Secretary of State Department has an active program of support to women's groups to promote the participation of Canadian women in activities that affect the quality of their lives. A program of support for native women has also been established within the Native Citizen's Program to increase their ability to participate more fully in all aspects of community life. As minister responsible for the status of women, funds have been allocated to me for national women's organizations to assist them in promoting the status of women. Other departments have also made funds available to women's organizations for projects coming within their mandates.

The Department of National Health and Welfare has established a National Day Care Information Centre within the Canada Assistance Plan Directorate. The centre provides information concerning all aspects of the day care field.

The Canada Assistance Plan regulations were amended to allow for expansion of financial support to day care. Previously the provisions of the plan allowed for the sharing in the cost to the provinces and municipalities of such expenses as salaries, staff training and research. With the amendments, shareable costs have been expanded to include all operation costs and, in some instances, equipment costs. Support is also being provided under the Canada Assistance Plan to family day care services, that is, day care services provided in a home environment.

The government in its "Working Paper on Social Security in Canada" has recognized the special problems of single parent families. These will be discussed with the provinces during the course of the review of the social security system undertaken by the federal and provincial governments. Within the framework of these discussions, the questions of the participation of the spouse remaining at home in the Canada and Quebec Pension Plans and of the equal treatment of women and men under the plan will be given priority attention as announced by the Minister of National Health and Welfare (Mr. Lalonde) after the federal-provincial conference of welfare ministers in October.

As you can see, Mr. Speaker, this government is indeed serious in its efforts to promote the status of women in Canada. This booklet which I have tabled underlines how much has already been accomplished.

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I am glad to tell you that the minister has outdone himself, having given me notice four days ago. I would have hoped that the length of notice might have meant shorter speeches, but that hope is in another world.

[Mr. Munro (Hamilton East).]

Mr. Turner (Ottawa-Carleton): In four days you should have prepared a good, short speech.

Mr. Fairweather: I did not want to change the spontaneity of these remarks. The cause of equality and fairness for women in our society would be better served by fewer pamphlets and more evidence of action.

Some hon. Members: Hear, hear!

Mr. Fairweather: I believe that some day we will be able to find evidence of action by the number of women in senior positions in the public service of this country. Until the minister can show us a reasonable balance in this regard, all the documents that he or anybody else produces will really not be very worth while.

Dr. Sylvia Gelber, head of the Women's Bureau, Department of Labour, in an excellent resumé of the constitutional position of women has performed a special service. I hope my colleagues in the House will have a chance to look at her speech given recently at McMaster. It is extraordinary how long it has taken this predominantly male-oriented parliament to—I was going to say "come to grips" but I had better change that phrase—deal with what is a very unfair situation.

Despite our disappointment about the decision of the Supreme Court of Canada in the Lavell case, as politicians we must recognize that the best forum for amending the Indian Act is in this parliament rather than through the courts. It is a political rather than a legal decision.

The government has asked the native peoples to help it and all of us by studying the Indian Act, giving their opinions about it and then making recommendations as to what form a new act should take. All this takes time. Despite the frustrations we may feel about what is on the face of it manifestly an unjust situation, I hope we can be content to wait for a little while longer for the advice of the native peoples on their act.

In a brief to the Minister of Manpower and Immigration (Mr. Andras)—I suppose that title will have to be changed very soon—the Western Conference on Opportunities for Women, 1973, made a couple of recommendations: To serve women, Manpower must be publicly committed to creating equal conditions of employment and equal opportunities for employment for all Canadians. To stop being an agent of discrimination, Manpower must become an agent of change, actively working for women, challenging the stereotypes of "male" and "female" work, training and placing of women in new areas, designing services to meet women's specific needs, and working with employers to change what up until now have been discriminatory attitudes and practices.

What we should seek to overcome is not only the unfairness of a system that discriminates but the tragic waste of talents and abilities of the women of Canada.

Some hon. Members: Hear, hear!

Mrs. Grace MacInnis (Vancouver Kingsway): Mr. Speaker, we in this party are glad to have this progress

report from the minister responsible for implementing measures to improve the status of women. We note that the chief thrust of this report is to detail the network of positions within various government departments where women have the special responsibility of advising the government on measures concerning the status of women. Also mentioned are the Advisory Council on the Status of Women established last May and the women appointed by the government to various boards and agencies.

● (1420)

These developments are good and we trust that their influence will be far-reaching. Where the government has fallen far short is in its failure to provide legislation or take concrete action to deal with some of the most urgent problems affecting thousands, yes, millions, of women across Canada. Some of the top priority recommendations of the Royal Commission on the Status of Women have not yet been put into effect.

The royal commission report was tabled in September, 1970. In March, 1971, my colleague, the hon. member for Greenwood (Mr. Brewin), moved a motion on behalf of our party in which he detailed some of these important legislative needs—the inclusion of housewives in the Canada and Quebec Pension plans, the provision of maternity benefits under the Unemployment Insurance Act, the adoption of a national day care act, the initiation of a family planning program, certain amendments to the Criminal Code including the removal of abortion as an offence, and equal treatment of women in the federal public service. We now have maternity benefits, some grants to family planning organizations and the beginnings of fairer treatment for women in the public service. But the other major items are still practically untouched as far as legislation goes. The critical shortage of day care facilities is an outstanding example of how little action has been taken. And the problems faced by women are growing with this neglect.

Discrimination against women in the areas of immigration and citizenship must be removed. The much-heralded fair employment practices legislation promised under the Canada Labour Code is still to come, as are amendments to the Indian Act, with the full cooperation of the Indian people, so that injustices like that which came to light in the Lavell case may not recur.

Some matters must be dealt with provincially or jointly by federal and provincial authorities. In the first category are cases like the Murdoch where a farm wife, separated from her husband, was denied any interest in the property after 25 years of marriage. In the second category are the many cases where a runaway husband is allowed to escape scotfree, leaving his wife to bear the entire burden of the family.

The 1971 NDP motion called for a federal-provincial conference, convened by Ottawa, to consider such matters where joint responsibility arises. I repeat the call now. If federal-provincial conferences can be arranged to deal with all kinds of matters, surely we should be able to devote one to the removal of some of the more severe forms of discrimination which afflict the women of this country.

Olympic Advertising

Speaking in Toronto, in an expansive and generous mood a few nights before his marriage, the Prime Minister (Mr. Trudeau) expressed his concern about the need to take immediate steps to improve the status of women. With enthusiasm, he said he invited all Canadians to exhibit impatience with the government's rate of progress in this respect. Never did the Prime Minister issue an invitation which was more welcome to me and to Canadian women generally. Unfortunately, to date there has been all kinds of talk but far too little action on the status of women. It is time to exhibit our impatience in no uncertain way.

[*Translation*]

Mr. René Matte (Champlain): Mr. Speaker, we obviously would like to see all discrimination outlawed in every area and all classes of society. Consequently, we are in favour of the equality of sexes.

Legislation aiming at implementing sex equality therefore deserves all our support. However, Mr. Speaker, we should not put too much emphasis on this subject so as not to perpetuate this discrimination that we would like outlawed from a social standpoint, since the women's groups which are encouraged by the minister's statement could become an obstacle to the implementation of equality. I am not saying that these groups are bad, but that putting too much emphasis on them constitutes discrimination of the type that we wish to ban.

Mr. Speaker, we must also think of the time when we shall consider equal pay, for instance. We certainly agree with the equality principle. We do not see why there should be any discrimination on the basis of pay. We should also give more consideration to solutions like giving salaries to housewives who remain at home to educate and teach their children. If we paid sufficient salaries to housewives and mothers, they would be less tempted to go out and look for work. Mr. Speaker, everyone is more or less compelled to work. I wonder to what extent that will lead to an increase in unemployment. At any rate, Mr. Speaker, we agree we should actually reach that equality which we all hope. I am sure that we will attain it when we will no longer speak about it.

* * *

[*English*]

OLYMPIC GAMES, 1976

METHOD OF AWARDING ADVERTISING CONTRACT—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Tom Cossitt (Leeds): Mr. Speaker, I rise to ask the unanimous consent of the House to move a motion under the provisions of Standing Order 43. The motion, I believe, is self-explanatory. If granted permission, I would move, seconded by the hon. member for Parry Sound-Muskoka (Mr. Darling):

That this House requests the Postmaster General to make a statement to the House of Commons revealing all details and circumstances surrounding the awarding of Olympic advertising by his department to B. B. Advertising Limited, and in particular the minister advise this House whether or not Mr. Jean Bouchard's connection with that firm was or was not a factor in awarding the contract; and further, that it is the opinion of this House that all future government advertising contracts should be let by

public tender, and that the government discontinue the present system of awarding advertising contracts on the basis of ministerial prerogative and political considerations.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

FISHERIES

NORTH PACIFIC HALIBUT FISHERY—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Thomas S. Barnett (Comox-Alberni): Mr. Speaker, pursuant to the provisions of Standing Order 43 I rise to move a motion on a matter of urgent and pressing necessity which I hope will receive the unanimous consent of the House. I move, seconded by the hon. member for Vancouver South (Mr. Fraser):

That the current state of the North Pacific halibut fishery, and of the present and future position of Canadian fishermen in relation thereto, be referred to the Standing Committee on Fisheries and Forestry for urgent consideration and report.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent.

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NATIONAL CAPITAL

TABLING OF AGREEMENT AND STATEMENT ON MECHANISMS FOR TRANSPORTATION PLANNING AND CO-ORDINATION

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, under Standing Order 41(2) I should like to table copies in both official languages of an agreement reached and a statement made this morning at a meeting of federal provincial and regional government representatives on mechanisms for transportation planning and co-ordination in the national capital region.

* * *

PROTECTION OF PRIVACY BILL

SUGGESTED MOTION TO REJECT SENATE AMENDMENT—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I ask leave to present a motion under the provisions of Standing Order 43. I do not expect the House to agree unanimously to the substance of my motion, but I hope there will be unanimity to let the motion be put and voted upon so that we will know where the House stands with respect to an urgent matter. Therefore I move, seconded by the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas):

That this House urges the government to introduce forthwith a motion calling for the rejection of the Senate amendment to Bill C-176.

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

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity.

* * *

CANADIAN CITIZENSHIP ACT

PROVISION THAT CHILD BORN OUTSIDE CANADA IS NATURAL-BORN CANADIAN IF EITHER PARENT CANADIAN CITIZEN

Mr. R. Gordon L. Fairweather (Fundy-Royal) moved for leave to introduce Bill C-246, to amend the Canadian Citizenship Act.

Some hon. Members: Explain.

● (1430)

Mr. Fairweather: Mr. Speaker, the purpose of this bill is to provide that a child born outside Canada is a natural-born Canadian if either of his parents is a Canadian citizen. At present this privilege follows only the citizenship of the father and not the mother, and this is manifestly unfair.

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

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk).

[*Text*]

CANADIAN FILM DEVELOPMENT CORPORATION—PUBLICITY EXPENDITURES

Question No. 2,849—**Mr. Nystrom:**

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

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

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

Hon. J. Hugh Faulkner (Secretary of State): I am informed by the Canadian Film Development Corporation

as follows: 1. 1972-73—Publicity and information: Montreal, $253.70; Toronto, $445.00; Annual Reports, $2,855.52. 1973-74—Publicity and information: Montreal, $150.08; Toronto, $150.00; Annual Reports, $3,841.93.

2. Annual Report 1972-73: $2,855.52; Carleton, Cowan Public Relations Limited, 892 Sherbrooke Street West, Montreal. Balance: classified ads in newspapers specializing in the field of the film industry of Montreal, Toronto, etc., $698.70. Annual Report 1973-74: $3,841.93; Pierre Desmarais Inc., 6125 Côte-de-Liesse, Saint-Laurent 377, P.Q. Balance: classified ads in the magazines and newspapers specializing in the field of the film industry of Montreal and Toronto, $300.08.

3. Not applicable.

INDUSTRIAL DEVELOPMENT BANK—PUBLICITY EXPENDITURES

Question No. 2,865—**Mr. Nystrom:**

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

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

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

Hon. John N. Turner (Minister of Finance): 1. The Industrial Development Bank carries out an extensive advertising program designed to inform the small businessman of the services it makes available. During the fiscal year 1972 advertising expenses totalled $179,000 while other public information, such as advertising officers' community visits, preparation and distribution of annual reports, information booklets, etc., totalled $276,000. Figures for the fiscal year ending September 30, 1973 are not yet available.

2 and 3. It has not been the practice to answer questions concerning the internal administration of the Industrial Development Bank inasmuch as the Industrial Development Bank Act places the responsibility for the management of the institution in the hands of its board of directors.

INDUSTRIAL DEVELOPMENT BANK—RESEARCH EXPENDITURES

Question No. 2,913—**Mr. Nystrom:**

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

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

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

Hon. John N. Turner (Minister of Finance): 1, 2 and 3. It has not been the practice to answer questions concerning the internal administration of the Industrial Development Bank inasmuch as the I.D.B. Act places the responsibility for the management of the institution in the hands of its board of directors.

AIR CANADA—IN-FLIGHT ENTERTAINMENT

Question No. 2,952—**Mr. Reynolds:**

1. What are Air Canada's costs for the plastic headsets used for inflight movies and stereo?

2. What are the monthly costs to Air Canada for providing the movies and stereo?

3. What are the receipts to Air Canada monthly from the renting of the headsets?

4. How much liquor, beer, ale, liqueurs and wine of all varieties were purchased by Air Canada in (a) 1971 (b) 1972?

5. What were the receipts from the sale of liquor, beer, ale, liqueurs and wine of all varieties by Air Canada during (a) 1971 (b) 1972?

Hon. Jean Marchand (Minister of Transport): The management of Air Canada advises as follows: 1. Contractual arrangements with suppliers are proprietary information.

2. Monthly cost averages $24,500.

3. Monthly receipts average $23,000.

4 and 5. Receipts from bar sales are recorded as a net figure, that is, the difference between revenue from bar sales and the cost of liquor, beer, ales, liqueurs, wine and cigarettes sold. For the year 1971, the net revenue on this account was $880,000, and in 1972, $560,000. These net revenue figures do not take into account the related expenses of other bar supplies such as soft drink mixes, glasses, etc., and also handling costs in preparation of supplies for flights, expense of Customs Agents for In Bond Liquor Preparation Rooms, and proportional labour cost of Flight Attendants to serve bar. When these added expenses are taken into consideration, the bar service does no more than pay for itself.

ASSISTANCE UNDER EMERGENCY GOLD MINING ASSISTANCE ACT

Question No. 2,973—**Mr. Broadbent:**

1. What were the names of the corporations which received cash grants under the Emergency Gold-Mining Assistance Act (EGMA), in the calendar year 1973 to date and, in each case, what were the amounts of money committed and paid?

2. What are the objectives of the program?

3. What was the date of the latest evaluative study of the program conducted by the department?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): 1.

Name of Corporation	Amount Committed and Paid $
Dickensen Mines Ltd.	18,251.36
Hallnor Mines Ltd.	14,214.80
Madsen Red Lake Gold Mines Ltd.	39,280.65
McIntyre Porcupine Mines Ltd.	92,814.78
Cominco Ltd.—Con Mine	61,529.26
Cominco Ltd.—Rycon Mine	16,570.04
Giant Yellowknife Mines Ltd.	21,213.37

Order Paper Questions

Name of Corporation	Amount Committed and Paid $
Lolor Mines Ltd.	6,873.45
Supercrest Mines Ltd.	10,311.53
Total	$281,059.24

These payments were holdbacks from previous years' claims.

2. The objectives of the Emergency Gold Mining Assistance Act are to maintain dependent gold mining communities and allow these communities to adjust gradually to diminishing economic support.

3. April, 1973.

NATIONAL DEFENCE—MARITIME SURFACE CAPABILITY NORTH OF 60 DEGREES NORTH LATITUDE

Question No. 2,983—**Mr. Forrestall:**

1. Which vessels of Maritime Command have a surface capability north of 60 degrees north latitude and for what periods of the year in each instance?

2. With respect to the answer to Question No. 2,336, what ships of Maritime Command have been used north of 60 degrees north latitude?

Hon. James Richardson (Minister of National Defence): 1. Operational ships of Maritime Command, of destroyer size or larger, have a surface capability to operate north of 60 degrees north latitude during that part of the year, usually August and September, when Canadian Arctic waters are relatively ice free.

2. In recent years, the following ships of the current fleet have operated north of 60N: August six-September fourteen, 73, HMCS *Protecteur*; August one-August twenty-five, 72, HMCS *Protecteur*, HMCS *Yukon*, HMCS *Fraser*, HMCS *St. Laurent*; August twelve-September three, 71, HMCS *Preserver*, HMCS *Margaree*, HMCS *Assiniboine*; August one-August sixteen, 70, HMCS *Annapolis*, HMCS *Skeena*, HMCS *Protecteur* (Submarine HMCS *Ojibwa*); October one-October nine, 61, HMCS *Restigouche*, HMCS *St. Croix*. Other operations north of 60N involved ships no longer with the fleet.

DEPARTMENT OF TRANSPORT, CIVIL AVIATION MEDICINE STUDY

Question No. 2,989—**Mr. Nielsen:**

1. Did any official of the Department of National Health and Welfare who is attached to the Department of Transport's Civil Aviation Division circulate to selected medical doctors across Canada for comment and study a treatise entitled: "Electrocardiography for Air Crew as proposed by Dr. E. Patrick" and, if so, what was the purpose of the foregoing action?

2. Is a copy of the treatise available to the public?

3. Does the Minister consider as being adequate the present medical tests given to pilots to ascertain their physical fitness for flight insofar as heart, arterial or circulatory diseases are concerned?

4. What further physical tests or medical requirements are being considered for introduction to ascertain the medical fitness for Canadian pilots?

Hon. Marc Lalonde (Minister of National Health and Welfare): 1. (a) Yes, if the question refers to a recent feasibility study carried out by Dr. E. Patrick entitled: "Aircrew Screening to Exclude Coronary Artery Disease". (b) This study was commissioned by the department to ascertain whether economies could be affected in the future by applying computer technology to the 6,000 electrocardiographic records screened and cross-checked annually by the Civil Aviation Medicine Service. In circulating this study to medical specialists concerned with the use of computer science, it was clearly stated on the first page that the opinions expressed were those of the author and must not be interpreted as Health and Welfare or Ministry of Transport policy or practice.

2. Since this study is an author's draft referring to complex epidemiological and technological techniques, it was not made available to the general public, but is accessible to those who may have an interest in it.

3. The present routine medical examinations given to pilots to ascertain fitness for flight were a concern to the department and to a consensus of the members of the International Civil Aviation Organization because the tests were inadequate for the detection of significant coronary artery disease; hence, the commissioning of the study.

4. The additional physical tests to ascertain medical fitness for Canadian pilots that are presently under consideration result from recent International Civil Aviation Organization recommendations. The first is that electrocardiography should be a part of the heart examination for private pilots "for the first issue of a licence, at the first re-examination after the age of 40 and thereafter no less frequently than every five years, and in re-examination in all doubtful cases". The second is a recommendation that routine chest x-ray be considered part of the initial flight medical examination.

DEPARTMENT OF NATIONAL DEFENCE—NUMBER OF COMMISSIONAIRES EMPLOYED, SINCE 1963

Question No. 3,117—**Mr. Forrestall:**

1. How many members of the Canadian Corps of Commissionaires have been employed on a regular or part-time basis by the Department of National Defence, by year, since 1963?

2. In how many bases or defence establishments maintained by the Department of National Defence has the use of such men and women been discontinued within the past three fiscal years?

Hon. James Richardson (Minister of National Defence): 1. The Department of National Defence requisitions commissionaire services through the Department of Supply and Services on the basis of a stated number of hours per week of required service. Commissionaires are therefore not of this department; and the actual number of members of the Corps of Commissionaires to provide the contracted services is known only to the Corps. Based on the total hours of approved commissionaire services the following are the minimum number of commissionaires employed by the Corps to satisfy the department's requirement each year from 1967.

Year	Total Hours/week Approved	Approx. No. Corpsmen (Based on 48 hour week)
1967	91,771	1,911
1968	67,899	1,414
1969	81,876	1,705
1970	79,946	1,665
1971	72,246	1,505
1972	68,935	1,436
1973	75,796	1,579

NOTE: Departmental records in this form only go back to 1967.

During the past three years, the use of commissionaire services has been discontinued at the following bases or stations: CFB Clinton; CFS Cobourg; CFB Gimli; CFB Rivers; CFS Coverdale; CFS LaMacaza; 32 CFAD/CFB Gagetown; Camp Picton/CFB Kingston; NRHQ Yellowknife; Bouchard Det/CFB Montreal.

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Note: The reasons for discontinuance of the use of commissionaire services would be base closure and disposal, a reappraisal of security requirements or the inability of the Corps to provide the service.

GEOTHERMAL ENERGY FOR INDUSTRIAL AND MUNICIPAL USE

Question No. 3,118—**Mr. Forrestall:**

Is the government currently undertaking any definitive studies of the advantages or otherwise in terms of cost benefit analysis of geothermal energy for industrial and municipal use and, if so (a) to what level has funding been appropriated for this fiscal year (b) what is the present status of such studies (c) on what dates can they be expected to be made public?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): I am informed by several departments as follows: No.

CHARLOTTETOWN AIRPORT

Question No. 3,132—**Mr. Macquarrie:**

1. (a) On what date is it intended to erect a new terminal building at the Charlottetown Airport (b) what are the dimensions and estimated cost of such a building?

2. (a) In the past five years, what extensions have been made to the Charlottetown Airport (b) what was the cost and purpose of each such extension (c) to what extent was the seating capacity increased by each extension?

3. What new land has been acquired for the Charlottetown Airport?

4. What is the present seating capacity of the Airport passenger terminal building?

5. What is the total passenger load capacity of the planes using the Airport on a daily scheduled basis?

6. What is the capacity of the public parking area at the Charlottetown Airport?

7. Is it the view of the Department of Transport that the present seating capacity of the passenger lounge is adequate to the needs of the travelling public?

Hon. Jean Marchand (Minister of Transport): 1. (a) Current discussions between ministry and provincial officials are keyed to the need for a new air terminal building for the 1978/79 fiscal year. (b) Plans are not yet sufficiently advanced to define the dimensions and estimated costs; the new terminal building must be located in another area of the airport and internal and adjunctive needs have not been fully assessed.

2. (a) In the past five years the internal capacity of the air terminal building was expanded; in 1970 this involved relocation/expansion of EPA offices, ticket counters, baggage handling areas, washrooms and waiting rooms; in 1971 passenger baggage reclaim and waiting room areas were again expanded; in 1973 the waiting room areas were added to and baggage reclaim area modifications are currently proceeding. (b) The costs of the 1970 expansion were $87,924; for 1971 the costs amounted to $48,158 and 1973 expenditures are $67,656; the over-all purpose was to progressively expand the air terminal building to meet increasing needs for more space and passenger/carrier conveniences. (c) The seating capacity was increased by 57 in the period 1970-73.

3. The latest acquisition of land adjacent to the present airport property was purchased from a Major McRae on May 5, 1971. Parcel 57, deed 71426, and consisting of 39.42 acres, was purchased for $18,000.

4. The present seating capacity of the airline terminal building is 87.

5. The Dart Herald, with a seating arrangement of 41, and the Boeing 737, with passenger carrying configuration of 109, are using the airport on a daily scheduled basis. EPA operates both types of aircraft. They operate nine arrivals and nine departures daily at Charlottetown Airport of which five flights are Dart Herald and four flights are Boeing 737, providing a total passenger load capacity of 641 seats on arriving and 641 on departing aircraft assuming full loads.

6. The public parking area at the airport presently consists of 64 spaces for long-term parking and 81 spaces for short-term parking privileges. Total capacity of the public parking area is 145.

7. Seating capacity for the passenger lounge is adequate to meet the normal needs of the travelling public based on present levels of traffic.

POWELL RIVER HARBOUR OPERATIONS—GOVERNMENT EXPENDITURES AND REVENUES, 1946-1973

Question No. 3,134—**Mr. Olaussen:**

How much did the government (a) spend on (b) receive from harbour operations in Powell River since 1946?

Hon. Jean Marchand (Minister of Transport): (a) $485,799.40; (b) $300,268.30.

CNR—SALE OF BESSBOROUGH HOTEL, SASKATOON

Question No. 3,160—**Mr. Gleave:**

1. On what date was the sale by CNR of the Bessborough Hotel in Saskatoon completed?

2. What was the sale price?

3. What was the book value?

4. What were the names of the purchasers?

Hon. Jean Marchand (Minister of Transport): The management of the Canadian National Railways advises as follows: 1. May 29, 1973.

2. It is not the company's practice nor policy to discuss terms and conditions of transactions it may have with other parties.

3. $4,276,353.

4. Management Associates Limited.

HOUSING—CORA BROWN-MacDONALD SUBDIVISIONS AT VANCOUVER INTERNATIONAL AIRPORT

Question No. 3,166—**Mr. Reynolds:**

1. For the month of September, 1973 (a) what was the total amount of rents received by the Department of Transport for houses rented in the Cora Brown-MacDonald Subdivisions at Vancouver International Airport (b) how many houses were rented (c) what was the monthly management fee paid to the rental agents (d) what amount, if any, was paid or allotted by the Department for maintenance or repairs to any of the homes?

2. What procedures are followed by the Department to ensure that the homes are maintained in a good state of repair and fit for habitation and comply with health and safety standards?

3. For the month of September, 1973, what was the total amount of fire insurance required to be carried by the tenants on the homes?

4. Was the house located in the MacDonald Subdivision at 463 Tapp Road destroyed by fire on September 5, 1973 and, if so (a) has the Department made a claim against the insurers (b) has the Department ascertained the cause of the fire?

Hon. Jean Marchand (Minister of Transport): 1. (a) $7,828.50; (b) 75 houses; (c) $782.85; (d) no amount was paid or allotted by the department for maintenance or repairs to any of the homes as this is a responsibility of the tenant under the terms of his lease.

2. The rental agent is required to advise tenants of any repairs that may require attention as part of his duties. The Health Inspector for the Corporation of the Township of Richmond carries out routine health and safety inspections.

3. $1,284,000.

4. The house located at 463 Tapp Road was partially destroyed by fire on September 5, 1973. (a) The department has made a claim against the insurers. (b) The fire was believed to have been caused by a fault in the electrical wiring.

CANADA DEVELOPMENT CORPORATION—ADMINISTRATIVE BUDGET

Question No. 3,167—**Mr. Roy (Timmins):**

1. (a) What was the administrative budget for offices, travel and personnel of the Canada Development Corporation for the fiscal year 1972-73 (b) what is the projected operating budget for the current fiscal year (c) for each of these years, what is the budget breakdown dor (i) total wages and salaries (ii) office expenditures (iii) administrative costs?

2. How many persons were employed by the Canada Development Corporation for (a) the fiscal year 1972-73 (b) the current year?

Hon. John N. Turner (Minister of Finance): 1 and 2. Pursuant to section 31 of the Canada Development Corporation Act the CDC is not an agent of Her Majesty or a Crown Corporation. Public disclosure of information concerning the internal operations of the corporation is at the discretion of the CDC board of directors. In connection with the above questions the CDC's latest Annual Report mentions that, as at May 1973, the Corporation's staff numbered 15 persons. However no information is available on the corporation's internal administrative budget.

BREAKWATER COSTS AT TURKEY POINT, MARY TOD ISLAND AREA

Question No. 3,188—**Mr. McKinnon:**

1. How much money was expended by the government on breakwaters and land-fill in the Turkey Point, Mary Tod Island area in the past ten years?

2. Does the government have any control over expansion of commercial facilities now provided sheltered waters due to the breakwaters?

Hon. Jean-Eudes Dubé (Minister of Public Works): 1. $173,501.

2. Yes.

ACCESS FOR OCEAN CEMENT COMPANY—ROCK BAY, INNER HARBOUR, VICTORIA, B.C.

Question No. 3,189—**Mr. McKinnon:**

How much money was expended by the government on the approaches to Rock Bay Inner Harbour Victoria to provide access for the exclusive use of Ocean Cement Co.?

Hon. Jean-Eudes Dubé (Minister of Public Works): A contract for dredging the approach channel to the Ocean Cement Company's barge loading facilities in Rock Bay was awarded by the department on April 16, 1973 in the amount of $93,325 on a 50/50 cost-sharing basis. The final payment has not been made to date on this contract; however, the department's share to date amounts to $36,025.

INDUSTRIAL DEVELOPMENT BANK—LOAN APPLICATIONS IN CONSTITUENCY OF ELGIN

Question No. 3,191—**Mr. Wise:**

1. How many applications were filed by businessmen in the constituency of Elgin for Industrial Development Bank loans for each year 1970, 1971 and 1972 and, of these, how many were approved?

2. What was the total amount of money loaned to businessmen in the constituency of Elgin by the Industrial Development Bank of the years 1970, 1971 and 1972?

Hon. John N. Turner (Minister of Finance): 1 and 2. The Industrial Development Bank does not maintain statistical information by constituency. However, it does publish such information by province in its annual report.

NEW FEDERAL BUILDING, STEPHENVILLE, NFLD.

Question No. 3,203—**Mr. Marshall:**

1. What staff will be required as maintenance personnel at the new federal building in Stephenville, Newfoundland, after completion?

2. What is the intention of the government as to retention or disposal of the present post office building in Stephenville, Newfoundland, after completion of the new federal building?

Hon. Jean-Eudes Dubé (Minister of Public Works): 1. Maintenance and janitorial service is to be provided on a contractual basis. It is expected that the contractor will hire a minimum of two part-time employees.

2. The present post office building is to be retained as accommodation for various government departments and agencies.

PURPOSE OF TRIP MADE BY ASSISTANT DEPUTY MINISTER OF INDIAN AFFAIRS AND NORTHERN DEVELOPMENT, 1971-72

Question No. 3,222—**Mr. Knight:**

1. In the fiscal year 1971-72, what was the purpose of the trip made by A. D. Hunt, Assistant Deputy Minister of Indian Affairs and Northern Development (salary range: $28,000-$35,000), to Moscow, Warsaw, Copenhagen, Glasgow, Boston ($1,492)?

2. In what month of the year was this trip made?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): 1. The purpose of the trip to Moscow was to accompany the minister on his visit to the U.S.S.R. On the return trip he visited the Ministry for Greenland Affairs in Copenhagen. It was necessary to change planes in Warsaw for the trip to Copenhagen. On August 10, 1971, Mr. Hunt proceeded on annual leave. On expiry of his leave he departed for Canada from Glasgow and arranged and paid for his own transportation between London and Glasgow. No additional expenses were incurred by the Crown due to the departure for Canada from Glasgow rather than Copenhagen. The round trip ticket also included stopover in London without extra charge. As indicated below the trip to Boston was a separate trip to address the Boston World Affairs Organization. The cost of this trip was $174.28 which was included in the total of $1,492.

2. Trip to Moscow made from July 19, 1971 to August 9, 1971. Trip to Boston made January 25-26, 1972.

PURPOSE OF TRIP MADE BY ERNST ELIASEN, VICE-PRESIDENT OF CANADIAN OVERSEAS TELECOMMUNICATION CORPORATION, 1971-72

Question No. 3,233—**Mr. Knight:**

1. In the fiscal year 1971-72, what was the purpose of the trip made by Ernst Eliasen, Vice-President of Canadian Overseas Telecommunication Corporation (salary range: $29,000-$32,000), to Trinidad, London, New York, Washington, Buenos Aires, Paris, Madrid, Sydney ($3,868)?

2. In what month of the year was this trip made?

Hon. Gérard Pelletier (Minister of Communications): 1.

Purposes of trips made:	Place	Month	
(a) Meeting of the Interim Communications Satellite Committee			
53rd Meeting Canada's Representative and elected Vice-Chairman	Washington	May	1971 1 week
54th Meeting COTC is Canada's designated Operating Entity	Washington	July	1971 1 week
55th Meeting	Buenos Aires	September/October	1971 2 weeks
56th Meeting	Washington	December	1971 2 weeks
57th Meeting	Washington	Febuary/March	1972 1 week
(b) Commonwealth Telecommunications Council Meetings and Sub-committee:			
Standing Committee (Planning) (COTC's Representative at meetings)			
6th Standing Committee (Planning)	Port of Spain	March/April	1971 2 weeks
7th Council Meeting			
7th Standing Committee (Planning)	Sydney, Australia	July	1971 2 weeks
(c) Transatlantic Cable Conferences and Meetings with European Administration covering Operating Arrangements for CANTAT 2 Cable	London/Paris	June	1971 1 week
	London/Madrid	November	1971 1 week
(d) Meetings with Western Union International, Inc. and American Telephone and Telegraph Company relating to Operating Arrangements for CANTAT 2 Cable	New York	August/September	1971 4 days
	*New York	March	1972 2 days

*Following 57th ICSC meeting

PURPOSE OF TRIP MADE BY J.-C. DELORME, PRESIDENT OF CANADIAN OVERSEAS TELECOMMUNICATION CORPORATION, 1971-72

Question No. 3,234—**Mr. Knight:**

1. In the fiscal year 1971-72, what was the purpose of the trip made by J.-C. Delorme, President of Canadian Overseas Telecommunication Corporation (salary range: $45,000), to The Hague, Bonn, Rome, Paris, Madrid, Berne, London, New York, Washington, Nairobi, Australia, New Zealand ($5,076)?

2. In what month of the year was this trip made?

Hon. Gérard Pelletier (Minister of Communications): 1 and 2.

Purpose of trips	Place	Month
(a) Signing of the Operating Agreement of the International Telecommunications Satellite Organization	Washington	August 1971, 2 days
(b) Meeting with Western Union International relating to WUI/Anglo operations in Canada for international traffic	New York	August 1971, 2 days

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Purpose of trips	Place	Month
(c) Meeting with Western Union International and American Telephone & Telegraph Co.—relating to use of CANTAT 2 Cable for USA/European traffic	New York	September 1971, 4 days
(d) Commonwealth Telecommunications Council Meeting, Canada's Representative	Nairobi	October 1971, 2 weeks
(e) Meeting with European Administrations with respect to Canada/European Traffic Operations over CANTAT 2 Cable	PTT The Hague PTT Bonn PTT Berne Italcable Rome PTT Madrid PTT Paris	November, 1971 11 days
(f) European/North American Carriers Conference relating to future planning transatlantic cables	London	November, 1971 4 days
(g) Meeting relating to Pacific Cable Planning	Sydney, Australia	November 1971, 3 days
(h) Meeting of Commonwealth Cable Management Committee	Wellington, New Zealand	December 1971, 1 week
(i) Meeting with Branch Post Office and French PTT. Administrations relating to interconnection facilities for CANTAT 2 Cable for Canada/European traffic	London	March 1972, 1 week

PURPOSE OF TRIP MADE BY PIERRE JUNEAU, CHAIRMAN OF CANADIAN RADIO-TELEVISION COMMISSION

Question No. 3,235—**Mr. Knight:**

1. In the fiscal year 1971-72, what was the purpose of the trip made by Pierre Juneau, Chairman of Canadian Radio-Television Commission (salary range: $40,000-$45,000), to Boston, Washington ($250)?

2. In what month of the year was this trip made?

Hon. Gérard Pelletier (Minister of Communications): 1. The purpose of the trip was to learn about the communications research carried out at the Arthur D. Little Laboratories in Boston and Mitre Corporation in Reston, Virginia. The trip lasted two days, with departure from Ottawa at 5:30 p.m. on December 1, 1971 and returning at 8:27 p.m. on December 3.

2. In December, 1971.

PURPOSES OF TRIPS MADE BY J. H. CHAPMAN, ASSISTANT DEPUTY MINISTER OF COMMUNICATIONS, 1971-72

Question No. 3,238—**Mr. Knight:**

1. In the fiscal year 1971-72, what were the purposes of the trips made by J. H. Chapman, Assistant Deputy Minister of Communications (salary range: $28,000-$35,000) to (a) Washington ($151) (b) Europe ($797)?

2. In what months of the year were these trips made?

[Mr. Pelletier (Hochelaga).]

Hon. Gérard Pelletier (Minister of Communications): 1. (a) To accept NASA Group Achievement Award, in Washington, on behalf of the Canadian International Satellites for Ionospheric Studies (ISIS) Project Team. (b) Mission in France; Scientific Mission composed of 13 representatives from the federal government and Canadian Electronic Industries. Mission led by Dr. Chapman. To explore the opportunities for increased co-operation in telecommunications research and development between France and Canada.

2. (a) October, 1971. (b) February 18-March 2, 1972.

PURPOSES OF TRIPS MADE BY R. HUMPHRYS, SUPERINTENDENT OF INSURANCE, 1971-72

Question No. 3,244—**Mr. Knight:**

1. In the fiscal year 1971-72, what were the purposes of the trips made by R. Humphrys, Superintendent of Insurance (salary range: $34,000-$40,000), to (a) Brussels ($329) (b) New York ($265)?

2. In what months of the year were these trips made?

Hon. John N. Turner (Minister of Finance): 1. (a) To attend meeting of the Council of International Actuarial Association. (b) To attend meeting of National Association of Insurance Commissioners.

2. Brussels, September. New York, June.

PURPOSE OF TRIP MADE BY J. D. LOVE, DEPUTY MINISTER OF LABOUR, 1971-72

Question No. 3,247—**Mr. Knight:**

1. In the fiscal year 1971-72, what was the purpose of the trip made by J. D. Love, Deputy Minister of Labour (salary range: $31,500-$37,500), to New York ($544)?

2. In what month of the year was this trip made?

Hon. John C. Munro (Minister of Labour): 1. Purpose of trip: To attend International Symposium on Public Employment Labour Relations.

2. May, 1971.

● (0000)

PURPOSE OF TRIP MADE BY BERNARD WILSON, ASSISTANT DEPUTY MINISTER OF LABOUR, 1971-72

Question No. 3,248—**Mr. Knight:**

1. In the fiscal year 1971-72, what was the purpose of the trip made by Bernard Wilson, Assistant Deputy Minister of Labour (salary range: $26,000-$32,500) to Geneva ($1,675)?

2. In what month of the year was this trip made?

Hon. John C. Munro (Minister of Labour): 1. Purpose of trip: To Head Canadian Delegation to the 56th Session of the International Labour Conference.

2. June, 1971.

PURPOSE OF TRIP MADE BY G. B. WILLIAMS, ASSISTANT DEPUTY MINISTER OF PUBLIC WORKS, 1971-72

Question No. 3,268—**Mr. Knight:**

1. In the fiscal year 1971-72, what was the purpose of the trip made by G. B. Williams, Assistant Deputy Minister of Public Works (salary range: $32,500-$35,000), to USSR ($5,221)?

2. In what month of the year was this trip made?

Hon. Jean-Eudes Dubé (Minister of Public Works): 1. The purpose of the trip was as a member of the Canada/USSR Mixed Commission on Industrial Application of Science and Technology to chair a meeting of the Joint Canada/USSR Working Group on Architecture, Building Materials and Construction.

2. October, 1971.

PURPOSE OF TRIP MADE BY JULES LÉGER TO PARIS AND AFRICA, 1971-72

Question No. 3,274—**Mr. Knight:**

1. In the fiscal year 1971-72, what was the purpose of the trip made by Jules Léger, Under Secretary of State (salary range: $45,000-$50,000), to Paris and Africa ($2,565)?

2. In what month of the year was this trip made?

Hon. James Hugh Faulkner (Secretary of State): 1 and 2. Trip made by Jules Léger when Under Secretary of State: Paris, Yaoundé, Cameroon (Africa) ($2,565) Study group on bilingualism; Discussions with French authorities: youth exchange; Discussions with Cameroon authorities: Canada/World Youth. December, 1971 and January, 1972.

PURPOSES OF TRIPS MADE BY M. YALDEN, ASSISTANT UNDER-SECRETARY OF STATE, 1971-72

Question No. 3,277—**Mr. Knight:**

1. In the fiscal year 1971-72, what were the purposes of the trips made by M. Yalden, Assistant Under-Secretary of State (salary range: $28,000-$35,000), to (a) New York ($146) (b) Paris ($996) (c) Paris ($1,036)?

2. In what months of the year were these trips made?

Hon. James Hugh Faulkner (Secretary of State): 1 and 2. Trips made by M. Yalden when Assistant Under-Secretary of State: (a) New York ($146)—To attend the Northeast Conference of Teachers of Foreign Languages, April, 1971; (b) Paris ($996)—To attend the Paris Conference on Language and Culture, December, 1971; (c) Paris ($1,036)—To attend the OECD Conference on Education, February and March, 1972.

PURPOSES OF TRIPS MADE BY O. G. STONER, DEPUTY MINISTER OF TRANSPORT, 1971-72

Question No. 3,283—**Mr. Knight:**

1. In the fiscal year 1971-72, what were the purposes of the trips made by O. G. Stoner, Deputy Minister of Transport (salary range: $40,000-$45,000), to (a) Yugoslavia ($640) (b) Paris ($537) (c) Paris ($485)?

2. In what months of the year were these trips made?

Hon. Jean Marchand (Minister of Transport): 1. (a) The trip to Yugoslavia was at the request of that government and involved discussions concerning Canada-Yugoslavia civil aviation relations; and meetings with the Yugoslav government relative to a substantial sale of Canadian diesel locomotives to Yugoslavia. (b) To represent the government at ceremonies commemorating the 25th Anniversary of Air Canada service to France; and to meet with French Civil Aviation Authorities to discuss planning and construction of their new international airport at Roissy-en-France. (c) To accompany the Minister of Transport in support of Canadian Air Industries participation at the Paris Air Show.

2. August, 1971; April, 1971 and June, 1971, respectively.

CANADIAN TRANSPORT COMMISSION—COMPLIANCE WITH SECTION 278(16) OF RAILWAY ACT

Question No. 3,305—**Mr. Mazankowski:**

What specific action has been taken by the Canadian Transport Commission to comply with Section 278(16) of the Railway Act?

Hon. Jean Marchand (Minister of Transport): The Canadian Transport Commission advises as follows: Pursuant to the requirement of the statute, the Commission, on April 30, 1971, reported to the Governor in Council on the operation of section 278 (then s. 336).

TRADE FIGURES—INCLUSION OF GOODS IN TRANSIT

Question No. 3,306—**Mr. Fairweather:**

In preparing Canada's trade figures, are goods in transit and for which export permits are required added to the export totals?

Mr. Herb Breau (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Statistics Canada reports that: Goods moving in transit through Canada and clearly identified as such are excluded from Canada's trade statistics. Goods which have been imported into Canada and are subsequently re-exported are included in import and export statistics whether or not an export permit may be required.

RIDEAU CANAL HEADQUARTERS—BUILDING CONSTRUCTION, ELGIN, ONTARIO

Question No. 3,310—**Mr. Cossitt:**

1. Did the Rideau Canal Headquarters office of the Department of Indian Affairs and Northern Development on or about November 8 advise the office of the Member of Leeds that the Department was levelling and dressing-up land in the area of Elgin, Ontario and that no building construction would be taking place at this location?

2. What is the name and title of the official who gave such information?

3. (a) Is the government planning to build a building of approximately 4,000 sq. ft. at this location (b) was the office of the Member for Leeds told otherwise and, if so, for what reason?

4. Is it the intention of the Department to announce the construction of such a building in spring of 1974 and to call tenders on such a building at that time?

5. Did members of the Rideau Canal office discuss this situation with members of the news media and, if so, on what date, with what newspapers, who were the government employees involved and was it stated to the Gananoque Reporter that such a building was planned despite denial having been made to the office for the Member for Leeds?

6. Was the announcement of such construction in the spring of 1974 planned to coincide with the announcement of the federal general election in spring of 1974?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): 1. On or about November 8 a member of the staff of Mr. Cossitt's office phoned the Department of Indian Affairs and Northern Development and enquired as to what was taking place on departmental lands at Elgin, Ontario. I am informed that, in response to the inquiry, a canal employee advised that the land was being cleared and no mention was made of proposed or impending construction.

2. Mr. L. W. Clark, Acting Operations Superintendent, Canals Division, Parks Canada.

3. (a) Yes; (b) no.

4. A tender for the construction of a division maintenance building at this site has been called.

5. I am informed that, on or about November 15, the Deputy Superintending Engineer of the Rideau Canal advised an employee of the Gananoque *Record and Times* that the site was being cleared to ascertain soil conditions and rock location. The canal employee disclosed no information with respect to a proposed building.

6. No.

HYDRAULIC MODEL STUDIES REPORT—OAK BAY, VANCOUVER ISLAND, B.C.

Question No. 3,311—**Mr. McKinnon:**

What was the cost of the Hydraulic Model Studies Report on Harbour Protection and Foreshore Erosion, Oak Bay, Vancouver Island, British Columbia for the Department of Public Works by Western Canada Hydraulic Laboratories, Ltd., Port Coquitlam, British Columbia?

Hon. Jean-Eudes Dubé (Minister of Public Works): The cost for the Hydraulic Model Studies Report was $37,800.

EDUCATION SUPPORT—CANADIAN AND FOREIGN STUDENTS AT CANADIAN UNIVERSITIES

Question No. 3,314—**Mr. Stackhouse:**

1. What is the average annual operating cost per university student to the government?

2. How many foreign students are studying at Canadian universities?

3. Does the government contribute to their education on the same basis as that of Canadian students?

4. What is the average annual operating cost per foreign student to the government?

Hon. Hugh James Faulkner (Secretary of State): 1. According to estimates for fiscal year 1973-74, the federal contribution toward operating expenditures for post-secondary education under Part VI of the Federal-Provincial Fiscal Arrangements Act, 1972, will amount to approximately $1,067 million, of which approximately $664 million will be the amount of the federal contribution attributable to the operating expenditures of colleges and universities. In addition to this contribution, which takes the form of a combination of tax and cash transfers, the federal government supports post-secondary education in Canada through other programs, including student assistance; loans, scholarships, fellowships and provision of research funds. It is estimated that enrolments in Canadian colleges and universities in 1973-74 will total approximately 318,000 full-time and 157,000 part-time students.

2. As reported by Statistics Canada (Education in Canada, 1973, pp. 162-163), 3.9 per cent of the 274,963 full-time undergraduate university and college students in 1970-71 were residents of countries other than Canada; 35.1 per cent of the 33,172 full-time graduate students in 1970-71 were citizens of countries other than Canada.

3. The federal contributions under Part VI of the Federal-Provincial Fiscal Arrangements Act, 1972, are calculated on the basis of the eligible operating expenditures for post-secondary education and not on the basis of enrolments or the composition of the student body.

4. Since the Federal-Provincial Fiscal Arrangements Act, 1972, does not require provincial governments to report to the federal government the amount of operating expenditures attributable to foreign students studying in Canada, the information required to calculate the average annual operating cost per foreign student to the government is not available.

TAXES COLLECTED BY FEDERAL, PROVINCIAL AND MUNICIPAL GOVERNMENTS, 1970-72

Question No. 3,317—**Mr. O'Sullivan:**

1. In each year 1970, 1971 and 1972 what was the total collected in taxes by federal, provincial and municipal governments?

2. For each of these years, what percentage of the Gross National Product does each total represent?

Mr. Herb Breau (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Statistics Canada reports that: 1. On a national account basis in millions of dollars:

Government Level	1970	1971	1972
Federal	14,768	16,368	18,296
Provincial	9,400	10,442	11,608
Local	3,825	4,067	4,308

2. Percentage of each of the above respectively of GNP:

Government Level	1970	1971	1972
Federal	17.2	17.5	17.7
Provincial	11.0	11.2	11.2
Local	4.5	4.4	4.2

SMALL BUSINESSES LOANS ACT—NUMBER OF APPLICATIONS RECEIVED FROM CONSTITUENCY OF LEEDS

Question No. 3,354—**Mr. Cossitt:**

How many applications were received from the constituency of Leeds under provisions of the Small Businesses Loans Act for government loans during each of the past three years for which figures are available, how many of these applications were grant-

ed and what was the total amount loaned in the electoral district for each year in question?

Hon. John N. Turner (Minister of Finance): 1. The requested data is not maintained by electoral district.

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QUESTIONS PASSED AS ORDERS FOR RETURNS

ASSISTANCE TO OUTSIDE INSTITUTIONS FOR RESEARCH INTO THE HISTORY OF CANADA

Question No. 2,209—**Mr. Forrestall:**

1. What was the amount spent through the government and the National Museums of Canada, in direct payments to personnel or in grants to outside institutions or individuals, for research into the history of Canada in each year since 1965 inclusive?

2. What is the amount budgeted for such inquiries and research through the National Museums of Canada for the fiscal year ending March 31, 1974?

3. Does the government consider that the funding as outlined above is adequate?

4. Through what other agencies of government is such support being given to the history of Canada?

5. Is the government considering the giving of the highest priority to research and support of research into Canadian history within the context of the various programmes as outlined above?

Return tabled.

LIP—CONSTRUCTION PROJECTS IN RECEIPT OF FUNDING

Question No. 2,318—**Mr. Alexander:**

1. By constituency and province for the years 1972-73 and 1973-74, which construction projects received funding under the Local Initiatives Program?

2. What was the name, number and amounts of money expended per project?

3. What criteria were used under the Local Initiatives Program for giving grants to construction projects?

Return tabled.

CANADIAN ARMED FORCES—BREAKDOWN OF MILITARY AND CIVILIAN COMPONENTS

Question No. 2,609—**Mr. Forrestall:**

What are the major bases and stations of the Canadian Armed Forces and, in each case, what is the breakdown between military and civilian components?

Return tabled.

TRIPS BY MR. PAUL GÉRIN-LAJOIE TO FOREIGN COUNTRIES

Question No. 2,692—**Mr. Stevens:**

1. (a) From November 1970 to date, what trips has Mr. Paul Gérin-Lajoie, President of CIDA, taken to foreign lands at direct or indirect government expense (b) in each case, what were the total expenses of his trip categorized to show expenses related to travel, lodging, entertainment and other?

2. Did any member of Mr. Gérin-Lajoie's family travel with him at direct or indirect government expense and, if so, what members, what trips and at what expense?

Return tabled.

CANADIAN PARTICIPATION IN EXHIBITIONS AND FAIRS

Question No. 2,717—**Mr. Schumacher:**

1. From 1967 to date, in how many exhibitions or fairs has Canada participated?

2. In each case, what was (a) the location (b) the total cost involved (c) the nature of such participation (d) the date?

3. From 1967 to date, how many invitations to participate in exhibitions or fairs has Canada refused?

4. In each case, what was (a) the location (b) the cost involved (c) the nature of such invitations (d) the date (e) the reason for Canada's refusal?

5. What is the projection for Canada's attendance at exhibitions or fairs for (a) the remainder of 1973 (b) 1974 (c) 1975?

6. In each case, what is (a) the location (b) the estimated cost (c) the nature of Canada's participation (d) the date?

Return tabled.

DEFENCE RESEARCH BOARD—RESEARCH EXPENDITURES

Question No. 2,906—**Mr. Nystrom:**

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

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

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

Return tabled.

GRANTS UNDER DEFENCE INDUSTRIAL RESEARCH PROGRAM

Question No. 2,972—**Mr. Broadbent:**

1. What were the names of the corporations which received cash grants under the Defence Industrial Research Program (DIR), in each of the fiscal years 1962-63, 1963-64, 1964-65, 1972-73 and 1973-74 to date and, in each case, what were the amounts of money committed and paid?

2. What was the date of the latest evaluative study of the program conducted by the Department?

Return tabled.

CIRCULATION OF BANK NOTES AND AMOUNT OF CREDIT MADE AVAILABLE THROUGH ALL SOURCES

Question No. 2,999—**Mr. Reynolds:**

1. What was the circulation of bank notes (a) in 1970 (b) from January to June 1973 by the Bank of Canada?

2. What was the total amount of loans given (a) by banks (b) by all other credit institutions in Canada in 1970?

3. Does the government have the breakdown of credit made available through all sources year by year and, if so, where is that information available?

Return tabled.

*ESTABLISHMENT OF PUKAWKWA NATIONAL PARK

Question No. 3,183—**Mr. Clark (Rocky Mountain):**

1. What studies have been conducted by or for the government regarding any aspects of the proposal to establish a national park, temporarily called Pukawkwa National Park?

2. What are the main recommendations of each study concerning (a) the economic aspect (b) the social impact (c) the impact upon native persons of the establishment of such a park?

3. What (a) economic impact (b) social impact (c) impact upon native people is expected to ensue from the establishment of such a national park?

4. Is the surrender of treaty rights involved in the establishment of such a park and, if so, what is the current status of negotiations with the native people involved?

Return tabled.

*FEDERAL ASSISTANCE TO ETHIOPIA

Question No. 3,336—**Mr. MacDonald (Egmont):**

1. On what date did Canada first receive a request for aid from the Government of Ethiopia?

2. How much aid has been sent by the government to Ethiopia and on what dates did this occur?

3. What priorities will CIDA require in allotting more funds to the relief effort in Ethiopia?

4. Will additional aid be sent to Ethiopia and, if so, how much, in what form and on what date?

5. Does CIDA have available funds to allocate more aid to Ethiopia?

6. Is the present world crisis in food shortage affecting Canada's decisions regarding sending further aid to Ethiopia?

7. How serious a problem is the present worldwide food shortage with respect to CIDA's present and future commitments?

Return tabled.

ORAL QUESTION PERIOD

[*English*]

NATIONAL DEFENCE

POSITION OF ARMED FORCES MEMBERS ATTACHED TO NORAD FOLLOWING SPECIAL ALERT ORDERED BY PRESIDENT NIXON ON OCTOBER 25

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the Minister of National Defence.

Some hon. Members: Oh, oh!

Mr. Hees: You can't beat class, can you, Mr. Speaker?

Some hon. Members: Oh, oh!

Mr. Hees: Now that we have the preliminaries over, Mr. Speaker, I have a question for the Minister of National Defence. Would he advise the House whether or not members of the Canadian Armed Forces who are also members of the integrated NORAD command automatically went on the alert technically known as "Defcon III" when President Nixon ordered Defcon III on October 25?

Hon. James Richardson (Minister of National Defence): Mr. Speaker, I have already advised the House closer to that date that the Canadian forces were not put on alert.

An hon. Member: What were they doing in the mountains?

Mr. Richardson: It was the American component of NORAD that was called to alert and not any part of the Canadian component of NORAD.

Mr. Hees: Mr. Speaker, that is a strange answer following the statement made by the Canadian general on the NORAD staff last night on the CBC television news. Can the minister explain to the House how a vitally important and integrated part of an operation such as NORAD can operate with half on alert and the other half not on alert?

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. I doubt whether a question asked in those terms is in order. Perhaps the hon. member might rephrase the question.

Some hon. Members: Oh, oh!

An hon. Member: Semi-alert.

Mr. Hees: Mr. Speaker, I will ask the minister how it is possible for an operation in which we are participating and on which the safety of this continent depends, to operate with half its personnel alerted and the other half not alerted?

Mr. Richardson: Mr. Speaker, the alert status of the Canadian forces cannot be changed without the authority of the Canadian government. We were at no time requested to change that status. We were advised that the United States intended to elevate the status of their alert, and that was all. We were advised that they were doing this, but we were not asked to change the status of our alert in any way.

Mr. Hees: If this is our idea of co-operation in NORAD under our continental commitment, I would ask the Prime Minister whether this is an example of the way the government is trying to run the affairs of this country?

Some hon. Members: Oh, oh!

Mr. Doug Rowland (Selkirk): Mr. Speaker, I should like to ask the Minister of National Defence when we were advised as a nation that the continental air defence command of the United States had gone on alert? In view of the fact that this automatically involved Canadian troops, were we advised before or after the fact?

Mr. Richardson: Mr. Speaker, it was 18 minutes past two o'clock on October 25 that the chairman of the joint chiefs of staff of the United States advised his counterpart in Canada, the Canadian chief of staff, General Dextraze, that he was moving the alert status of the United States forces to Defcon Position III—that is, Defence Condition

III. He specifically exempted us. He was simply advising us of this action on the part of the American air defence.

Mr. Rowland: What were the minister's instructions to the Canadian personnel in NORAD on receipt of that information?

Mr. Richardson: Mr. Speaker, there was no need to give any instructions. The information was there. They were aware of the information that had been provided to us but there was no need to give additional instructions.

Mr. Rowland: A further supplementary question, Mr. Speaker.

Mr. Speaker: Order, please. The hon. member wishes to ask a third supplementary. The hon. member will be recognized for that purpose, following which the Chair will recognize the hon. member for Dartmouth-Halifax East and the hon. member for Cape Breton-East Richmond.

Mr. Rowland: Mr. Speaker, I should like to address this supplementary question to the Prime Minister. In light of the fact that Canada was not consulted in advance of the United States ordering its forces to a Defcon III position, and in light of the fact that we were advised only after the fact, will the Prime Minister give an undertaking to the House that he will take the necessary steps to protect Canadian sovereignty in the future by indicating to the United States that on the termination of the current NORAD agreement we will not again agree to its renewal in light of the present situation?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I have looked into this question of consultation on several occasions and I am satisfied that with some improvements this system can and does work well. Of course, consultation only applies when both countries under NORAD are going into a different Defcon. The situation does not apply when the Americans with their own troops, whether it be under the umbrella of NORAD or in some other area, decide to change the defence conditions of those troops. As the minister just explained, Canadian defence forces were not involved in any way in this alert which was applied by the Americans to the Americans, and surely we would not want the American government to have to consult us when they are going to do something with their own troops.

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I should like to direct a question to the Minister of National Defence because obviously there is a very bad misunderstanding as exemplified by the views expressed last night on national television. I would ask the minister whether or not this exclusion or exemption from the alert applied only to the North Bay set-up or in fact applied to all of the bases where nuclear instruments are being held?

Mr. Richardson: Mr. Speaker, not only was the Canadian component of NORAD not put on alert, but NORAD itself was not on alert because NORAD does not exist without that Canadian component. It was the American air defence component of NORAD that was on alert.

• (1440)

Mr. Donald MacInnis (Cape Breton-East Richmond): Mr. Speaker, is the Minister of National Defence stating now that the Canadian forces were not on alert in all areas with the exception of, I think, district 22 in the Yukon? Is he stating that Canadians were not on the alert at that time?

Mr. Richardson: Mr. Speaker, I am making clear that the Canadian forces were not on alert and that Canada was not asked to go on alert. There were some individuals in integrated staff positions who in the early stages would have been involved in the normal course of their duties, but they were not formally on alert and the country was not on alert.

Mr. Speaker: The Chair will recognize the hon. member for Cape Breton-East Richmond on a supplementary and then attempt to complete the first round of questioning and return to further supplementaries on this subject by recognizing the hon. member for Trinity and others.

Mr. MacInnis (Cape Breton-East Richmond): Mr. Speaker, I would ask the Minister of Defence how much farther does he intend to go with demoralizing the Canadian forces?

* * *

LABOUR RELATIONS

ONTARIO BILL RESPECTING SCHOOLTEACHERS—STUDY BY DEPARTMENT OF JUSTICE

Mr. Derek Blackburn (Brant): Mr. Speaker, my question is directed to the Minister of Justice. Have the minister and his officials studied the Ontario legislation Bill 274, and, if so, does the minister consider it to be a form of forced labour legislation in view of the fact that it retroactively forbids an employee resigning his job?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, we have not as yet formally studied that bill.

Mr. Blackburn: Mr. Speaker, would the minister assure the House that he will do so and inform the government of Ontario forthwith that this measure contravenes basic civil liberties as embodied in the Canadian Bill of Rights?

Mr. Lang: Mr. Speaker, we will no doubt be looking at this legislation as we do all provincial legislation in the ordinary course.

* * *

[*Translation*]

ADMINISTRATION OF JUSTICE

QUEBEC CLAIM FOR REIMBURSEMENT BASED ON USE OF ITS OWN POLICE FORCE RATHER THAN RCMP

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

Could he clearly tell the House whether he intends to review his position concerning the claim of the Quebec Minister of Justice concerning the refund of considerable amounts as compensation since Quebec has its own police

force, while it generally contributes to the financing of the RCMP?

[*English*]

Hon. Warren Allmand (Solicitor General): No, Mr. Speaker. Our department has offered all of the provinces equally the services of the RCMP. We have no program to provide compensation in place of police services.

* * *

NATIONAL DEFENCE

POSITION OF ARMED FORCES MEMBERS ATTACHED TO NORAD FOLLOWING SPECIAL ALERT ORDERED BY PRESIDENT NIXON ON OCTOBER 25

Hon. Paul Hellyer (Trinity): Mr. Speaker, my supplementary is directed to the Minister of National Defence. Following the notification of the chief of the defence staff at 18 minutes after two that Defcon III was being ordered, how much later was it that the chief of defence staff notified the minister, and what instructions did the minister give the chief of defence staff at that time?

Hon. James Richardson (Minister of National Defence): Mr. Speaker, I think I have answered part of that question. As there was no action to be taken by the Canadian Armed Forces, I was not advised until normal working hours, which is about 7.30 the next morning for me.

Mr. Hellyer: I have a supplementary, Mr. Speaker. Do I understand—

Mr. Speaker: Order, please. The hon. member will be recognized for a last supplementary on the subject.

Mr. Hellyer: Do I understand the minister correctly that he is suggesting that the chief of the defence staff did not bother to advise him of the American action and consequently the government of Canada was totally unaware during all of those hours (a) that their forces were not on the alert and (b) whether or not they should be?

Mr. Richardson: Mr. Speaker, I have said I was advised a few hours after the call in the morning, and there was no action to be taken at that time.

* * *

THE CANADIAN ECONOMY

GOAL OF GOVERNMENT RESPECTING RATE OF INFLATION

Mr. James Gillies (Don Valley): Mr. Speaker, my question is for the Prime Minister. Would the Prime Minister tell us whether or not the government has accepted the recommendation of the Economic Council of Canada that for policy making purposes we should accept a goal in respect of inflation of having an inflation rate of about half of one per cent less than that of our trading nations?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the Economic Council of Canada indicated a series of goals which would be the aim for the Canadian economy in the period of the next three years. I have indicated that I consider those goals as a whole as a challenge for the government to fulfil and as a challenge to the private sector. In that sense we hope we will outperform over the long run most other industrialized societies. This is the aim of the government. We are glad that the Economic Council did set forth these goals, but the Canadian people must be cautioned not to take any of these goals in isolation.

Mr. Gillies: Am I to conclude from that answer that the government is willing to accept an inflation rate in Canada of 7½ per cent or 8 per cent per year if that is the rate some of our trading nations have?

Mr. Trudeau: Mr. Speaker, I repeat that the goal we will try to achieve will be the set of norms put forward by the Economic Council of Canada. It might mean in some years doing better and in some years doing worse, but on the specific question of inflation we do hope to continue to outperform over the long run the other countries of the western industrial world.

POSSIBLE MODIFICATION BY MINISTER OF FINANCE OF FORECAST IN LIGHT OF ENERGY SHORTAGE

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Minister of Finance. He has been asked questions about the possible effect on Canada of the energy shortage among our trading partners. Has he now had an opportunity to analyse the forecasted effects upon the economies of our trading partners in the coming months of 1974 and as a result has he seen fit to modify in any way the forecast previously made by his department with regard to our own economy in the coming months?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, as I said last week to one of the hon. gentleman's colleagues, while there might well be some negative effects on the economy as a result of the world energy shortage, it was still premature to base an economic policy upon them because at this stage there is no way of knowing what the shortfall or shortage will be.

Mr. Stanfield: Is it the position of the Minister of Finance that the general economic stance he took earlier in the year and continued through the year is still the appropriate stance for the government to take in view of the anticipated slowdown predicted in the case of some of our major trading partners? Does the minister still regard this stance as the appropriate one, or is he starting to put in place any measures to protect Canadian working people particularly against some of these secondary effects?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I am, of course, watching the situation closely on a day by day basis, but at the moment the economy is still operating at close to or at capacity, and it is still the view of the government that the fiscal stance is an appropriate one at this time.

Mr. Stanfield: In view of the fact the minister said last week that we must not minimize the effects of this and, on the other hand, that we must not exaggerate them, when

will the minister tell us what this means, those ordinary Canadians who cannot tell just exactly what it means, on the one hand, not to minimize something and, on the other hand, not to exaggerate it, in view of the severe consequences that may be felt by the Canadian people unless the government launches precautionary moves?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, the hon. gentleman has quoted me correctly. I want to say to him that until the facts become clearer it would be premature to change the stance of the economic policy of the government. I want to suggest to him, in terms he might find un-Canadian, that I would prefer to base policy on facts when those facts are known.

● (1450)

GOVERNMENT STEPS TO OFFSET INCREASING PRICES OF CONSUMER COMMODITIES

Mr. James A. McGrath (St. John's East): Mr. Speaker, I wish to direct a supplementary question to the Minister of Finance. In view of the fact the wholesale price of sugar in Canada has doubled in the past month and this will be passed on in the form of considerably increased retail prices, and in view of the effect this will have on the cost of food in Canada which is already largely influenced by the energy situation, I ask the minister what steps the government proposes to take to offset these increase factors relative to the cost of food in Canada which is already running at the rate of increase of 18 per cent per year.

Hon. John N. Turner (Minister of Finance): Mr. Speaker, the hon. gentleman is aware of the earlier Tariff Board decision on sugar and its refining in Canada. I am reanalysing that decision in view of the present price structure.

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AGRICULTURE

REQUEST THAT GOVERNMENT INTRODUCE POLICY ON SUGAR

Mr. James A. McGrath (St. John's East): Mr. Speaker, I ask the Minister of Agriculture, by way of a supplementary question, whether, in view of the very serious situation regarding the sugar market and the effect this will have on the cost of living in Canada, he is now prepared, after two years, to bring in his sugar policy?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, my sugar policy is not two years delayed; and by the time the two years are up you can be sure we will have a new sugar beet industry and a new sugar refining industry in western Ontario and a policy for all of Canada.

Some hon. Members: Hear, hear!

Mr. Speaker: The Chair will see the hon. member for Oshawa-Whitby on a supplementary, and then the hon. member for South Shore.

INDUSTRY

SURVEY OF COMPANIES ON CONSEQUENCES OF ENERGY CRISIS—PUBLICATION OF FINDINGS

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I wish to direct a question to the Minister of Industry, Trade and Commerce. Two weeks ago the minister indicated that his department was conducting a survey of over 1,000 corporations with respect to the effects of the energy crisis. Is the minister now prepared to inform the House of the results of his department's analysis of the data thus obtained, and also is he prepared to table that information for the benefit of the House?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, as I mentioned on that occasion, this study is a form of continuing review and analysis. It is also a form of contingency planning. I do not plan to table any over-all statement on this analysis before the House rises.

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ENERGY

GOVERNMENT PLANS FOR OVERLAND MOVEMENT OF OIL FOLLOWING CLOSING OF SEAWAY—REQUEST FOR ANNOUNCEMENT

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I wish to direct a question to the Minister of Transport. In view of the fact that the Lake Ontario section of the St. Lawrence Seaway will officially close on December 20, is the minister prepared at this time to announce any specific government actions and programs relating to overland movement of oil now moving through the seaway by tankers?

Hon. Jean Marchand (Minister of Transport): Yes, Mr. Speaker. I have already stated to the House that the seaway will close on December 20. It is not possible to postpone its closing. At the same time, we are preparing to move oil by train and truck.

Mr. Crouse: In view of the special dependency of the people of Atlantic Canada and Quebec on oil now moving through the St. Lawrence Seaway, can the minister give his assurance that the overland movement of oil will be in place by December 20?

[*Translation*]

Mr. Marchand (Langelier): The problem is as follows, Mr. Speaker. Everything must be ready to meet the needs of eastern Canada as soon as they will be felt.

● (1500)

[*English*]

Mr. Crouse: Mr. Speaker, I wish to direct a supplementary question to the Minister of Energy, Mines and Resources. Has he completed an assessment of the need for an overland oil transportation system and, if so, what specific new programs will he be implementing to assure the movement of oil by this route?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, there have been discussions both with my colleague's department and with the oil companies with regard to the possibility of movement through this area. This matter is now being defined a little further. What is clear is that there may well be substantial additional investment required to undertake any movement in quantity.

EXPORT CONTROLS ON REFINED PETROLEUM PRODUCTS FROM UNITED STATES—NEGOTIATIONS TO EXCLUDE CANADA

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I wish to direct a question to the Minister of Energy, Mines and Resources arising out of the announcement by the United States energy czar, Mr. William Simon, to the effect that beginning last Friday export controls would be placed on refined petroleum products from the United States. In spite of the fact Mr. Simon hinted that Canada might not be included, I ask the minister whether he has been in touch with Mr. Simon or any of the authorities in the United States to ensure that Canada will not be included in view of the fact we export to the United States about 28 times the quantity of refined petroleum products that they export to us?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, the Canadian representative in Washington with specific responsibility for the oil and gas area has been in touch with the United States administration to that effect.

Mr. Douglas: First, has the minister had any assurance from the American government? Second, since I understand that ARCO, the marketing company for Atlantic Richfield at Cherry Point, has informed British Columbia customers that there will be no shipments from December 16 until January 1 and after that date shipments will be cut to 80 per cent, is the minister aware of this and is he or the National Energy Board taking up this matter? I ask the question because this action could have serious consequences for the lower mainland area of British Columbia and disastrous consequences for the people of Vancouver Island.

Mr. Macdonald (Rosedale): Mr. Speaker, I thank the hon. gentleman for bringing this to my attention.

OIL PIPELINE EXTENSION TO MONTREAL—CONSIDERATION OF NORTHERN ONTARIO ROUTE

Mr. J.-J. Blais (Nipissing): Mr. Speaker, I wish to direct a question to the Minister of Energy, Mines and Resources. It relates to the construction of the proposed pipeline to Montreal. In view of the recent assumptions by people in the news media that the line will be built from Sarnia, and in view of the interest shown in the past by the Northern Ontario members of the treasury benches in having this pipeline built through Northern Ontario from Sault Ste. Marie, would the minister indicate whether serious consideration is still being given to building that pipeline from Sault Ste. Marie through Northern Ontario and, if so, will the decision be announced in a very short period of time?

[Mr. Crouse.]

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, the possibility of the route from Sault Ste. Marie is indeed a very serious one, and I hope we will be able to make an announcement on this in the very near future.

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PENITENTIARIES

TIMETABLE FOR PHASING OUT WOMEN'S PRISON, KINGSTON

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, my question is directed to the Solicitor General. With regard to the discussions that he had with his provincial counterparts last week, would the minister say if any timetable was established for the phasing out of the women's prison in Kingston?

Hon. Warren Allmand (Solicitor General): No, Mr. Speaker, there was no timetable, but the phasing out was based on an agreement we made with the provinces for the exchange of services and facilities. Under that agreement we hope to sign individual agreements with the different provinces to place women inmates in their institutions. As we sign them we will be able to phase out the women's penitentiary and probably provide other facilities for those left with us.

NATIVE INMATES—TIME OF SPECIAL CONFERENCE ON CORRECTIONS—PARTICIPATION BY INDIANS

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, with regard to the same meetings last week can the minister tell the House when the special conference on corrections relating to native people will be held and if he intends to consult with native leaders prior to that time to arrange for their assistance in working out rehabilitative programs?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, it was decided to have a conference on native inmates some time early next summer. A steering committee was set up under the chairmanship of the deputy minister for Manitoba to plan the conference, and it was decided that we would approach the Indian people to participate in this conference as well.

* * *

ENERGY

DISCUSSION WITH PREMIERS OF ATLANTIC PROVINCES OF MEASURES TO OFFSET RISING PETROLEUM PRODUCT PRICES

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I should like to direct a question to the Minister of Energy, Mines and Resources. Has he had contact with the Atlantic provinces premiers over the weekend with regard to possible joint federal-provincial measures to cope with the

effects of rapidly rising prices for petroleum products on eastern Canadian provincial economies, and can the minister say if there has yet been a level set by the federal government beyond which it will not permit prices to rise in that area of Canada without relief measures being introduced?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): The answer to both parts of the question is no.

Mr. MacKay: Mr. Speaker, I wish to direct a brief supplementary to the Minister of Regional Economic Expansion. Having regard to the special and serious consequences of the energy crisis on eastern Canada, has the minister made any specific proposals to cabinet to help mitigate these effects, for example, with respect to Newfoundland where the price of home heating oil has risen from 19 cents to over 40 cents a gallon in a comparatively short period of time?

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Mr. Speaker, I am constantly making representations to my colleagues with regard to the betterment of conditions in Atlantic Canada, and you can take it for granted that I am doing so on this issue as well.

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TRANSPORT

REQUEST THAT REPORT ON RAILWAY PASSENGER SERVICE IN SOUTHWESTERN ONTARIO BE MADE AVAILABLE

Mr. Bill Jarvis (Perth-Wilmot): Mr. Speaker, I wish to direct a question to the Minister of Transport. In light of the fact that some two weeks ago the minister received the report of the Canadian Transport Commission on rail passenger service in southwestern Ontario, would the minister advise the House when that report will be made available to the members of the House?

● (1500)

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, this report was received and is being analysed by the department. I want to discuss it with the government of Ontario and I hope that even before then we will reach some decision concerning this report.

Mr. Jarvis: In light of the fact the minister has been deferring questions on this matter for some months awaiting this study, would he agree that the study should be made available to members of the House before he discusses the matter with his provincial counterpart in Ontario?

[*Translation*]

Mr. Marchand (Langelier): Mr. Speaker, I—

[*English*]

ENERGY

NEGOTIATIONS BY QUEBEC TO PURCHASE OVERSEAS OIL—PROVISION OF INFORMATION TO FEDERAL GOVERNMENT AND CANADIAN COMMERCIAL CORPORATION

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. Is the minister aware of the efforts of SOQUIP, the Quebec government oil company, to buy oil around the world, and especially the efforts of Paul Desrochers negotiating on behalf of the Quebec government in the Middle East? If so, has there been any exchange of information at the ministerial level and to officials of the Canadian Commercial Corporation as to success?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I had an opportunity to discuss the general question with my Quebec colleague last week. There was no indication at that time that any contract had been secured by SOQUIP or any other Quebec company.

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FINANCE

POSSIBILITY OF PRICE CONTROLS ON ALUMINUM, NICKEL AND OTHER RAW MATERIALS IN LIGHT OF COMPANY PROFITS

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is for the Minister of Finance. In view of the fact that the third quarter profits for corporations have gone up 48 per cent this year and profits of primary industries have gone up some 105 per cent, is the minister contemplating a policy of expanding selective price controls on products such as aluminum, nickel and other raw materials produced in this country?

Hon. John N. Turner (Minister of Finance): No, Mr. Speaker.

Mr. Speaker: Order, please. Perhaps we might allow the hon. member a supplementary question, and then I will see the hon. member for Lincoln, followed by the hon. member for Qu'Appelle-Moose Mountain.

Mr. Nystrom: In view of the tremendous problems in some of these areas, could the minister tell us whether he is contemplating the possibility of implementing an export tax on such items as aluminum, nickel and copper?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, if that were so, this would not be the time to announce it.

REQUEST FOR REDUCTION OR ELIMINATION OF SALES TAX ON BUILDING MATERIALS

Mr. Kenneth J. Higson (Lincoln): Mr. Speaker, I have a question for the Minister of Finance. Is the minister aware of the sudden and sharp increase in the price of building materials during the last month to six weeks, presumably as a result of the petroleum problems which we are suffer-

ing, with the result that the construction cost of an average dwelling has increased by between $1,000 and $1,200? If so, would the minister propose very soon either the reduction or elimination of the 11 per cent sales tax on building materials?

Some hon. Members: Hear, hear!

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I thank the hon. gentleman for his representation. Of course, I would analyse that situation against the revenue consequences to the government.

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ENERGY

ORDER STOPPING EXPORT OF MEDIUM CRUDE OIL FROM SASKATCHEWAN TO UNITED STATES—REQUEST FOR RECONSIDERATION

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, I should like to ask the Minister of Energy, Mines and Resources if he has some information on the medium crude exports from Saskatchewan about which I asked last week.

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, my information is that it is a question of the heavy crude involved in this situation. The board is expecting an increase in the export of heavy crude in this current month and, indeed, has sent to the various normal export licensees proposals, for the first time, to differentiate between light and heavy crude in order to put this Saskatchewan product on a sounder basis as far as export is concerned.

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NATIONAL SECURITY

ALLEGED ANTI-ESPIONAGE GROUP IN QUEBEC REPORTING TO PROVINCIAL MINISTER OF JUSTICE

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, my question is for the Solicitor General. Would the minister care to comment on whether he or his colleague, the Minister of Justice, or the government in general have any information on the alleged 12-man anti-espionage group that reports to the minister of justice of the province of Quebec?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, I have no information with respect to that group.

Mr. Lawrence: A supplementary—

Mr. Speaker: Order, please. Perhaps the hon. member might ask a question. He will appreciate that what he is doing now is asking the minister to comment. Comments should be made by way of statement on motions but if the hon. member is seeking information he should ask a question tending in that direction.

Mr. Lawrence: I did ask for information, Mr. Speaker. If the minister has no information on it, because anti-espionage is not normally a matter handled by provincial law enforcement agencies I wonder if the minister would make an investigation and report to the House?

[Mr. Higson.]

Mr. Allmand: Mr. Speaker, I shall do that, although it is a little vague as to exactly what group the member has in mind.

Mr. Forrestall: Is there more than one?

Mr. Allmand: I might say we do have consultations with the Quebec government and other provincial governments with respect to security and police matters, but we do it through their responsible ministers and from time to time with the premiers.

* * *

PROTECTION OF PRIVACY BILL

GOVERNMENT'S INTENTION RESPECTING INTRODUCTION OF MOTION TO REJECT SENATE AMENDMENT

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, this question could be put to the Minister of Justice but it might be better if I were to address it to the Prime Minister or to the government House leader. In view of the fact the government's responsibility, indeed its answerability, is to the elected members of this House of Commons, and in view of the fact the provision that the Senate wants to cut out of the wiretapping bill is one on which this House voted precisely, is the government considering introducing an appropriate motion for the rejection of the Senate amendment to Bill C-176?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, the exact course of conduct with regard to Bill C-176 is under consideration.

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PENSIONS

REQUEST FOR EXTENSION OF PROGRAM TO INCREASE ANNUITIES TO EX-SERVICEMEN

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, my question is for the President of the Treasury Board. Bill C-220 was passed to increase the annuities paid to ex-servicemen in order to help them meet the rising cost of living. The answer given to my question No. 3206 at page 8664 of *Hansard* indicates that this amendment will apply only to 3.6 per cent of retired servicemen. Would the President of the Treasury Board now consider sponsoring further amendments to the act so that it will apply to more than a small fraction of ex-servicemen and women?

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, I shall be glad to look at that representation.

NATIONAL DEFENCE

REPLACEMENT OF LONG-RANGE MARITIME SURVEILLANCE AIRCRAFT

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, my question is addressed to the Minister of National Defence. Does the minister intend to make a statement in the House about the replacement of long-range patrol aircraft to carry out Canada's maritime surveillance responsibilities?

Hon. James Richardson (Minister of National Defence): Not in the near future, Mr. Speaker.

Mr. Munro (Esquimalt-Saanich): On December 4 the minister issued a press release. I should like to know whether the minister can let the House and the country know whether, before the decision as announced in the press release was taken, consideration was given by him and by the cabinet to the almost equal trade-off possibilities, in the case of Nimrod, of balancing off the cost of acquiring the Nimrod against the sale of CANDU reactors to Britain to give us access in this field not only to Britain but to the European Economic Community?

Mr. Richardson: Yes, Mr. Speaker, very careful consideration was given to all possible offsets in the case of all competing manufacturing companies.

* * *

ENERGY

INQUIRY WHETHER IN FACT SAUDI ARABIA HAS IMPOSED EMBARGO ON EXPORTS OF OIL TO CANADA

Hon. Paul Hellyer (Trinity): Mr. Speaker, I should like to address a question to the Minister of Energy, Mines and Resources. Is the minister now in a position to confirm that there is a *de facto* embargo on shipments of oil to Canada from Saudi Arabia?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, we are receiving two conflicting sets of information. From our diplomatic representatives and from the government of Saudi Arabia and from the international company there is the government denial that Canada is under embargo, but Aramco, the oil company, insists that we are.

Mr. Hellyer: Can the minister confirm that no oil has been shipped to Canada from Saudi Arabia since October 19, and that the shipment he referred to the other day as having been received by Irving was in fact en route on or before October 19?

Mr. Macdonald (Rosedale): Mr. Speaker, I cannot confirm the actual timing of the shipment received late in November.

Oral Questions

AGRICULTURE

SALE OF LIQUID PROTEIN TO LIVESTOCK FARMERS IN LIGHT OF REGULATIONS CONCERNING MOISTURE CONTENT OF DRY PRODUCTS

Mr. William C. Frank (Middlesex): Mr. Speaker, my question is for the Minister of Agriculture. In light of the fact it has always been mandatory for feed manufacturers to register specifically the moisture content of their dry products before sale to the trade, why are companies presently allowed to offer for sale liquid protein to the livestock farmer without registering the maximum moisture content so that farmers will know how much plain water they are buying?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I will be pleased to look into that.

* * *

ENERGY

OIL SHIPMENTS FROM SAUDI ARABIA—GOVERNMENT ACTION TO CLARIFY SITUATION

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Acting Prime Minister, the Secretary of State for External Affairs, following the information just given by the Minister of Energy, Mines and Resources regarding shipments of oil from Saudi Arabia. Does the government intend to take any initiative, or has it taken any initiative to clarify the situation with regard to the shipment of oil from Saudi Arabia; or does the government have to await passage of Bill C-236 and declare a state of emergency before taking a simple diplomatic initiative?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, the Canadian ambassador accredited to Saudi Arabia has been there for the last few days.

* * *

OLYMPIC GAMES, 1976

METHOD OF AWARDING ADVERTISING CONTRACT FOR COIN PROGRAM

Mr. Tom Cossitt (Leeds): Mr. Speaker, my question is for the Postmaster General and arises from reports that the Postmaster General awarded the Olympic coin advertising contract on the basis of what he has called usual procedures. Will the minister tell the House what these usual procedures are and, specifically, did one of these procedures include consideration of the fact that a Liberal Party campaign official is reported to have held a high position—

Mr. Speaker: Order, please. The hon. member must recognize that the question asked in those terms is out of order.

Oral Questions

● (1510)

ENERGY

USE OF CANADIAN SHIPS TO MOVE WESTERN OIL TO EASTERN CANADA

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, my question might properly be directed to the Minister of Supply and Services. What I am trying to get at is the registry of ships, namely, where we get them, the number of ships, the registry and the flag under which they are sailing. I am speaking of those ships now engaged in the movement of oil from the west coast to the east coast of Canada. Can the minister advise the House whether or not any Canadian ships are involved in this transshipment? If so, how many? If there are none, are we doing anything to encourage Canadian bottoms, Canadian flag ships, to move this oil from west to east?

[*Translation*]

Hon. Jean-Pierre Goyer (Minister of Supply and Services): Mr. Speaker, that question should be directed to the Minister of Transport.

[*English*]

Mr. Forrestall: Mr. Speaker, I wonder if I might have the attention of the Minister of Transport, as the Minister of Supply and Services has suggested I should direct my question to him. Can the Minister of Transport indicate to the House whether any of the ships engaged in the movement of oil out of Alberta through the Trans Mountain pipeline and thence to the east coast of Canada are Canadian-registered vessels? If none of this oil is moving in Canadian-registered vessels, what are the plans or intentions of the government to encourage or to secure Canadian ships for this particular purpose?

[*Translation*]

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, in principle we try to encourage—besides this is what was decided after a meeting with the Maritimes premiers—owners of vessels registered in Canada.

I had in hand last week a list of vessels used and copy of their registration for the shipment of oil. Maybe I could bring him such a list tomorrow. About ten vessels are involved but unfortunately I would be unable to give him their names by heart.

[*English*]

Mr. Forrestall: Mr. Speaker—

Mr. Cossitt: Mr. Speaker, on a point of order—

Mr. Speaker: Order, please. We are running short of time. I will recognize the hon. member on a supplementary but the hon. member for Leeds is rising on a point of order.

[*Later:*]

Mr. Cossitt: Mr. Speaker, a moment ago I directed a question to the Postmaster General. I believe it is a legitimate question as it concerns a matter of concern to all Canadians and to members of this House. On two occasions since I asked the question the Postmaster General has risen in his place in an obvious attempt to answer it. I

[Mr. Speaker.]

felt it was a legitimate question seeking information which it was within my rights to request.

Mr. Speaker: Order, please. The hon. member can ask a question if he follows the rules, but he knows he cannot ask a question that makes charges or allegations. It is easy to ask a question without using that kind of approach, as I am sure the hon. member knows.

* * *

SHIPPING

DATE OF WITHDRAWAL BY CANADA FROM BRITISH COMMONWEALTH SHIPPING ARRANGEMENT

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, can the Minister of Transport advise the House whether a date has been set for Canada to advise the members of the British Commonwealth shipping arrangement of our intention to withdraw from that agreement? Will we do that before the end of the current year?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, it will be done pretty soon. It has to be done by cabinet, and I think this matter will be before cabinet soon.

* * *

TRANSPORT

REQUIREMENT THAT RAILWAYS PROVIDE PROVINCES WITH INFORMATION ON COSTS

Mr. Bill Knight (Assiniboia): Mr. Speaker, my question is for the Minister of Transport. As the western provinces in July were led to understand with the agreement of the Minister of Transport that they would be able to obtain information relating to the costs of the railways, the CNR and the CPR, and as the minister has given the CNR and CPR an ultimatum to supply such information within ten days, can the minister inform the House whether the two railways have informed him that they will or will not supply the information?

[*Translation*]

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I think I stated last week that the railway companies had not yet been requested by the Canadian Transport Commission to provide this information. I have contacted the railway companies directly and they have until December 21 to comply, but no reply has been received as yet.

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

Mr. Speaker, I suggest that this is a very serious charge which was laid a few minutes ago by the hon. member for Leeds (Mr. Cossitt). I can assure him that the award of contracts partly to a Montreal firm and partly to a Vancouver firm was based on their competence. The unqualified success of the program bears witness to their competence since the production of coins cannot keep up with the demand.

[*English*]

Mr. Cossitt: Mr. Speaker, I rise on the same question of privilege. I did not, as the minister has stated—I feel I have to correct this—make an allegation. I asked a question. That is an entirely different situation. I feel I am certainly within my rights to ask a question that involves the expenditure of public funds without the calling of tenders or comparable presentations from other companies. I believe the minister was quite incorrect to make the charge that I made an allegation. He must feel there is something wrong or he would not have used the word "allegation". He must have a guilty conscience.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. Orders of the day.

GOVERNMENT ORDERS

[*English*]

ENERGY SUPPLIES EMERGENCY ACT

MEASURE TO PROVIDE FOR ALLOCATION BOARD, MANDATORY ALLOCATION OF SUPPLIES AND RATIONING OF CONTROLLED PRODUCTS

The House resumed, from Friday, December 14, consideration of the motion of Mr. Macdonald (Rosedale) that Bill C-236, to provide a means to conserve the supplies of petroleum products within Canada during periods of national emergency caused by shortages or market disturbances affecting the national security and welfare and the economic stability of Canada and to amend the National Energy Board Act, be read the second time and referred to the Standing Committee on National Resources and Public Works.

Mr. Stan Schellenberger (Wetaskiwin): Mr. Speaker, on Friday at four o'clock I was about one-third of the way through my speech. Perhaps I might clarify some of my remarks. I had been speaking on clause 35 of the bill. As the title suggests, the provisions of the bill are to be invoked only if there is a national energy emergency. I would therefore question the propriety of clause 35(4) which reads:

> An order under subsection (3) shall be laid before parliament not later than fifteen days after it has been made, or, if parliament is not then sitting, within the first fifteen days next thereafter that parliament is sitting.

It is my contention that if parliament is not sitting when the emergency is announced, parliament should be recalled immediately. There are precedents for such action. Earlier this year when the railway unions went on strike there was a national emergency. Part of the country was in danger as a result of lack of transportation and parliament was recalled immediately. I think that if an energy emergency should arise in this country, the situation would be important enough to justify the immediate recall of parliament, when the matter could be debated. What better forum is there for debating such a matter than one in which 264 members of parliament can explain

the situation in the various areas of the country? For that matter, even if parliament is sitting when the emergency arises I think the House should immediately deal with the emergency by debate and perhaps a vote should be taken on the question.

I have one question regarding the validity of the bill. I am referring to that part between clauses 1 to 10 inclusive. I am curious to know, as I am sure all members of the House are, why the energy allocation board should be made directly responsible to the Minister of Energy, Mines and Resources and be controlled by him. I suggest the board would be more respected and more acceptable if it were an autonomous body and if it were available for consultation with the minister and the department as well as with private industry. Perhaps, if necessary, in the performance of its duties it could even consult with those with expertise in this field on my side of the House.

The wide-ranging powers requested in this bill with respect to alternate fuels are too autocratic and totally unnecessary. The provinces are trading their resources, one example being electrical power. That resource is being traded among the provinces now and I am sure they would be willing to do this automatically in a situation in which one province is short of such power.

Clauses 13 to 15 inclusive of this bill will lead, I believe, to complete control over all of Canada's non-renewable energy resources being vested in one man responsible to the federal government of Canada. The federal government's relations with the government of the province of Alberta are now, to put it mildly, strained. I would hate to see what would happen if the clauses of this bill were invoked should an emergency arise and the government had the authority to legislate the bill's provisions within the province even without consultation should they feel it necessary.

● (1520)

The province of Alberta and the oil industry have grown together over the years. By virtue of this development, the Alberta government has developed a great amount of knowledge and expertise in the field of energy and resource management. Consultation on energy matters with the provinces in general and Alberta in particular will be much more beneficial to the government than their present policy of consultation, which seems to be only with the New Democratic Party. The Prime Minister (Mr. Trudeau), by virtue of his Vancouver verbal attack on Premier Lougheed, has set the stage for confrontation at the forthcoming first ministers' conference in January. For the sake of all concerned, I urge the Prime Minister to change his approach from one of confrontation to one of consultation.

I have already voiced my objections to some of the requests made in this bill—for example, the severance of consultation with the provinces in energy matters and the granting of autocratic powers to the Minister of Energy, Mines and Resources. I would also like to express my displeasure that the government would request this House, in the case of an energy crisis, to revoke the Combines Investigation Act, various transport acts and environmental considerations should any or all of these interfere with the invoking of Bill C-236.

If an emergency existed, surely all Canadians would pull together: transportation officials would do everything in their power to transport oil or other energy products across this country and there would not be any need to overcome all the legislation for which the provinces, the federal government and many citizens of this country have worked very hard. Surely that would be a bad precedent to set. I join with the hon. member for Peace River (Mr. Baldwin) in requesting that this government not allow a board of officials the right to destroy those regulations and statutes which the provinces and the federal government have enacted over the years in an attempt to make this country a better place for all. This is a dangerous precedent and one that should not be treated lightly by either side of the House.

Over the past few weeks a number of comments have been made about a national petroleum corporation. There will be a lot more talk about it—perhaps in the new session. Apparently, the objective of this corporation is to assist and participate in the research and development of non-renewable energy sources, particularly the oil sands. I wish to spend a little time on the topic of research. The government said it will commit $40 million over the next five years in the field of research, particularly on the Athabasca tar sands. I do not feel that is nearly enough to spend on research, particularly on the tar sands, when you compare it with what is being spent by some corporations in this area. For example, in the past couple of years Syncrude has put some $80 million into research. Texaco announced it will spend $40 million over the next two years. Great Canadian Oil Sands has spent millions of dollars in this field over the years. When it comes to research into the oil fields, $40 million is just not enough.

The United States government has said it will spend some $10 billion in the field of research into all forms of energy between now and 1980. That should be a precedent for this government. We should put in at least one-tenth of that amount, not only into energy usage of the conventional type but into other types of energy where we have some expertise. For example, there are the high-powered gas lasers to which the United States Secretary of State Henry Kissinger recently referred.

The hon. member for Athabasca (Mr. Yewchuk) will have a lot to tell us later, including in committee, about the Athabasca tar sands. Very few people are aware of the great expanse of Alberta which these sands cover. They are approximately 70 miles wide and 130 miles long. Syncrude will mine eight square miles to produce 125,000 barrels a day for the next 25 years. These sands contain approximately 600 billion barrels of oil in place. About half of this oil is either currently recoverable or shows promise of being recoverable in the not too distant future. The part that seems destined for earliest large-scale development is the 110 billion barrels of bitumen sufficiently close to the surface to be economically mined. These shallow deposits will produce sufficient bitumen to create 86 billion barrels of synthetic crude oil. Beyond there deposits there are some 200 billion barrels of high-grade bitumen in deeper formations which it may some day be possible to tap with in situ production techniques.

Thus, the tar sands represent an ultimate potential of more than 300 billion barrels of bitumen. This compares with total proved North American reserves of 56 billion barrels of conventional crude oil. The only comparable oil energy resources in North America are the oil shale deposits in the western United States. The oil shales may contain as much as 600 billion barrels of petroleum, but no feasible method of producing this oil has yet been commercially demonstrated.

In one of Mr. Lougheeds's speeches he states that one of the key portions of Alberta's energy policy is the development of new production both from conventional and oil sand sources. The discovery of replacement barrels of oil and natural gas is going to be more difficult and more expensive, so that the cash flows and incentives to explorers of these resources must be adequate.

In a presentation made to the Standing Committee on National Resources and Public Works on May 10, 1973, the Canadian Society of Petroleum Geologists noted the following conclusions: First, Canada has a very large potential physical resource base of fossil fuel reserves in petroleum and natural gas, in heavy oil sands and in coal. Less than 1 per cent of the estimated reserves in place have been produced today. Second, Canada has on hand a proven recoverable reserves supply of conventional oil and gas capable of meeting her near-term future needs of the next 10 to 15 years. Third, development of Canada's additional energy resources will necessitate increased costs. These resources will be technologically difficult to discover and develop, and costly to transport because of their remote location. Fourth, in order to provide significant contributions of hydrocarbons from the frontier exploration areas, synthetic oil from our heavy oils and processed products from our coal measures, long lead times of ten years or more are necessary because of the complex technology, logistics and over-all magnitude of these undertakings. In addition, a lead time of up to three years is necessary to acquire the materials and technological expertise to carry out the many areas of energy research and development which are required.

● (1530)

At the present time it is extremely difficult to get, not only staff with the necessary expertise but also the special machinery and equipment which are required. There is an unprecedented demand all over the world for the type of equipment needed in the development of energy, not only from oil but from uranium. Syncrude, for example, had to reach agreement with a West German firm several months ago in connection with the equipment needed for research and development this year. There are very few firms capable of providing the expertise and equipment required to develop the oil sands. If other companies, or even the government itself, were to attempt to get such equipment today they would have to wait two years before they could do so.

The standing committee heard evidence that money and incentives were required in connection with exploration. Mr. Speaker, there are people in my constituency in Alberta who, after working in the exploration field for years, are now going south to the United States to take advantage of the incentives provided in that country. In this connection I should like to quote as follows from a newspaper article which has come to my attention:

Concept Resources is one of 88 Canadian companies carrying out

oil and gas exploration in foreign jurisdictions, mostly in the United States and the North Sea.

Three years ago, Mr. Darling, 44, decided to curtail his Canadian activity. Today, through a wholly-owned subsidiary, Concept Resources Inc. of Billings, Montana, he has shifted virtually all active exploration to Montana, Colorado, Washington and New Mexico.

"What I wonder is why other companies are staying in Canada," he says, adding he is convinced that other Canadian-based companies will follow his example. Government policies in Canada are taking away the incentives, whereas in the U.S. "I see nothing but roses".

Premier Lougheed has said it is critical we should realize that the life index of conventional oil and gas reserves is rapidly declining and that the rate of new discoveries of crude oil and natural gas has declined. Little success has been experienced in finding new oilfields in Alberta, the northern territories or offshore of the Maritimes. Unfortunately, recent federal actions have probably set back the discovery and development of alternate natural gas reserves in the Mackenzie Valley basin.

Mr. Paproski: Shame.

Mr. Schellenberger: If it were not for the Alberta oil sands, or tar sands as they are sometimes called, the long-term Canadian oil supply position would be a poor one. The Alberta oil sands contain reserves of enormous potential provided we do not delay their development. Again, I say it is vital that we should not drive away funds for the development of oil supplies in Canada. We must remember that even if it begins operations now, Syncrude will not produce until 1978 at the earliest. We must bear in mind, also, that it will not be possible to get further supplies of skilled labour and special equipment for at least two years, and that even when oil begins to flow from the tar sands, some time in the 1980s probably, it will likely be restricted to about 125,000 barrels a day.

I would point out that in 1959, 1969 and again in early 1973 the government of Alberta attempted to persuade the federal government that a pipeline to Montreal was and is in the national public interest. The response to this suggestion has in the past been negative. If the Montreal pipeline were in operation today, shortages of energy in eastern Canada could be eliminated. If we wish to become self-sufficient while at the same time maintaining our market in the United States, present requirements call for between 600,000 and 700,000 barrels a day.

To meet this demand, four or five new plants are immediately required so that the crude may be extracted from the tar sands in the necessary volume. This will mean not only heavy financial investment but the provision of a satisfactory social structure in the areas to be developed. The tar sands are some 200 miles north of Edmonton. Each plant will require at least 1,000 people to operate it. These people will need to be housed in the area, and it is difficult to expect a small community to provide newcomers with the facilities which they probably enjoyed in other areas where they had been living. Recruiting staff will not be easy, in any case. People with suitable qualifications are already employed in one sector or another of the oil industry. Before they would consent to work on a new project they would require an assurance of wages at least equal to those they have been getting, and probably higher.

These are my comments on Bill C-236. I hope that in committee we shall make the amendments which are necessary.

Mr. John A. Fraser (Vancouver South): Mr. Speaker, I wish to address the House for a few minutes today on predominantly one aspect of the bill before us—an aspect which has largely been overlooked in the debate thus far. I am not suggesting it has been overlooked because hon. members on the government side do not share my concern about the threat to environmental law which is contained in one of the clauses of the bill. I am surprised, though, that although this debate has gone on for some days, during which time a number of government supporters have taken part, none of them has addressed himself to what in my view is one of the most dangerous and probably one of the most unnecessary clauses in the measure. The Prime Minister (Mr. Trudeau), speaking in the debate some days ago, did refer to the environment but only in the context of hastening the construction of the Mackenzie Valley pipeline.

I do not want to go over the bill clause by clause or anything like that—

An hon. Member: Go ahead; the speaker won't mind.

Mr. Fraser: —but I think it is important we should keep in mind clause 24, which is headed "Environmental Considerations". What is the effect of this clause? What it does, basically, is authorize the government, through a board it proposes to set up under this bill, to override all environmental law in Canada.

Mr. Paproski: Shame.

Mr. Fraser: I urge all hon. members, especially those on the government side, to ask themselves whether, in the first place, this provision is necessary. Second, if it should be necessary in some circumstances, is it necessary to hand these sweeping powers to a board of officials and then sit back and watch those officials go to the cabinet and say, "These are the regulations we require in order to override environmental law"? After all, as I said in the House a few days ago when putting a question to the Minister of the Environment (Mr. Davis), all members of this House, as well as our colleagues in the provincial legislatures, have worked for a good number of years to build up in Canada a body of environmental law which will start to cope with the very serious and complex problems relating to the environment with which we are faced in this country. These are serious problems. We have to extract from the earth our minerals; we have to take trees out of the forests; we require hydroelectric power and resources of gas and oil. We also have to build highways and ports and transship goods from one part of the country to the other.

• (1540)

Because we have to do all these things, and because all of them infringe to some degree or another on the environment, we have during the last few years, though admittedly belatedly, begun to pass laws which give us the capacity to cope with the problem. The problem, very simply put, is that we have built up a high standard of living and way of

life on an exploitative concept of natural resources and our consumption of natural resources, but during all these years have neglected for the most part to do anything about protecting those resources from a conservation point of view. In addition, we have done very little to protect the environment, the earth we live on, from the ravages of our industrial onslaught.

To me it is peculiar that for many years debate went on between the advocates of a strong federal position in the environmental field and those who felt that the federal government ought not to get itself directly involved in the environmental field because some people said it was essentially a provincial matter. There were brought before committees of this House experts who gave evidence as to what the federal power was in environmental matters. I was not one who ever gave testimony, but I have read some of the testimony that was given. Many of us believed that if one were to look at the provisions of the British North America Act in the context of the time that statute was passed, in view of the fact that environmental considerations were not matters specifically given to the provinces the federal government did have a very good argument for saying that, wherever necessary, it should be able to exercise its federal power to protect the environment.

However, these arguments were never really accepted by the federal government over the past few years and this is clearly shown in the legislation that has been passed. I refer to acts like the Clean Air Act and the Canada Water Act, which for the most part do not go into operation unless provincial agreement is sought and obtained in advance. We have always had the Fisheries Act, which for very many years has been the most effective anti-pollution legislation in this country, at least with respect to our waters. But this is a government and a party which for the last half dozen years or so have backed away from exercising a strong federal position in environmental law and yet now propose to this House that they give the right to abridge what law there is to a five-man board.

Surely there is a grave inconsistency in the approach that the government has taken over a number of years. I think there comes a time when the federal power has to be exercised in the interests of all Canadians. I would be the last one to run and hide behind the shield of provincial rights in every case when the national good required federal action. But I find it passing strange that this government, which for the most part has retreated when it comes to taking the initiative in proposing environmental legislation, now advances with a vengeance and grants to a board the right to make regulations to take away the effect of environmental laws, provincial, municipal and federal, which we have all worked so hard to pass in the last half dozen years.

Although they have not directed their minds to this so far in the debate, some apologists for the government may well say that subsection (1) of clause 24 provides that the board "may" consult with other bodies, including the provinces. But that is a permissive provision; there is nothing making the consultation mandatory. The Minister of the Environment and some members of the government may take some comfort from the fact that under subsection (2) the board "shall" consult with the Minister of the Environment. But the Minister of the Environment does not have the power under this bill to say no, even if he wanted to, and unless he can win the fight later on in cabinet with his other colleagues the recommendation put forward by the board will take the form of regulations no matter whether the Minister of the Environment is against it or not. The government may well say, "Well, of course, that won't happen". All I can say to that is that every time legislation is passed that overrides rights and laws and gives an amazing amount of power to a few people under a so-called crisis, this is the hardest legislation to get off the books, and it is at that time that things happen which everybody said beforehand would not happen.

I can give some examples of this, Mr. Speaker. As I have mentioned before in this House, I very well remember reading some extracts from the minutes of the proceedings before the justice and legal affairs committee where the then minister of justice said that the rules of natural law would apply to a certain section in the new Expropriation Act. This year the courts have said no, that is not so at all. I also remember reading with some interest the comments of the Minister of the Environment several years ago when this House was debating the James Bay project. The position was put to him: Would the environmental studies that the government was prepared to do in conjunction with the province of Quebec be conducted before construction began? His reply was, "Yes, that is our intention". But, of course, that is not what happened at all.

In this regard the press not long ago made a very interesting observation. It pointed out construction was well under way, before any environmental studies had been completed or were even likely to be completed. On August 23 of this year the *Globe and Mail* reported as follows:

> Results of the first environmental impact studies on the James Bay hydroelectric project will not be made public until after three airports and a 450-mile road are finished and a start made on the first and largest dam complex.
>
> J. C. Tremblay, the James Bay Development Corp. official in charge of federal-provincial relations, said yesterday that by next spring construction of three airports and a 450-mile road will be finished. And construction on the LG2 dam complex, the largest of four on the La Grande River in phase 1 of Quebec's hydroelectric development, will have started. Meanwhile, Mr. Tremblay said yesterday that in fact very few, if any, "environmental impact studies" have been started by either the federal or provincial scientists engaged in the cost-shared environmental impact effort.
>
> Under the federal-provincial agreement, the true environmental impact studies—the ones that attempt to uncover problem areas and recommend changes in plans to prevent environmental damage—will not start until next year, Mr. Tremblay said.
>
> And because even cursory environmental impact studies take a least one to two years to complete, this would mean any results and recommendations based on the results could not be made public until late in 1975 or 1976 at the earliest.

● (1550)

When government members say that these things will not happen and we are becoming alarmed about something that is not likely to take place, I remind them of what we were alarmed about yesterday and the fact that they have in fact taken place today. If one looks at the legislation the federal government has passed in recent years in respect of the environment, he will see that my contention for the most part is correct in that the federal government has

withdrawn from exercising federal power in defence of our environment. I remember that not very long ago at a committee meeting the minister was asked why the federal government did not move in to stop the discharge of raw sewage into the St. Lawrence River, and he said this was a municipal problem and the federal government did not have the power. However, it was pointed out to him that under the Fisheries Act the term "corporation" included a municipal corporation, and his reply was that it would not be political to move in that direction.

This is an illustration of the fact that we must pay attention to the lack of concern by the federal government in respect of the use of its power and authority in defence of our environment. One wonders why the federal government has taken a hands-off approach. This was borne out in replies to questions directed to the Minister of the Environment on April 10 when he appeared before the committee on fisheries and forestry. I quote in part from that exchange. I began by asking:

I take it that what the minister is saying is that there is a certain amount of discussion between departments on these matters and, hopefully, the Department of the Environment somehow finds out about things in time to have some input. But is there any legislation at all that makes it a requirement of another department, working within its own sphere of influence and authority, to have each project approved by Environment before it goes ahead and announces it, and gets it under way?

MR. DAVIS: There is a requirement that projects of any scale, certainly projects that would come to cabinet or to the higher levels of government, be checked out, not only from a financial point of view but from an environmental point of view, but this is not a requirement in law, it is an administrative requirement within the government.

MR. FRASER: In other words, it is a function of government to try to ensure that this happens?

MR. DAVIS: It is administrative and not legal.

MR. FRASER: Has there been any serious consideration by the government to secure this procedure by enacting legislation which would require the Department of the Environment to peruse and approve of any project done by another department from an environmental point of view before it goes ahead?

MR. DAVIS: I do not think legislation along those lines would be considered very rational, at least in a parliamentary type of government.

I suggest we have a government that does not want to use the power it has to discipline its own departments, yet it is prepared by this legislation to abridge and abrogate all environmental law in this country. There is a vast body of law in this country in respect of the environment. It might surprise hon. members to know just how extensive this law is. I have before me a compilation of all the environmental laws and regulations in this country, the index of which shows that in the province of Alberta there are 54 laws and regulations, in British Columbia there are 27, in Manitoba there are 11, in New Brunswick there are 14, in Newfoundland there are 11, in Nova Scotia there are 9, in Ontario there are 36, in Prince Edward Island there are 18, in Quebec there are 30, and in Saskatchewan there are 30. Under the Canadian index there are 55 noted environmental laws and regulations, both provincial and federal.

Through this bill the minister is apparently prepared to propose a measure which overrides all those laws and regulations. In looking over the debates on this matter I noted with interest that hardly anyone has mentioned environmental concerns except Conservative speakers. The only reference the Prime Minister made to the environment is to be found at page 8482 of *Hansard* where he said, when talking about the gas pipeline through the Mackenzie Valley:

While this project must, of course, be submitted to the usual regulatory proceedings and cannot go ahead until it has been approved by responsible Canadian authorities, the government believes that it would be in the public interest to facilitate early construction by any means which do not require the lowering of environmental standards or the neglect of Indian rights and interests.

If that is the Prime Minister's view—and I must assume that all hon. members on the government side agree with it—and if he wants to push ahead with the Mackenzie Valley gas pipeline, why is this incredible power included in this bill at the present time? I think it is only fair to point out that no one on the government side so far has given any explanation, or even attempted to give one, as to why this power is needed. No one has tried to come up with any defence in answer to comments by speakers on this side of the House in criticism of this particular aspect. No government member has given us any explanation at all as to why the government is asking for these extraordinary powers.

I would ask, quite seriously, why no government member has even concerned himself with this matter? I know that government members are just as concerned as I am about our environment, but I should think that someone on the government side would have gone to the minister or his colleagues to find out what we are doing and what is the great need for this power to be given to the suggested five-man board.

I suggest to hon. members that they should take a quick look at the volume and extent of our environmental law and ask themselves if what is embodied in this bill is what we should do, and whether it is really necessary. It is all very well to talk about the energy crisis—and we certainly do have a problem, part of which can be associated with transportation. But I would ask the Minister of Energy, Mines and Resources (Mr. Macdonald) if he would agree that in spite of the difficulties and problems of our fellow citizens in the eastern provinces, this government does not require the tremendous power asked for in this bill. Surely the government must have some idea of the environmental laws that might be abridged or abrogated momentarily or for a limited period of time in order to carry out the purpose of this bill, allocating resources when undue shortages may occur. No one on the government side has assisted us in any way in this regard.

When we consider this matter of extraordinary powers, government members will have to agree that it is not the function of this House to grant such powers to the government unless it makes out a case. So far as I can see, silence is not a case: in this regard the government has made no case whatsoever for these far reaching powers to abrogate or abridge environmental law in this country.

● (1600)

One might ask what sort of situation the government has in mind. Has the government in mind the air quality standards surrounding some refinery somewhere? If so, surely these places could be isolated and described. Surely

the government, since it has a board which advises it from time to time, can go to the board and ask it where it expects the government might have to relax the environmental standards. Surely this is a legitimate question for government members to ask; but I do not hear any of them asking it. I do not hear anyone on the other side of the House even beginning to try to persuade me or any other hon. member that this legislation is necessary. When one looks back at the history of environmental legislation in this country, we find that it was a phenomenon that the government, under pressure, established the Department of the Environment.

It was also only under pressure that the government passed the Clean Air Act and the Canada Water Act, which legislation, as I said earlier in this address, was carefully designed to make sure that the federal power does not push too hard in any direction. Yet without any evidence or definitive explanation concerning where these laws will be abridged, if there is a need, the federal government pushes in and tells Canadians from coast to coast in every province that at the whim of a five-man board, if it should so decide, any environmental law can be abridged.

I say that is an extraordinary situation and not one in which I am happy to hand over to the government that sort of power. Government speakers may say the federal government has not pushed for this power because it encouraged the provinces and coaxed them along. I wonder how much coaxing the government did, and I wonder how much provincial legislation has come to pass because there was no federal legislation. Certainly in many areas this is so. The fact is that because the federal government did not provide strong leadership in the environmental situation the provinces have moved as fast as they have.

There is always cause for concern whether in certain cases provincial legislation might be adequate, and one wonders where the federal government is. I notice on page two of today's *Globe and Mail* an article concerning lead poisoning. I should like to quote from this article as follows:

> Officials from the environment and the health ministries have expressed concern at the effectiveness of existing pollution legislation, doctors have expressed anger that children they treated have to be sent back to the areas where they were initially poisoned, researchers claim that lead contamination levels have not been significantly reduced and the level of public exasperation has been skyrocketing.

I ask why the federal government has not applied its power and force to look at this sort of thing. The fact of the matter is that the federal government has pretty well neglected to move on the environmental front. I know someone could tell me about the Arctic Waters Pollution Prevention Act which sat on the shelf for a long time before there were any regulations. Someone could tell me about other acts and regulations. But for the most part the federal government, except under the Fisheries Act, has not much power within the provinces or has not had the courage to exercise it. However, here we have a crisis which is not very well explained and in respect of which a number of intelligent people—I am not talking about anybody in the political process at all, but people commenting from the sidelines—ask just how grave a crisis we really face.

I think we legitimately pose a question here. I believe the question is: Why has the federal government decided now to use this power to abridge environmental laws? Members of the government have failed to try to address their minds to the problem in this debate. I think probably my friends and colleagues on the government side may well be asking the same question. No doubt part of the reason they are asking that question is the extraordinary exchange which took place a few days ago between myself and the Minister of the Environment. On Tuesday, December 4, as recorded at page 8388 of *Hansard*, I asked this question of the Minister of the Environment:

> Mr. Speaker, I have a question for the Minister of the Environment. Can he assure the House that the provisions of clause 24 of Bill C-236, whereby the energy supplies allocation board is empowered to override environmental laws, will not apply to pollution control standards or to permits issued by provincial governments?

The minister replied:

> No, Mr. Speaker. I cannot assure the hon. member of that. However, we are working very closely with provincial authorities and we have the closest liaison possible with the Department of Energy, Mines and Resources.

I wonder how closely the government has been working with the provincial authorities. A few days after this I had occasion to reach officials of the government of British Columbia on the telephone, and officials in most departments to whom I spoke said they had barely heard that this act was in the mill. From what I could gather there had been no close liaison in respect of this particular section. On the same day I then asked this question:

> In view of the fact that for a good number of years some hon. members, including members on the government side, have worked very hard to establish good environmental laws, can the minister advise whether clause 24 will apply? Will he make a statement to make it clear to the House that environmental standards are not going to be sacrificed across this country just because of an energy shortage in some parts, and will he tell the House why the power to regulate relaxation of environmental law is given to five appointed officials without any provision for appeal or public discussion?

This is the extraordinary reply given by the Minister of the Environment:

> Mr. Speaker, I think the hon. member is correct in suggesting that that clause can suspend environmental standards. At the same time, I know of no existing federal or provincial legislation which will in fact be overridden.

Mr. Speaker, I repeat that the Minister of the Environment said that he knows of no existing federal or provincial legislation which will in fact be overridden. If the Minister of the Environment does not know of any provincial or federal legislation which will be overridden, what in heaven's name are we doing passing this piece of legislation?

I ask every member on the government side, because I know they surely are not here to try to deliberately override the environmental laws in this country, to speak to the Minister of the Environment, the Minister of Energy, Mines and Resources and to the Prime Minister and ask them what in the name of heaven is meant by that remark. We are talking about emergency legislation. We are talking about an act which, apart completely from the envi-

ronmental aspect, abridges and invades an area which does not under ordinary circumstances belong to the federal government. That in itself is warning enough. However, when in respect of this particular part of the bill we find this extraordinary reply from the minister, when he says he knows of no existing federal or provincial legislation which will in fact be overridden, I ask why in the name of heaven are we looking at this bill which in effect would abridge environmental legislation? If the government's view is that this will apply only to some municipal legislation, let it say so; let the government tell us exactly what is its area of concern. But please don't come and ask me, an opposition member, in the face of silence and no explanation—what explanation we have been given makes no sense—to rush off pell-mell to give the government this authority unless the government can justify it.

● (1610)

I do not think we will be thanked by the Canadian people if we sit back and then finally go along with a provision like this. After all, too many members of the Canadian public have worked too long with legislators over a period of years to build up the body of environmental law which we presently have. I take some comfort from comments of the hon. member for York South (Mr. Lewis). I know that often his remarks are not designed to give me or anybody else any comfort—and that is fair enough, Mr. Speaker. But as recorded at page 8754 of *Hansard*, the hon. member said in part:

> Certainly there is great need for clarification of a number of proposals in the bill. Certainly there is great need for a number of amendments, because some of the powers are unnecessarily large or unnecessarily wide.

I certainly agree with that. Further, I do not think that what I have said will meet with too much disagreement on the government side. I would urge the government, when this bill reaches committee, to co-operate with all hon. members in making sure that, in an attempt to take the responsibility that is the government's and effectively to establish some machinery to combat a possible shortfall in some parts of the country, we do not go overboard on this question and pass legislation which has not been defended, which is probably indefensible and which goes a long way to wiping out the work of the last half dozen years.

[*Translation*]

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, since the introduction of Bill C-236, I have listened with great interest to all those who spoke, especially to our leader the hon. member for Témiscamingue (Mr. Caouette) and several of our colleagues. I had not intended to speak on second reading, but owing to the turn of the discussion and the determination of the Progressive Conservative members to carry on with this debate, I thought that I should urge this House to be a little bit more understanding.

Personally, I must admit that I am not overly enthusiastic about that bill, while I am willing to have it read a second time before Christmas to allow a more thorough consideration by the standing committee, even if we have to return to this House after New Year's and the meeting with the provinces to have it passed. Like many other members, I regret that the government did not chose to introduce this bill after consulting with all of the provinces of Canada, both oil-producing and oil-consuming.

As was so rightly stated by our leader, the hon. member for Témiscamingue (Mr. Caouette), the present chain of events is leading us very rapidly towards an economic crisis nearly as serious as that of the Thirties, if the government does not assume its responsibilities and does not co-operate with all the provinces to put a stop to the financial ambitions of the oil giants for whom money has precedence over the security of the population. This government, faithful servant to big finance, invokes the urgency of the situation to have the bill adopted this time without any consultation with the provinces.

The previous speaker was wondering a moment ago why the government is requesting such extraordinary powers by introducing Bill C-236. Mr. Speaker, we are used to the tactics of this centralizing government. Very cleverly they create emergency situations to force Parliament into enacting legislation which the population will reprove soon afterwards in order to further extend their rule over the whole country, encroaching more and more upon provincial jurisdictions. I say to the hon. member who has spoken a moment ago that this is the reason for introducing this extraordinary emergency measure. At times I think that I am reliving the end of the thirties when this same central government pretexting the urgency of winning the war brought Parliament to approve the 1942 agreements which turned provincial governments into mere vassals of the federal government.

● (1620)

Today the federal government wants to do still more than stealing the taxation rights exclusive to the provinces. It wants to become the absolute master of all energy powers in Canada. It knows well that all natural resources belong exclusively to the provinces. It wants to infringe on that field and its only weapon is the pretext of emergency. The minister will say that this is temporary and he notes that even in the bill. But we are convinced in advance that this temporary act will become permanent just like the agreement of 1942 through which the central government undertook to give back to the provinces three fields of taxation as soon as the war would end.

There came about the situation we are faced with, Mr. Speaker, a war of nerves to reconquer what we had lent to those wordless centralisers in Ottawa. As the old saying goes, if you want indeed to control two men stronger than you, have them fight together, or still, divide to rule. That is indeed what this government is doing, dividing the provinces, having them fight among themselves to better possess them. That is monstrous, will you say, but that is the truth. And all that for the sake of Canadian unity.

First, of course, we must ask ourselves, Mr. Speaker, if there is really an oil shortage in Canada. One has only to read non finance owned or controlled newspapers to realize that there is no real shortage but rather a provoked and well orchestrated shortage even if in a boogyman manner the Minister for Energy, Mines and Resources (Mr. Macdonald) came into this House trumpeting that we were going to be short of fuel this winter, that we were going to freeze, that we were going to be short of gasoline. He even went as far as saying that we would be short of electric

power. Just imagine, a shortage of electric power in Quebec because of the Israeli-Arab war. And to strenghten his SOS he suggests his famous restrictions everyone of them weirder than the other, such as turning the thermostat down to 70 instead of 72, as if he did not know that it cost as much to maintain a temperature at 70 or 72. Here is another restriction, closing doors very quickly so as not to let the cold come in, and leaving all windows closed to keep the heat in.

And during all that time oil companies like Golden Eagle Canada Limited are stating they doubled their exports to the United States in the last month of 1973, 2.5 million gallons in one month. One can read this in the newspaper *La Presse*, and I quote:

In spite of the crisis, Quebec exports oil. At a time when Quebec is theatened with a shortage of oil this winter with the intensification of the Arab embargo, a few Quebec refineries, including Golden Eagle Canada Limited of Saint-Romuald, continue to export huge quantities of industrial heating oil or bunker fuel to the United States.

From October 15 to November 26 last, Quebec ranked first among exporting provinces that ship refined products to the American market with exports of 2.5 million barrels, or the equivalent of 87.5 million gallons.

After Ottawa decreed export quotas of industrial oils on October 15 last, Quebec supplied, to October 31, almost half of all Canadian exports to the U.S.A.

In coming weeks, those exports of refined oil should decline however, not to better serve Quebec needs in bunker fuel low in sulphur content, but to supply British Columbia via the Panama Canal.

At least here, Mr. Speaker, we are staying inside Canada. The article goes on to say:

The federal government is indeed preparing to convince eastern Canada refiners to help British Columbia, where there will be a serious shortage of industrial oils this winter. During the next few weeks, the National Energy Board will have to issue a smaller number of exportation permits for the United States in order to divert the bunker towards the Pacific coast.

Mr. Speaker, when these absurdities are mentioned, the Liberals always protest: There is a surplus. But if we have a surplus, why pretend that there is a shortage?

This is again reminiscent of the artificial food shortage of the 1930's when food was burned so that prices might triple, even though the population was starving. The simple reason for this crisis was the will to cause a price increase and the reason for the crisis today is still a question of price increase.

It is fortunate that the Canadian public is better informed and that it did not respond to the minister's entreaty. That is why he had to return to reality and admit oil products were in abundance. He acknowledged also that it was not oil that would be lacking this winter but the proper means of transportation. How can one believe now that means of transportation will be lacking? I suggest that the joke has gone a little too far.

I heard an hon. member from Alberta state that if we had an adequate transportation and storage system, Alberta could produce oil 24 hours a day instead of 10 or 11 hours. Such a comment leaves the Canadian public absolutely nonplussed.

Mr. Speaker, I should like to quote from an article which appeared in *Montréal-Matin* as follows:

We have oil but we lack the means to move and store it.

[Mr. Gauthier (Roberval).]

Canada now has in storage 3 million barrels of crude oil and will receive 3 million more by the end of March but we do not know how to distribute it between the refineries in eastern Canada.

So there is no oil shortage: the only shortage we do have has to do with transportation and storage.

This is the essential of the statement made yesterday to the media by Energy, Mines and Resources Minister, Donald Macdonald.

The government keeps on saying that the shortage is the result of the Middle East conflit. I wonder what the Arab countries have to do with the matter of oil in Canada, since western provinces export about 50 per cent of their production and eastern Canada, including Quebec, has always imported most of its oil supplies from Venezuela and Rumania, where there is surely no war going on. As far as the war between Israel and the Arab countries is concerned, I wish I had a few minutes, or even half an hour more, to deal with it. I will simply say that after meeting with the diplomats involved, I realized that this crisis would be easily settled were it not for the foreign financial interests in Arabia that decided to double their export prices.

This is the main cause of this conflict that is ridiculous for the Arab people. From the political point of view, the Arab-Israeli war would quickly come to an end if the United Nations forced the Jewish people to return home and be satisfied with the territory that the Arabs were willing to give them. But there are still the interests of American millionaires and their stooges who enable them to obtain everything for almost nothing. Why does the present government not have the guts to tell the truth to the people, explaining to them that all wars are first and above all wars of financial interests. It is the same for the Arab countries war. The opportunity was given by owners of coal mines to start blockades and double prices by imposing restraints, and the governments played the game willy-nilly.

Today, the government is surprised by the opposition reaction. I am not. I believe that for the first time, the western provinces will really oppose the federal government to preserve their property. I understand them, but I am very pleased because this will make the Quebec people realize that the province of Quebec is not the only one that wants to be independent. It will prove at the same time to westerners what humiliation Quebec had to suffer because of Ottawa's infringements. I deplore only one think in Quebec today: the lack of combativeness, not to mention the puerile resignation of its government in trusting the Big Brother in Ottawa. In this respect, I should like to quote an article from Clément Brown, a columnist for *Montréal-Matin*:

AN AMBIGUITY: THE NATIONAL EMERGENCY

The Quebec Minister of Natural Resources, Mr. Gilles Massé, said in a statement the other day that although he intends to co-operate with Ottawa in the setting up of an emergency program to prevent oil shortages, Quebec will see to it that the federal government does not monopolize permanently powers that come normally under provincial jurisdiction.

Except under the rather vague terms of "Peace",—

● (1630)

Time does not permit me to read from another most interesting article which is a very good illustration of the simplistic attitude and submission of the province of

Quebec in these circumstances. However, generally speaking people in Quebec are reacting smartly to this situation. Especially my own constituents who are considered to be the most well-informed in the province because I do my best to keep them informed about all that is going on. Let me read this report from our regional daily:

Oil consumers get panicky.

Panicky heating oil users are in the process of creating a truly artificial shortage at the oil retailing level.

That was the statement made yesterday by Mr. Jean-Louis Gauthier, manager of A.E. Gauthier Co. and director of Golden Eagle of Canada.

Mr. Gauthier said that the psychosis which was developing within—

Mr. Trudel: Is he your brother?

Mr. Gauthier (Roberval): No, I do not even know him.

—within our population could further complicate the situation, admittedly serious, that will prevail this winter.

It is reported that some customers have acquired additionnal tanks holding up to 4,000 gallons, which far exceeds a family's winter oil consumption.

Those people who are hoarding oil are certainly creating a shortage for the time being. Retailers are operating on a quota basis and in many cases they will exceed their supplies for November and December, said Mr. Gauthier.

Mr. Speaker, I think it is on account of those alarming rumours, of those limitations, that people are frightened and some families in other parts of the country are bound to be deprieved of oil at certain times, if they are not totally short of it.

The script is always the same, Mr. Speaker. After the alarm cry, they create panic and all the news media, which are in the pay of the government in power, react as expected. The people are fooled and we can read all about it in the newspapers. Meanwhile, Quebec pretends to ignore everything and, as always, asks Ottawa to act on their behalf. Then we can read the following in an another newspaper article:

Ottawa acts on behalf of Quebec in the oil situation.

The dependence of the Bourassa government on Ottawa and on oil companies and the lack of leadership from the Department of Natural Resources paralyse the energy policy in Quebec. This is what the Official Opposition maintained yesterday when they introduced their first non confidence motion on the energy policy of the goverment.

According to the Leader of the Opposition, the problems in Quebec are directly related to this twofold dependence; "... dependence of Quebec, first as far as the energy they need is concerned, which is from 75 to 80 per cent of energy consumption, second, dependence on large oil companies which import, sell and distribute oil; as the government does not know anything as far as stocks are concerned, they cannot intervene."

Mr. Speaker, before referring this bill to the Committee, I ask the minister to recall that Confederation concerns the provinces as well and that the government has to know their will before voting such a bill which will have far reaching consequences on future federal-provincial relations.

If this government no longer wants to abide by the principles of confederation, let it say so to the Canadians and stop taking indirect means to bring about centralization. We must keep in mind that the confederation has been created by the provinces, and that the federal government must therefore be their instrument. But today this order of things is reversed and this is quite deplorable for all Canada because this kind of situation causes all the disagreements between the provinces.

I hope this government will scrutinize itself before it is too late, for if they go on the same way as in the past it will not be long before we can say it is too late.

[*English*]

Mr. Frank Hamilton (Swift Current-Maple Creek): Mr. Speaker I am pleased to take this opportunity to express some thoughts on Bill C-236, the energy supplies emergency bill. The bill gives power to the minister to set prices for energy resources, to control exports and imports, to establish rationing and to take almost any other action that the cabinet decides. This legislation is one more step in a game more easily begun than ended. In its proposed form, this bill could ensure that never again will a province be able to uphold its rights to control energy resources without resorting to extraordinary measures. This bill gives powers as far reaching as wartime measures, and the severity of the bill depends upon unknowns.

I have had some experience, Mr. Speaker, in administering an act of parliament as chairman of a government board. To me it is almost beyond belief that regulations made under this act will supersede a good many acts of parliament. This is heavy stuff indeed. A question that has bothered me a good deal during my service with the government, and now as a member of parliament, is just how reliable is the advice of the senior government servants to members of parliament and to cabinet ministers. The latest example is the minister's erratic replies to questions on Canada's oil situation. They are all very hazy. He has been saying he had been given the information by what he calls his technical committee. So the erratic information the minister has been getting from his so-called technical committee is in question as, of course, is the government's whole handling of this so-called energy crisis.

Far too many senior government servants who administer the programs passed by parliament do not have any real sympathy for the law to succeed. They should at least have some will to ensure success of the acts and programs. Should they not be like a surgeon performing an operation? Surely, he has some desire for the patient to live. Government employees and civil servants are usually people who have nothing to do with producing goods. The further removed they are, the more influential they seem to be with their daily power of suggestion to the minister. A good number of them are disdainful of commerce. Let us look at clause 3 of the bill before us. It reads:

There is hereby established an energy supplies allocation board consisting of a chairman and four other members to be appointed by the governor in council to hold office during pleasure.

It is the "during pleasure" part that I want to speak about. The members of the National Energy Board are appointed to hold office during "good behaviour for a period of seven years". There is at least some security of tenure and some independence for board members. Their numbers are to be increased to nine by this bill. The members of this new energy supplies allocation board are to be appointed to hold office "during pleasure." There is

no security of tenure. This means all it takes is a telephone call and they are on their way. This new board will be nothing but a club for the minister and, incredibly, will have authority to run roughshod over the National Energy Board. Also, as I said before, its regulations will supersede acts of parliament.

● (1640)

Is it any wonder the minister questioned the hon. member for Calgary North (Mr. Woolliams) about appointments to this new board. I would like to quote from *Hansard* of December 6. The Minister of Energy, Mines and Resources (Mr. Macdonald) said:

> I should like to compliment the hon. member on his speech. It is a good speech. It is really in respect of the appointments that I wish to ask him a question. It is not a question of political hacks but, rather, of obtaining qualified people in the oil business who would be prepared to sacrifice better incomes in order to make such a contribution.

The key words in the new bill regarding appointment are "at pleasure." This will be no more than a strawboard; surely nobody but a civil servant or a political hack will accept an appointment "at pleasure" on the board. In his television talk on energy resources, and in the House later, the Prime Minister (Mr. Trudeau) spoke about a number of aspects of the problem; but it was certainly not an exhaustive presentation. He completely forgot about or ignored the need for fuel energy in agricultural production, which is the very basis of our survival. Fossil fuels are indispensable to the needs of modern agriculture. I cannot discuss this matter in one short speech except to say that for every three calories of food produced in this country, there must be an input of one.

Farming in Canada now uses more petroleum by-products than any other single industry. The total input of energy per acre of land producing corn in the United States is now 80 American gallons. These gallons include the energy equivalent of labour, machinery, fertilizers in the form of nitrogen, phosphorous, potash, seeds for planting, irrigation, insecticides, herbicides, drying of the crops, electricity and transportation. Lack of oil is certainly going to influence crops in Europe as well as in the United States in the next growing season. I sincerely hope that our federal cabinet and the Canadian Wheat Board fully understand the possible effects of fuel shortages on crops of cereal grains around the world. I also hope the various experts who so competently predict vast world food production increases will realize on what our past increases have been based—mainly petroleum and other types of fossil fuel energy in the industrial countries, obtained at comparatively low prices.

There is no over-all shortage of energy in Canada, or the world for that matter; but, rather, there is a definite scarcity of low-cost energy. Canada's total recoverable inventory of oil and gas, proven and potential, has been estimated to be the equivalent of 561 billion barrels of oil. To date, total cumulative Canadian production has been about ten billion barrels, less than 2 per cent of the total. The current wellhead price of a gallon of Canadian crude is approximately 11 cents and the reserves of oil available at that price are definitely limited. However, estimates contained in "An Energy Policy for Canada, Phase I" suggest that a price of 20 cents per gallon would make

[Mr. Hamilton (Swift Current-Maple Creek).]

available 60 to 85 billion barrels of oil. By way of comparison, total Canadian oil consumption in Canada this year will be approximately .65 billion barrels.

There has been a general tendency to lament the high cost of gasoline and to infer that the oil companies are somehow at fault. The facts are that of the total retail sales price of a gallon of gasoline, the dealer's margin is about 10 cents, combined federal and provincial tax ranges from 18 cents to 28 cents, depending on the province, and the oil company receives about 26 cents from which it must, among other things, pay royalties and income taxes. The latter figure is approximately 25 per cent higher than it was 25 years ago in 1948. It is interesting to note that over this same period wages and salaries have quadrupled and the general wholesale index has doubled. In view of the realities of the petroleum situation, it is obvious that countries on subsistence agriculture will have to develop their new policies in terms of power from men and from draught animals. It is already becoming evident that some of the developing countries know this rather simple and very important fact and it may well be that some of our experts will need re-educating.

It is interesting to note the short-term response of government and industry to energy shortages. Their primary concern is to search for faster ways to exploit available energy resources, as well as to temporarily reduce present consumption to get us through the winter. Nowhere have I seen any suggestion that we plan for the long term and that we decide how we will shape our society to make the best use of our fossil fuels. For example, do we want these fuels for the next 10, 100 or 1,000 years?

In the matter of controlling the amount of money available for development, government plays an important role, taxes being a major cost. In plain terms, any shortage of petroleum we may suffer will be the direct result of inadequate capital spending engineered by this government. Canada is the world's largest major oil consumer on a per capita basis, and agriculture is the most intensive user of lubricating oil, grease, gasoline and fuel in Canada. Based on 1971 figures, fossil energy and derived products amounted to 14 per cent of all farm input expenses in Canadian agriculture, 17 per cent of out-of-pocket expenses of farmers, or equal to nearly one-third of net farm income. These figures are from Statistics Canada, 1971.

With agriculture such an important factor in the energy situation, what do we hear from this government about it? Nothing. They are asleep at the switch. The secretary of agriculture in the United States has at least made some concessions to agriculture. Millions of dollars are to be spent on fuel research in this country, but not a word about agriculture. However, agriculture, with its waste products, is a very important source of energy production. Other countries are moving in this direction and I mention just one, Taiwan. Agriculture, instead of being a net absorber of fuel energy, could well become self-reliant in fuel by proper use of its waste products, straw and animal waste. Let us spend a few thousand dollars on some little projects along this line. We seem to have millions for other research. Starchy cereals and vegetables can be converted to fuel. It has been done in other countries such as Czechoslovakia and the United States.

Canada will face serious problems in financing the level of capital expenditures now required for energy development. This will mean an increasing short supply of capital for Canadian agriculture, further difficulty in exporting farm products and more competition from other countries' imports. Comparisons of the potential ability to produce food and the potential market for food should provide a little insight into the market strategies for Canadian agriculture. Here are some selected countries, indicating the arable acres per person. The average in all of Asia and all of Europe is 12 acres per person. In the United States it is six acres per person, in the Soviet Union 40 acres per person, and in Canada 80 acres per person. These figures are taken from the FAO production year book, 1971. Canada has the best land to population ratio in the world. We have the capacity to produce more food per person than any other country in the world. Does the government have any long-range plans to capitalize on all our assets? Right now there is a build-up of idle ships all around the world because of fuel bunkering problems. Surely Canada should advertise that ocean shipping would be welcome here and assured of bunker fuel. This would be the best public relations job we could do for our country. Yet I have heard nothing along these lines.

• (1650)

Market strategies designed to take advantage of Canada's agricultural ability must be based on benefits to Canadian farmers rather than the extent to which the rest of the world needs our production. On humanitarian grounds we may have a moral obligation to assist in feeding the hungry world, regardless of the ability or otherwise of a particular country to purchase. It should be appreciated, though, that this obligation falls on all Canadians, not just on food producers.

What we face today, as I see it, is not an energy problem; it is a transportation crisis. It is one which brings into question the competence of the government. How can we believe the government is sufficiently competent to deal with energy problems when for years it has been unable to come up with regulations regarding procedures to be followed by the oil industry in the north in areas under federal jurisdiction? Nothing in the bill will produce one more gallon of oil or the 35 gallons to make one barrel. Instead of going beyond the communist manifesto as the Prime Minister (Mr. Trudeau) says, let us show a few international good manners toward our friends to the south and a few good manners toward the provincial governments.

What will happen to agriculture around the world if the price of oil rises to the price just posted by Iran—over $17 a barrel, or settles down to $10 a barrel? I have seen no projections put forward by the government. Between 1961 and 1971 farm costs in Canaca rose 47 per cent during a period of stable energy resource prices. It is suggested that farm costs will probably rise by 40 per cent over the next ten years due to increased energy costs alone. Couple this with a general condition of capital shortage, high credit costs, increased farm wages and land prices and we can expect a minimum increase of 90 per cent in farm production costs. What plan has the government to offer to meet the situation in agriculture and rural Canada in the next decade? As a first step, I suggest a much greater degree of federal assistance in assuring alternate energy sources to maintain the scientific agriculture we presently enjoy.

As I said at the beginning of my remarks, this statute is one more step in a game more easily begun than ended. It is no substitute for sound economic management carefully conceived and consistently executed. Trying to remedy the situation along the lines the government is now suggesting will turn out to be more costly and unsettling than any preventive program which might have been adopted a few years ago when the problem was first recognized.

It seems to me there are plenty of federal government agencies in existence right now which could deal effectively with the current situation. Canadians are concerned about attitudes toward energy and energy development. The petroleum industry must be encouraged to press forward with the job it knows best how to do, that is to say, finding, developing and processing petroleum products and bringing them to Canadian consumers. Ottawa should be consistently strengthening the idea of Canada as a nation. But the approach taken by the government toward national policy in the field of energy, as in other matters, is leading to disaster.

Mr. Stan Schumacher (Palliser): Mr. Speaker, this debate on second reading of Bill C-236 has been going on for a number of days now and during that time we have seen some changes in the over-all situation. It appears that the energy situation is an ever-changing one. We heard the speech made by the Prime Minister (Mr. Trudeau) on December 6. That speech certainly produced some new factors for our consideration. Sometimes I thought, after listening to that speech, that the Happy Hooker might have some trouble proving her status as an authority on prostitution.

I feel I must echo the comments made by others who have taken part in this debate: we have not been facing an energy crisis in this country but, rather, we are facing a problem related to transportation. If we follow the policy advocated by the minister of energy and by the Prime Minister, we are likely to be in deep-freeze for an extended period because we shall lack the energy to meet our energy requirements. The figures show that today Canada is 118 per cent self-sufficient in energy. In face of that figure, how anyone could say there is an energy crisis today is beyond my comprehension.

We have heard a few elements of a so-called policy disclosed from the other side. It was announced in September that there would be a voluntary price freeze beginning September 4. The statement was made in response to an increase in the cost of living figures and was not related to the Arab-Israeli war which began a month or so later. However, since that day the government, in its wisdom, decided to extend the so-called voluntary freeze until the end of the winter, whenever that may be. The way the government operates, we could be in for a freeze on oil prices for a very extended period and this, I can only suggest, will hurry along the day when Canada becomes a dependent country rather than a surplus country as far as oil is concerned.

Speaking about freezes, I note that the policy of the NDP is to support the government in extending the freeze beyond January 31. This was the main prize for which the

NDP held out when considering whether to support the government on December 10. I suggest that the NDP wants more than this. Ideally, it wants a permanent freeze in connection with the price of petroleum products in this country. I often wonder who that party thinks it is fooling when it takes stands of this kind, because if you follow that policy to its logical conclusion it would have a great effect on a number of wage earners who are supposed to be close to the heart of the NDP.

If you maintain a price freeze over an extended period, surely the wages, salaries and other benefits paid to the employees of the oil companies and the distributing system will have to suffer the same freeze. I find it strange that the NDP should be coming out in favour of a wage freeze affecting the membership of oil, atomic and chemical workers' unions in this country. I wonder what Mr. Reimer will say about that. That is the natural result of the policy proposed by the New Democratic Party, though they do not look at that side of the question when they make their ridiculous statements.

● (1700)

In discussing the whole subject of energy and the crisis facing the country today there has to be a fairly wide latitude allowed in debate, particularly in view of the speech made by the right hon. Prime Minister on December 6. The Prime Minister did not stick to the point of the bill at all but announced the formation of a national oil corporation and various other things having very little to do with Bill C-236.

I presume I am subject to the same rules as the Prime Minister, so I should like first of all to put some facts on the record concerning what happens on an average day in the petroleum industry of Canada. I speak of the average day in 1972, the latest period for which I have figures. I think it is important hon. members know the nature of the industry and the problem with which we are dealing. If there is one thing I have learned since being here, it is that there is not a wide understanding of the problems facing Canada in ensuring efficient operation of the husbanding of our natural resources.

On an average day in 1972, Canadian oil wells produced 1.5 million barrels of crude oil. Total Canadian liquid hydrocarbon production, including crude oil and natural gas liquids, was 1.8 million barrels. Canadian gas wells produced 8.2 billion cubic feet of raw gas. Canadian natural gas processors produced 18,200 long tons of elemental sulphur. Canada's inventories of elemental sulphur grew by 9,159 long tons. The petroleum industry spent $4.9 million in the search for, development and production of oil and gas in Canada.

The explorers and producers paid $1.2 million, which amounted to 24½ per cent of their expenditures, to governments in the form of royalties, bonuses and rentals, in addition to corporate income tax. Oil companies collected on behalf of federal and provincial governments $3.8 million in motor fuel taxes. Producers received $6 million for the sale of crude oil and natural gas and its by-products. Some 275,000 people were employed by the petroleum and natural gas industries and earned approximately $3.3 million. These are the 275,000 people whose incomes the members of the New Democratic Party would like to see frozen.

[Mr. Schumacher.]

I think this is a significant number of the workers of this country.

Drillers completed 10.5 wells and drilled 38,900 feet of holes in Canada. Canadian refineries processed 1.5 million barrels of refinery feedstock. Canadians consumed 1.6 million barrels of petroleum products. Canadians burned 3.1 billion cubic feet of natural gas. New motor vehicles coming on to Canadian roads numbered 2,912, and motorists used 17.6 million gallons of gasoline. Aircraft consumed 1.9 million gallons of aviation fuel. The average cost per person for all energy used in Canada for lighting, heating, transportation and production of goods was about $1. Canadian pipelines moved 2.5 million barrels of liquids and 6.3 billion cubic feet of natural gas. Canada imported energy materials worth $2.9 million. Canada exported energy materials worth $4.8 million. All of these are daily figures, Mr. Speaker, so you can see it is apparent we are dealing with large numbers.

In order to continue this rate of production, it becomes obvious that a great deal of money is going to be required. In his speech on December 6 the Prime Minister said that one of the important things that the government was going to do was to form a national oil company, which we could expect to hear about in more detail at the next session. At this stage may I point out that if this proposed national oil company operates in any way like the Panarctic oil company in which the government of Canada has a 45 per cent interest, then we might not expect very good results.

I say that for the following reasons. While Panarctic has been very successful in establishing Canadian sovereignty in the Arctic islands, which I think was the prime reason for setting up the corporation, and while it has had fairly successful experience in regard to finding natural gas, for which I suppose we have to be thankful though there is very little likelihood we will ever be able to transship this natural gas under present government policies, the company has also made bids for drilling rights off Norway in the North Sea, in the South China Sea near Viet Nam, and in Colombia, South America.

I suppose that the proposed national oil company will be called "Oil Can", in the same way that Statistics Canada is called "Stat Can", using the kind of jargon we get used to around here, though I do not know whether there will ever be any oil in the can. But I suggest that this new company will not be too successful in providing any oil reserves that might be the subject of allocation under this particular bill, if it is ever passed into law, if the company behaves in the way Panarctic has behaved.

Speaking of offshore developments, it is becoming painfully obvious that if present government policies are allowed to continue there are going to be fewer and fewer companies exploring for oil. For example, small oil companies in the province of Alberta are now deciding it is not in their interest to continue operations. I think of one particular oil company which announced during the last two weeks it was closing down operations in Alberta and in Canada at the end of the year. This company employs 28 people who reside in the city of Calgary, and these people were advised early this month that at the end of the year the company was suspending operations and they were to treat that announcement as notice.

I believe the hon. member for Swift Current-Maple Creek (Mr. Hamilton) referred to the fact that certain constituents of his were revising their plans in view of the uncertainty caused by the policies of this government. These people are engaged in the petroleum industry at the very lowest levels, such as workers in the field; they feel insecure and are deciding not to proceed any further with capital spending. Entire companies are deciding to close their operations. In the past we have made reference to activities of oil companies having a multiplier effect, and I am afraid we are in for a division effect pretty soon unless some certainty can be injected into this particular area.

● (1710)

I was referring earlier to what will be required in the future. If we are to be concerned about a secure source of petroleum, the first thing we should consider is a pricing policy for oil in this country. That is the crux of this whole matter. Contrary to what many people believe, oil does not grow on trees like bananas and other fruit, ready to be picked when it is ripe. Oil is a hard commodity to find, exploration costs are high, and unless the price of the finished product is equated with the cost of exploration and production our problems will continue. I suggest that our problems are not related to lack of oil; most of our problems can be associated with difficulties of distribution, and those problems are not going to be solved by policies which will ensure greater expenditure in exploration.

Most of our concern is in respect of a shortage of supply in the eastern half of Canada, east of the Ottawa Valley line. I always understood that the Canadian government's point of view in respect of a pricing policy for oil is that it should be based on the price of crude landed at Montreal. It seems this policy has been changed in that the accepted price of crude will be associated with the price on the Chicago market.

When this policy was announced there was no dispute among the provinces of Canada because it was felt that in effect this pricing policy would lower the price of Alberta oil domestically and on the Chicago market. The province of Alberta, being a good Canadian corporate citizen, has and will go along with any attempt by the federal government to solve our supply problems. The first criterion expressed by the premier of that province is to make sure there is a sufficient supply of Alberta oil to offset any shortfall that might occur as a result of an interruption of offshore supplies. This is the attitude taken by the government of Alberta notwithstanding the fact that this might result in serious shortages in Alberta. In spite of that fact, Alberta is prepared to waive its conservation practices in order to provide a secure supply of oil to the rest of Canada. It bothers me very much to hear people such as the hon. member for York South (Mr. Lewis) refer to the Premier of Alberta as "Sheik Lougheed." I can only refer to that hon. member as "Sheik Down", because that is what he has been doing in the past year or so.

Some hon. Members: Oh, oh!

Mr. Schumacher: Let me remind hon. members what has happened in the province of British Columbia which now has an NDP premier. The price of natural gas has been increased by 81 per cent, with reference to no one. There has been a discussion among officials of the province of Ontario and of the province of Alberta in respect of the price of natural gas, but we have not witnessed unilateral action on the part of Alberta increasing the price of gas by 81 per cent, as was the case in the province of British Columbia.

Let us also consider what the premier of the province of Saskatchewan has done. He has effectively kept Saskatchewan resources in the ground. This has occurred without representation to the National Energy Board; and I suggest the premier has overlooked the fact that the vast majority of petroleum in that province is sour crude and can be used only in refineries in Minnesota. The premier of that province, in deciding upon this policy, said in effect that Saskatchewan would wait until a higher price was available before making its sour crude available. That premier has taken much stronger action than the premier of Alberta in that he has counteracted the federal export tax by a provincially imposed tax.

When considering tax policy, one must remember that the National Energy Board has a statutory duty to get the best price possible for Canadian oil. I wonder why the province did not operate under the provisions of this act in order to increase the price of Alberta crude, rather than allowing the federal government to impose an export tax to equate the price of Alberta crude with the price on the Chicago market. I suggest the reason is that the provincial government did not want to impose the Chicago price on all Canadian consumers. In any event, we are still left with no clear statement by the federal government as to its oil pricing policy. The best that can be said is that the days of cheap energy have passed and we will have to make sure that the price is not higher than necessary.

We must make sure that there is continuity of supply in respect of the Alberta oil sands. The maintenance of a reasonable price for energy is difficult because no one knows what a civil servant in Ottawa might do when pressured by hungry politicians to keep prices down. I do not think this is a very strong hook on which to hang an oil pricing policy which will ensure security of supply in Canada. Surely we must ensure continuity of supply, and in this regard we are lucky to have the reserves discovered by the private industrial sector. We are fortunate to have a known source of supply, not having to be dependent upon outside sources.

There seems to be a bone-headed approach by some in respect of this crisis. I believe this debate should continue for some time in order that some light might filter down to those who take such an approach to this problem.

Mr. Gilbert: You are breaking my heart?

An hon. Member: Where is your heart?

Mr. Gilbert: You are making me laugh all the way home.

Mr. Schumacher: I think it is important to note some of the requirements of assuring security of oil supply in Canada. We cannot accomplish this with a cash position backed up by the taxpayers of this country—and a lot of people would like to see that happen. Since 1947 the petroleum industry has made expenditures of over $19.2

billion in exploration. During the same period, the extent of producers' sales was $18.3 billion. One can see from those figures that since 1947 there has been more expended in the exploration and finding of oil reserves than has been received as a result of production. While 1973 probably will see total revenues exceed expenditures, it has taken 25 years for that position to be reached. This is before taking into account significant income taxes which have been paid.

• (1720)

If I might digress for a moment, I would point out that when speaking about taxes, the Minister of Finance (Mr. Turner) made some interesting comments when he testified before the committee on miscellaneous estimates on December 4 this year. Many people have said that this so-called export tax is a means of making sure that larger windfall profits do not fall into the hands of the large corporations. Of course, they conveniently forget the very efficient tax collecting machine we have in this country to make sure that these huge profits do not automatically fall into the pockets of the large oil companies, or into any other pocket for that matter. We really have quite a machine in order to make sure that there are not these huge profits. At that committee meeting the Minister of Finance was questioned by the hon. member for Dauphin (Mr. Ritchie). He was asked about what would happen to these large windfall profits, so-called, if they were left to the companies and not taken by the government under the export tax. As reported at page 5845 of the committee proceedings, the Minister of Finance said:

> Alberta would have taken 22.5 per cent of that, and the federal government would have taken about 50 per cent; 49 or 48 per cent, or whatever it is.

So if you take 22.5 per cent off the top, and have the federal government take 50 per cent of the remainder, you have made quite a dint into this so-called huge windfall profit. The minister went on to say:

> Oh yes, we would get roughly 50 per cent corporate tax on their profit on that increase of price. Mind you, that 22.5 per cent royalty is deductible for federal corporate tax purposes. Then, of course, Alberta is entitled to 10 per cent of that corporate tax, of the corporate tax against companies with head offices and doing business in Alberta. Roughly that is how it would have worked.

Then, speaking of the fact that some of the money not used for reinvestment in exploration for more oil might end up in the hands of the shareholders by way of profits or dividends, the minister said:

> Some of it might well have gone into exploration; some of it might have gone into dividends; some of it might have been allocated as a cost factor that the parent company undergoes at its expense as opposed to the subsidiary expense, or the subsidiary might have taken some of the cost figures into its own calculating. We are dealing hypothetically here.

Mr. Speaker, it becomes quite obvious that if it did not go into exploration or otherwise it would go by way of dividends, which on the average probably would be around 33 per cent. So if the rest of it is taxed through income tax on a personal basis, there will not be much left in the form of windfall profits.

I think it is interesting to note that while the industry is just reaching a point where revenue exceeds expenditure, during this same period the taxes paid to government by way of royalties, rentals and other taxes, not including income tax, amounted to $5.5 billion. The petroleum industry has a reputation for being highly profitable. The reasons for this probably are attributed to the spectacular profits some companies make when a major pool is discovered, the volatility of petroleum stocks in the stock market due to investors speculating on prospects, the fact that the industry employs highly-paid, highly-skilled personnel and the large bonus payments made to government. But it would not appear that the market anticipated huge profits for the petroleum or energy side of our industrial endeavours, because it appears that while some oil companies have held up reasonably well, this has not been the rule. I should like to refer to an article by W. L. Dack which appeared in the *Financial Post* for December 8, 1973. He wrote:

> Fast-breaking energy events are keeping Canadian oil and gas investors on a perpetual hot seat. Oil stock prices tumbled almost 12 per cent during November for one of the steepest monthly declines on record by the Toronto stock exchange western oils index.
>
> The drop reflects the investment community's pessimistic view of government's increasing industry controls and the particularly poor performance turned in by Mackenzie delta stocks. This, plus the sweeping general market decline, has knocked the index down 35 points.

Later in the article the author quotes a Toronto oil analyst and says:

> What about government controls, the issue that stalled a strongly rising uptrend in oil share prices and now threatens to undermine what should be bright industry prospects?
>
> "Very soon governments are going to have to start stressing exploration and development incentives. The industry investment attractions in other parts of the world and particularly in the U.S. where sweeping new exploration incentives are being set up, are going to force such a move."

This articles depicts in graph form the performance of selected companies. It indicates that companies that are active in Canada, particularly in the Mackenzie delta frontier area where our best prospects are, suffer the greatest. Those which have a sure source of supply, like the Great Canadian Oil Sands Company or those which have North Sea interests like Home Oil, or an independent producer with refining capacity like Husky Oil, have withstood the onslaught better. There is a lesson to be learned from those people who have put us in the position of 100 per cent self-sufficiency in respect of what is going on in this country. We will not maintain that happy position unless things straighten out quickly.

I should also like to point out that a recent study has shown that if the industry stopped all exploration and merely reduced present reserves to exhaustion, the before-tax rate of return would be only 13.3 per cent, with after-tax being probably around 10 per cent. Obviously, there is not a windfall profit in this industry, particularly in view of the risk nature of the investment. All the time we hear comments from members of the NDP about the terrible collection of people who are involved in the petroleum industry and how they are making such great windfall profits at the expense of ordinary citizens. I think it is useful to put some of the facts on the record instead of listening to these irresponsible claims from people who have an axe to grind.

• (1730)

At this point I should like to quote from an editorial which appeared in the *Financial Post* of December 15, 1973:

To keep some perspective on the whole situation, it's worth taking a look at figures proffered by J. A. Armstrong, president of Imperial Oil. He doesn't pretend to be a disinterested party, but he makes his points coolly and factually, considering that he heads one of the companies whose future has been sharply affected by Ottawa's moves.

The Canadian oil industry made an after-tax profit in 1972 of 7.4 per cent on the money it used in its business. The after-tax profit in manufacturing generally that year was 7.3 per cent—essentially the same return in an industry that, by normal standards, is considered to face less risk.

In 1972, Imperial's profit on each dollar of revenue was 7.3 cents, which is just about the company's average of the past 25 years.

In October, the price of a typical Alberta crude oil—Imperial's raw material—was only 16 per cent higher than it was 25 years ago. In comparison, the composite price of industrial raw materials generally increased 58 per cent in the same period.

The price at which Imperial sells its Esso gasoline to the dealer, exclusive of federal and provincial taxes, has increased 21 per cent since 1948. In the same period, the general wholesale price index has increased about 95 per cent. Average weekly wages and salaries have increased almost 400 per cent.

I ask hon. members, where is the terrible rip-off? It just isn't there.

One of the most important of the yet-to-be-answered questions about oil is what Ottawa's on-going price freeze will do to corporate plans to explore and to develop new oil sources. Although Canada has abundant potential energy resources when the various kinds are added up, immense amounts of money will have to be forthcoming to develop them. Good profits are essential because, as Armstrong points out, it costs at least $2 million to drill an exploration well on the Arctic mainland compared to an average of $150,000 in Alberta.

The great governmental grab at oil has been engineered amidst much shouting that this is what should be done to protect the Canadian consumer. If oil companies are so circumscribed by governments that they see neither point nor profit in steeping up the hunt for oil, the Canadian taxpayer might as well brace himself to provide the billions needed to set Ottawa up in the business.

If the hon. member opposite would get up on his feet and ask a question I would be able to deal with it, Mr. Speaker, but instead he sits over there mumbling to himself. I would be very happy to allow him the floor to ask a question. Would you like to ask me a question?

Mr. Speaker: Order. We have just about reached the end of the time allocated to the hon. member, so there would be no time for the hon. member for Davenport (Mr. Caccia) to ask questions.

Mr. Schumacher: Mr. Speaker, he does not have the nerve to ask a question anyway. I will not get much further in the next 30 seconds so I will just close by saying that we should get off the negative, rigid approach to this problem and start offering some incentives. Instead of putting a freeze on things, let us learn from what the United States has done.

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

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Speaker: Order. Pursuant to Standing Order 40 I must advise the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Perth-Wilmot (Mr. Jarvis)—Transport—Study of railway passenger service in southwestern Ontario by Transport Commission—Local consultation; the hon. member for Yorkton-Melville (Mr. Nystrom)—Agriculture—Increase in farm costs—Requests for investigation by Food Prices Review Board; the hon. member for Mississauga (Mr. Blenkarn)—Unemployment Insurance—Possibility of charging employers and employees employment rated premiums.

GOVERNMENT ORDERS

[*English*]

ENERGY SUPPLIES EMERGENCY ACT

MEASURE TO PROVIDE FOR ALLOCATION BOARD, MANDATORY ALLOCATION OF SUPPLIES AND RATIONING OF CONTROLLED PRODUCTS

The House resumed from Friday, December 14, consideration of the motion of Mr. Macdonald (Rosedale) that Bill C-236, to provide a means to conserve the supplies of petroleum products within Canada during periods of national emergency caused by shortages of market disturbances affecting the national security and welfare and the economic stability of Canada and to amend the National Energy Board Act, be read the second time and referred to the Standing Committee on National Resources and Public Works.

Mr. Bill Kempling (Halton-Wentworth): Mr. Speaker, my remarks in this debate on Bill C-236 will deal in part with the industrial problems which arise as a result of the lack of planning by the government. We have before us a bill that would give wide powers to the Governor in Council, powers beyond those given to the cabinet even in the War Measures Act. The Prime Minister (Mr. Trudeau) and the Minister of Energy, Mines and Resources (Mr. Macdonald) would have us believe that these extreme powers are required because, in their view, we are experiencing a crisis which calls for strong measures. We say that the so-called crisis, in large part, has been created by the government, and in our view its ministers are not competent to handle the problem so they should not be given the powers set forth in Bill C-236.

We need only read page 8671 of *Hansard* for December 12, and the right hon. Prime Minister's reply on a point of order raised by the hon. member for Peace River (Mr. Baldwin), to be aware of the partisan, narrow view that the Prime Minister is taking of the oil supply problem. I was going to read his remarks into the record again, but other hon. members have done so. In addition, editorials in

most of the leading newspapers have commented on his remarks on that occasion. Suffice it to say that his remarks were cheap, degrading and divisive. I will not read them because they have been repeated often enough.

At a time when we need a statesmanlike approach to a very complex problem we have a Minister of Energy, Mines and Resources who displays all the talents of a bull in a china shop. We have a Prime Minister who takes cheap shots at the Premier of Alberta, and in general at all hon. members from Alberta.

Mr. Paproski: He wants ten barrels of oil for one French lesson.

Mr. Kempling: How can the problems we have be solved with the attitude displayed by the Prime Minister and the Minister of Energy, Mines and Resources? Is it any wonder that we have no confidence in them, and feel that the powers requested in this bill are too great for the meagre talents displayed by those who would be charged with implementing the legislation when enacted? But what of the industrial impact? We hear the Minister of Industry, Trade and Commerce (Mr. Gillespie) stating again and again that all is well on the industrial front. But when pressed, he admits in a quiet voice that his assessment was made before the impact of the oil supply crisis became evident. Like the Minister of Energy, Mines and Resources he deals in a large volume of statistics which have little relevance. Most of the replies he gives could be read from the Canada Year Book.

I asked the Minister of Energy, Mines and Resources why he felt we needed seven years to become self-sufficient in oil when, in fact, we are producing 300,000 barrels a day more than we consume. His reply had no relevance to the question. In other words, the minister waffled because he did not have an answer. From the opening of the 29th parliament numerous questions have been put to the Minister of Industry, Trade and Commerce regarding an industrial strategy. He is contributing, as usual, with replies which range from "we are working on one" to "we are not sure an industrial strategy can be developed because of the complexities of the problem".

● (1740)

Can you imagine why a country like Canada, with a surplus of oil and natural gas, does not have a world-size petrochemical industry? Can you comprehend why countries like Japan and Germany, which have no domestic oil and must depend on imported feed stock, have world-size petrochemical industries. One would have thought that a minister of industry, trade and commerce who would be sharing cabinet decisions on Bill C-236, would have had the foresight to realize that the petrochemical industry in Canada depends in the main on imported feedstock from the U.S.A. and today is facing a boycott of the export of that feedstock to Canada. Would you not have thought that the minister would have foreseen that situation? The industry has foreseen its vulnerable position for some time.

I had hoped the minister would have said long ago that Canada, with its surplus of oil and gas, was going to become a world leader in petrochemicals. It is a logical move and I would have thought he would be recommending world-size plants. Instead, however, we see him playing politics along with his colleagues, playing Alberta and Saskatchewan and their oil resources against the rest of Canada. I would have thought the minister would be in the United States right now to get a supply of feedstock for our petrochemical industry. The minister, like his colleagues did not see the oil crisis in time to act. They blame it on the Israeli-Arab war, on *force majeure*, on clauses in contracts or anything else that comes to mind. No one in the Department of Industry, Trade and Commerce seems to be tuned in to the petrochemical industry to be able to foresee their problems, let alone project a world-size plant which should be part of any strategy planned for Canada.

We do not appear to have a national transportation policy, and there are those who blame the minister for this. In fact, I think the department is really too big for one minister, and I believe it could be handled more efficiently if broken down into three or four departments. Now, we are faced with the problem of wheat deliveries versus oil deliveries, and I hope the minister will not play one part of the country against the other on this issue. I have heard some questions asked in the House about this issue, and the minister's replies have implied "What do you want? Do you want oil deliveries or do you want wheat deliveries?" Let us not get into that bind, Mr. Speaker, the problem is much too serious for that. Any government consistently using this approach does not have the confidence of the people of Canada, and in our view should not be trusted with the powers they seek in Bill C-236. I can almost see the headlines. I do not like to preach gloom, as I am basically an optimistic person but the headlines next year will be something like this: "Gillespie blames energy crisis for slowdown in industrial output" or "Turner blames world inflation for high interest rates" or "P.M. says conditions beyond our control reason for slow growth". It is always something or somebody else that is responsible for our situation.

Let us look at our trade relations. As an example, we have a trade deficit with every country in the world except Britain, Mexico and the United States. We saw the headlines in the newspapers the other day regarding the deficit resulting from the autopact. Now, we see that the situation in Britain has resulted in a three-day work week, it is a real crisis situation. I can see what is going to happen to our trade in that sphere. The minister will blame it on the Arab-Israeli war, the oil crisis, world inflation but he will not tell us that autopact negotiations have been stalled for months or that he has taken no initiative to have them brought to any conclusion. We are heading into GATT discussions in 1974 in a very negative position. We are facing a balance of payments problem if the trade deficits of 1972 continue. I do not think the people of Canada will buy the current excuse being put forth by the minister. In fact, if we end up with a serious trade deficit, I do not think they will buy it at all.

In Bill C-236 the Minister of Energy, Mines and Resources is asking this House to give the Governor in Council wide powers to regulate the supply, distribution, allocation, pricing and consumption of all forms of energy or any byproduct of an energy source. What the minister really wants is a club. He wants to say to the meeting of first ministers in January that he has the power, passed by

the parliament of Canada, to negate provincial priorities in the event of any energy crisis. The bill would, in fact, give the government so much power that it could invade areas of undisputed provincial jurisdiction. One of the most important problems facing the people of eastern Canada, the price of home heating oil, is not covered by this bill. The government's unwillingness to deal with the price to the consumer reflects its view on an incomes policy. We have heard that view many times since January. The Economic Council of Canada has stated that the major causes of inflation in Canada arise from sources within Canada, but this government refuses to look at any sort of incomes policy.

Bill C-236 implies that an energy crisis exists. Mr. Speaker, let us correct that. There is no lack of conventional energy in Canada, only the means of transporting or conveying the various forms of energy from source to the consumer. The bill should say, in effect, that an energy delivery crisis exists. We might have some confidence in the proposed energy supplies allocation board if it were an independent board, but in fact clause 10 of Bill C-236 provides:

> The board shall act under the instructions of the Governor in Council and report to the Minister of Energy, Mines and Resources from time to time upon its activities under this act.

As anyone can easily see, the Governor in Council, or the cabinet, has all the power. The energy supplies allocation board has no power, independent of cabinet.

This bill applies not only to petroleum or petroleum products as defined in the bill, but to products manufactured wholly or in part from petroleum, natural gas, coal and any product of natural gas or coal that can be used as fuel and also electric power. Here, we are dealing with a condition existing in Canada that is caused not from a shortage of petroleum or natural gas, or energy, but from lack of transportation facilities to enable petroleum and natural gas to be delivered to the market. Here, we have Bill C-236 containing powers away beyond the gravity of the problem. I wonder if the minister has seen the offer of the Canadian Trucking Association to deliver oil on a 24-hour around the clock basis from Sarnia to Montreal. The quantities that they would be able to deliver far exceed what a pipeline can deliver at the present time.

The other evening at about six o'clock the Minister of Energy, Mines and Resources tabled a ways and means motion concerning the collection and allocation of the export tax being levied by the federal government on oil exported from Canada. The minister not only wants Bill C-236, but he wants the bill that would follow the ways and means motion so that he will have a club in either hand when dealing with the first ministers in late January. With this legislation in his hand, I wonder whether it is going to be a conference or just an academic exercise. I think it is really important, at a time of high tension like this, that the confidence of the provincial ministers is kept foremost in the minds of the federal negotiators.

● (1750)

You will note that the western provinces are talking about a quid pro quo as part of any agreement on oil. With a diminishing resource, the western premiers are obviously looking to the future and would like to see an industrial complex in each province, to complement industrial and technical skills developed by the oil industry. Again, we must look to the Minister of Industry, Trade and Commerce. With no industrial strategy for Canada, the prospects for agreement with first ministers in January based on any quid pro quo for industrial complexes within provinces in January is not too good at this point in time.

Another interesting aspect of this so-called energy crisis—and the government is calling it a crisis—is to be found in an article written by Dian Cohen on September 10, the headline of which reads, "Energy Crisis May Be Scapegoat". The article mentions that we can look to the energy crisis, so called, to be leaned on by the Minister of Finance (Mr. Turner) and the Minister of Industry, Trade and Commerce, to cover the lack of positive legislation to combat inflation and deal with serious trade problems that are ahead of us.

One of the serious problems we face in Canada, as a result of no real oil policy—and there is still time to act—concerns the future of the numerous Canadian companies engaged in drilling for oil. Those who are drilling in Canada today are doing so on blind faith and on commitments made many months ago, mostly to large oil companies. We have about 100,000 people employed in drilling for oil in Canada. Most of these crews belong to small wholly-owned Canadian companies which have contracted for drilling to the large oil companies. If we do not have a firm long-range policy, we stand a good chance of losing much of this expertise. Even now, many of these crews are moving to the United States, where the government has laid down ground rules which enable these companies to know where they are going. These companies have in their ranks some of the most experienced drilling crews in the world. It would be a shame to lose these people, their expertise and their knowledge. Canadian oil drilling crews can be found all over the world today. We stand to lose more men with such experience to Britain, the United States, Viet Nam, or other countries, because the government chooses to play constitutional power politics with the provinces.

Mr. Paproski: Because the government chooses to play Russian roulette.

Mr. Kempling: Russian roulette: call it what you will. I would have hoped that the government would make available more than $40 million for the development of the tar sands. Certainly, we have heard nothing to speak of from the Minister of Industry, Trade and Commerce regarding this project. I would have thought there would have been negotiations with Alberta with regard to a world-sized petrochemical industry in future—

Mr. Paproski: The minister does not negotiate; he just tells.

Mr. Kempling: He tells, that is right. I should have thought that there might have been negotiations in that area, in view of future demand for the products of the petrochemical industry. I would have thought that some consideration would have been given to this as part of the quid pro quo. This could have been done, instead of engaging in ham-handed tactics such as those in which the

Minister of Energy, Mines and Resources has engaged. May I call it six o'clock?

Mr. Speaker: May I remind hon. members that there are still three minutes before six o'clock. I am in the hands of the House, if there is unanimous consent.

Some hon. Members: Carry on.

Mr. Kempling: That is what I call a vote of confidence. Some of the powers contained in the bill should be stated, so that we may see which of them the cabinet needs in order to overcome the so-called energy supply crisis. Clause 13 gives the cabinet power to exempt certain persons from sanctions under the Combines Investigation Act. Clause 24 overrides provincial laws and federal laws pertaining to pollution. Clauses 25 and 26—

Mr. Speaker: Order, please. I have to interrupt the hon. member. Will he kindly resume his seat? I must remind hon. members that it is not competent for an hon. member on second reading to consider a bill clause by clause. There is no difficulty about making general references to specific clauses, but the hon. member is doing now what it will be the responsibility of the committee to do if and when this bill goes the committee. I ask hon. members to bear this in mind when making their contributions on second reading of the bill.

Mr. Kempling: Mr. Speaker, thank you for setting me straight on that point. I was trying to point out various clauses of the bill which override certain jurisdictions of other governments in this country. One clause of the bill empowers the board to seize ships for the purpose of shipping oil. Another empowers it to seize motor trucks for interprovincial transportation of oil.

One of the great dangers is that this bill will not be a temporary measure; that it will not deal with the crisis, and then expire, but that it is intended to be permanent. It is not to come into effect by proclamation, as did the War Measures Act. It is to come into effect after royal assent, and its provisions can be used by the governor in council at any time. I am not convinced that this government, in view of its record, should have this power. This bill would give the governor in council jurisdiction over the petroleum products manufacturing industry, wholly or in part. It would give the government power over industries involved with petroleum, natural gas, coal, electrical power, and over railways, ships and pipelines as well as over interprovincial motor transport.

Mr. Speaker: Perhaps the hon. member will allow me at this time to interrupt him and suggest that it is now six o'clock. It being six o'clock, I will now leave the chair. The House will resume at eight o'clock.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

[Mr. Kempling.]

Mr. Kempling: Mr. Speaker, as I was saying at six o'clock, one of the greatest dangers in this bill is that it is not a temporary measure meant to deal with a crisis and then expire. It is intended to be permanent. It does not come into effect on proclamation as did the War Measures Act, but is in effect from royal assent and can be used by the governor in council at any time. I am just not convinced that this government, on its record, should be given the powers provided by the bill.

This bill, in effect, gives the governor in council jurisdiction over petroleum products manufactured in part or in whole from petroleum, natural gas or coal, as well as electrical power, railways, ships, Canadian or foreign, pipelines and interprovincial motor transport. It further gives the governor in council powers to enter the provincial constitutional field, to effect provincial energy resources, industries manufacturing products from petroleum as well as primary and secondary industries, through control of railways, pipelines, ships and interprovincial motor truck transport. The entire power is in the governor in council. The declaration of an emergency, actual or anticipated, is at the sole discretion of the governor in council.

One of the unexplained words in the bill is "region". It is not defined. It is not given a dimension. It is just stated that a region of the country can be in what the governor in council considers to be a crisis state and the powers come into effect for all of Canada. This is power which should not be blindly given to a government with such an inept record.

There is in this proposed legislation a parallel suggestion to the one the government made during the FLQ crisis, that a public order emergency act be passed. This clearly is no time to enact permanent legislation. Such a proposal should await a period of calm, and should be acted upon following full discussion with the provinces after we have had a chance to see the effects of this winter. There is adequate power for the government to act in existing legislation. We could give the government additional powers to ration energy supplies and they would have plenty of room to operate for this winter season. This bill is written on the premise that there is a serious national energy crisis and yet the Prime Minister (Mr. Trudeau) in his oil policy statement said and I quote:

> We are confident no Canadian need fear serious shortages of fuel and oil this winter providing each of us plays his part.

Mr. Alexander: The old double talk.

Mr. Kempling: The old double talk. The fact is there is no oil crisis. The government has not declared a crisis, yet it is asking for these powers.

Mr. Baldwin: The only crisis is the government.

Mr. Kempling: That is right. We have Bill C-236 thrown at us which would place in the hands of the cabinet extraordinary powers. I say we cannot grant those powers; we cannot do that with a clear conscience. We cannot place in the hands of the cabinet such extraordinary powers or we would lose the confidence of the people of Canada.

Mr. Trevor Morgan (St. Catharines): Mr. Speaker, I rise, not armed with the notes that many members across the aisle have had when addressing Your Honour as to the problems concerning Bill C-236. I just stand here. I really cannot find a word to express the antipathy I feel towards this bill. In essence, it really heaps a hunk of horrifying humbug on the people of Canada and this parliament as has never been done before.

I am amazed that we sit here in such small numbers while this bill is being debated. It could really amount to a very horrific thing. I use the word "horrific" in terms of the annals of the government of Canada. Why horrific? It is very simple. The War Measures Act is really a game of Snakes and Ladders or Monopoly in comparison to what this bill can do. I wish some people would take cognizance of the fact that this bill gives Machiavellian powers to the Minister of Energy, Mines and Resources (Mr. Macdonald). It gives powers that are not only Machiavellian, but dictatorial and totalitarian. I could use all the adjectives in the book, but they would not begin to describe what the minister is doing to the democracy which, when I came to this House, I thought existed. I was naïve enough to think that in a democracy, the means should justify the end, but I am satisfied from this piece of so-called legislation, this evil, vindictive bit of parliamentary nonsense, that the minister does not give a damn about ensuring that the end must always justify the means. That is horrific.

I used the word "humbug". Members opposite who think of "humbug" as a Christmas expedition or as having some such connotation should look up the word in the dictionary. It seems to deceive, to mislead, to lead one person to think what is so is what is not so, and what the Minister of Energy, Mines and Resources proposes is sheer humbug. He is an intelligent person. I would ask him to look up the definition of humbug to see why I say that is true. It bothers me that this terrific humbug is developing because what he is doing is unbelievable, unnecessary and unconstitutional. Unbelievable, because I am convinced in my own mind that this whole bill has arisen because there is a power conflict, a real fight going on within the cabinet at the moment as to who is to achieve power. I would say there is no doubt that the present Minister of Energy, Mines and Resources is sacrificing the best interests of the country on the cross of self-expediency and the cross of self-indulgence and the cross of what he wants, so that he can control what goes on in this country of ours.

● (2010)

What does the legislation call for? He can do anything he wants. We are often accused of being hewers of wood and drawers of water. We cannot even do that under this legislation because the forest industry is now caught by this bill. We cannot even draw water because that is under transportation. The provisions of this bill affect the electrical industry, the transport industry and the automotive industry yes, the automotive industry. Do members across the floor realize there are 150 parts in every automobile which are fabricated by the petrochemical industry and if you can control that industry you can control automotive manufacturing in this country? That is the power you give to the minister under the present bill. Is it comprehensible you would want one minister to have this power?

Under clause 16(1) the government is not responsible; it can pass any regulations it wishes and not be responsible to anybody. Where do they go from here? The government says it is answerable under law, but what does it do? I makes certain little rules and regulations which permit the government to say: We don't care about the three or four hundred environmental laws and regulations passed by the provinces; we don't care, out of the door they go, because this little commissar—he will be known as Commissar Macdonald before this bill is through—wants this power. I thought we got rid of all that stuff at one time or another. You look to the Combines Investigation Act and find the same results. That law is out of the window.

I thought the government was interested in doing something for the people of Canada. I thought they were interested in making sure we are all equal under the law. But they do nothing, and I point the finger at you, Mr. Minister, and I say actions speak louder than words. Do not tell me what you think about the grandiose words you may speak. I say to you, if you have any responsibility for government in Canada, actions speak louder than words and your actions belie what your words may say. We could go on and describe unto you the way you treat the laws of this country. You have no respect for the laws of this country. You defy the constitution of this country. Under section 92 of the British North America Act the provinces have certain rights and obligations, but you do not care about that. You say: if you don't agree with us about what the price of electrical energy shall be, that does not matter to us; the board will report to me and I will be answerable only to one or two members of the cabinet who are fighting for power. That is all it means, unfortunately, as I see it. There is no question about that. It is so obvious it makes my heart sick.

I think this legislation was conceived in desperation because the government had no national energy policy, so we flin and flan and wail and wassail from one end of the bill to the other without knowing where we are going. It is strictly desperation politics trying to salvage something from nothing. And all you get from that is garbage, which is all this legislation amounts to because it will not achieve anything worthwhile except give to the minister the dictatorial power to run everything within this country. Tell me of one basic industry which is not dependent on oil to do what they have to do!

If you look at the interpretation section of the bill, Mr. Speaker, you will be amazed when you realize the extent of these powers and the care the minister has taken to ensure that actions under the bill should be accountable only to the cabinet, not to parliament. Yet, surely this is our purpose in being here. Surely, we should have some responsibility. But the minister would say: I want it all myself. How totalitarian can you get? How Machiavellian can you get? Any phrase you can lay your tongue to does not describe the essence of the power the minister wants to have. If he were responsible he would never design legislation of this kind. His guts would not let him. I say the legislation was conceived in desperation. It will be pursued with the indifference the government has always shown toward parliament. They do not care what parliament does or what parliament thinks.

I often think it is our fault that the media do not realize what the government is doing, and therefore I think I am at fault I cannot get the press to understand that they are being indifferent to the causes of people. This is my fault and I accept that, but with all of the speeches I have heard in this debate I wish somebody, somewhere, sometime would influence the minister and get him to see what is happening. I refer not only to the environment and the Combines Investigation Act but to the invasion of provincial rights in the field of electrical energy. But this means nothing to them.

● (2020)

What do we have to do to influence the government, Mr. Speaker? Member after member has brought this matter to their attention. Have the government made any changes in the legislation? Have they made any proposals to the opposition that perhaps the bill should be altered in this way or that? Heavens no; they go on in their own arrogant way. I repeat that the legislation has been improperly conceived. It was born of indifference but is going to raise a monster, a monster who will stalk this country up and down from coast to coast and tear at the sinews and bones of the confederation, of the body politic, which is now somewhat tenuously held together. If the Minister of Energy, Mines and Resources is not aware of this, that is his fault; he has failed to have consultations with the provinces in this regard. I believe the things possible through this measure are so insidious that they could tear apart the sinews, bones and marrow of what we know as confederation, or this glorious and beloved country of Canada. This bill could stalk our country and tear apart as well its economic and social fabric.

I do not know why the minister feels the bill is necessary, since laws are available to him at the moment to do the very thing this legislation wants to do. I, for one, am not convinced that there is an energy crisis, though we may have some problems. But let us start to solve these problems in the proper way. Oil is going to be a diminishing resource, as we all know, and so is natural gas. Therefore, why does the government not bring in legislation to conduct research into the use of biomass or solar energy?

An hon. Member: In what year?

Mr. Morgan: Do it now. That is what the government should be doing instead of putting this kind of legislation before the House, legislation that makes use of the War Measures Act mean nothing.

One of the problems, as I see it, with this so-called piece of legislation is that it does not deal with a real emergency but with an anticipated emergency. You can anticipate anything you want. But the bill gives this horrific board, these supermen or call them what you will, power to do anything they want and makes them responsible only to the Governor in Council. In other words, if the minister gets his way, two or three people are going to control the country, and I do not think the minister should have that power; it is as simple as that. Why anticipate anything? If there is a war, a resolution is put before the House and we decide what the country should do. If there is a railway strike, we decide what the country is going to do. But this minister decides for himself which way his road will go. I remind him that the high road chooses the high way and the low road chooses the low way, and in between the misty flats rest drifting to and fro. I suggest to the House that this minister is drifting; he does not know which way to go.

I have one final comment for the minister. I understand he has left the chamber, so I hope he will read it in *Hansard*. Let me tell him that power corrupts, and that absolute power corrupts absolutely. He is asking this House to make power corrupt absolutely.

Mr. Ken Hurlburt (Lethbridge): Mr. Speaker, as I rise today to take part in the debate on Bill C-236, the so-called energy supplies emergency act, I want immediately to make it clear that my comments will be divided into three sections. First of all, I want to criticize the legislation itself, which I believe to be a great potential threat to the history of industrial and economic democracy this nation has known for more than one century. Second, I want to give a real outline of the so-called "energy crisis", the crisis that this country is not experiencing and which the Prime Minister (Mr. Trudeau) and his cabinet ministers are exaggerating for their own ends. And third, I want to talk about the great threat that the Liberal government's policies are creating to the continued unity of this great nation, a nation in confederation that I want my children's grandchildren, and their grandchildren, to enjoy for many years to come. The Prime Minister, the man who was to unify this nation, has, I am afraid, seriously undermined our nation's unity and the brotherly love of one Canadian for another, no matter what language he speaks or culture and heritage he holds dear.

Let me deal with the legislation itself, Mr. Speaker. The Liberal government freely admits it is a measure to provide for an allocation board for mandatory supplies and rationing of controlled products. The government says that this legislation and the proposed board are only an insurance. It admits that the board and these measures may not be needed. So why should we have legislation and such trimmings? Why provide the board with such awesome authority, the likes of which have rarely been seen before in peacetime Canada, except perhaps for the War Measures Act, the provisions of which were invoked to deal with the October 1970 kidnapping crisis, an action which my close colleague the hon. member for Edmonton-Strathcona (Mr. Roche) has already said was an over-reaction.

The government has brought forward this legislation because from it it can derive more power than it can legally obtain under our great democratic parliamentary system of government. As always, and as another of my colleagues, the former Prime Minister of Canada, the right hon. member for Prince Albert (Mr. Diefenbaker), has said, the current government wants to diminish the role of parliament in this country. Parliamentary government has too many safeguards for the people, the Prime Minister and the other two of the three wise men from Quebec; the Minister of Communications (Mr. Pelletier) and the Minister of Transport (Mr. Marchand), to accept. This legislation is another chop at the tree of democratic parliamentary government in this country. It will invest tremendous power in a small group of people under the utter domination and direction of the cabinet, and it will take away the

authority that rightfully belongs to the provinces, placing it within the federal Cabinet.

● (2030)

An awesome point about the legislation is that it will allow, in its own way, almost complete power of economic dictation over most of our industrial activity. As a Canadian and a member of parliament representing the energy-rich province of Alberta, I just do not believe that the federal Cabinet ministers should be allowed to vest themselves with the authority rightfully belonging to the provinces. I can see why the Prime Minister would like to take over provincial jurisdiction, and his speech made in Vancouver a week or so ago is perfect evidence.

In that speech he scathingly attacked Alberta Premier Peter Lougheed. The Prime Minister, of all people, called Mr. Lougheed "petulant". He then followed up that comment with what has been described as the most vicious and pernicious attack ever launched by a Prime Minister of Canada against a premier of a province. This came, Mr. Speaker, from a man who was elected in 1968 with a promise to unite Canada. How times have changed; how the masks have come off and how the truth is coming out. At least the people of Canada know the truth now, and that is why the Prime Minister's smashing majority of 1968 was cut to a scant two-seat lead over the Progressive Conservatives in 1972.

Mr. Paproski: Wait until next time.

Mr. Hurlburt: Did the Prime Minister learn any lessons? A touch of humility, a bit of oil on troubled waters and then utter capitulation to his former allies, the New Democrats, in order to continue governing Canada with the aid of this party which obtained less than 18 per cent of the votes in 1972. This government party is interested in power at all costs; power and more power, and if power cannot be obtained within a parliamentary framework, then bills such as C-236 are brought forth to ensure that power in any case. I am astonished that members of parliament in any of the four parties represented in this historic House of Commons would easily support this legislation and thus force the provinces to surrender their authority. The conditions under which this authority can be invoked by the cabinet, coupled with the past performance of those who are demanding these vast powers, should give us all cause for concern. It is obvious that the government wants power far beyond its real needs. If it wants to allocate oil supplies at the wholesale level, and perhaps to ration supplies at the retail level—this is something we hope will never come to pass—then it already has legislation on the books giving it power to do these things.

Provincial rights and provincial jurisdiction are in fact a counterbalance; a democratic safeguard to federal authority. Both have their place in the Canadian constitution and both have served us well for more than 100 years. Let us not destroy those balances and safeguards now. Let us now look at the current energy crisis which the federal government suggests we face in Canada.

Let me say that in eastern Canada, in the Maritimes and in Quebec there is an energy shortage. It is simply a short-term shortage due in some small way to the international situation, but mainly due to the blindness and shortsightedness of the federal Liberal government which has repeatedly refused to build a pipeline extension from Sarnia to Montreal. Now that it realizes its mistakes it tries to cover up; it tries, through vicious attacks by the Prime Minister and the Minister of Energy, Mines and Resources, to somehow blame the province of Alberta for the shortages. This approach will not work, as you can fool some of the people some of the time, some of the people all of the time, but you cannot fool all of the people all of the time.

Time after time Alberta government officials have gone all out in attempts to ease the energy shortage in eastern Canada. The Alberta premier, Mr. Lougheed, and his ministers, have tried and tried again to co-operate with Ottawa, but the federal Minister of Energy, Mines and Resources has refused to accept that co-operation. Instead, perhaps because Albertans refused to elect even one Liberal member to the 75-seat Provincial legislature, the Prime Minister and the minister of energy, who believe all Progressive Conservatives are "rednecks", have set out to punish Alberta, as another of my colleagues, the hon. member for Dauphin (Mr. Ritchie), suggested in this Chamber just a week or so ago.

One of the greatest politicians of our times, that prime minister of the mother of parliaments in Westminster, Sir Winston Churchill, gallantly set out against all odds to unite his people, get them pulling together and eventually stood up against an insidious enemy. Canada's problems compared to those faced by England in 1939 are nothing, yet we have been unable to find the will to tackle them. Our Prime Minister came into the political arena promising, like Mr. Churchill, to unite our nation and lead it to a brave, new frontier. We are now as disunited as ever, and I suggest this is an artificial disunity caused and promoted simply for partisan political gain. If the Prime Minister can turn the rest of Canada against the so-called "villain" Alberta, perhaps he can, by a hate campaign, win his party more seats in eastern Canada. What a way to run a country, and what a way to seek to govern!

We have no long-term energy crisis in this country. What we have is a crisis in transportation of energy from one part of the country to the other, brought on by the Liberal government's complete refusal to build a pipeline to Montreal. What we have is a crisis in government caused by a Prime Minister spirited suddenly into power in 1968 without knowledge of, or liking for, our system of parliamentary government. All is not lost. My fellow colleagues from Alberta have more than adequately explained the situation regarding the vast abundance of oil and gas in Canada, particularly in the Athabasca tar sands. It is true that our conventional resources are reaching their peak and within a decade will be running down at a dangerous rate, but the tar sands are just beginning to open up as are resources in the Canadian Arctic and, hopefully, in the offshore Atlantic and Pacific areas.

Now that the federal government has suddenly taken an interest in the Athabasca tar sands, after so many years, I should like to point out that it was and is private enterprise, not a socialist entity, that pioneered the development of the tar sands extraction process, and pioneered that development at tremendous cost and risk. We have now all heard of the over $1 billion Syncrude Canada

Program, an imaginative private enterprise consortium under which, by equally imaginative provincial government policy, the average Albertan will also benefit tremendously.

● (2040)

But we should not forget that the real commercial pioneer of this type of concept was a company called the Great Canadian Oil Sands Limited, a corporation, admittedly owned by Sun Oil, an American company, that over the past few years has lost some $90 million in pioneering oil sands extraction. That is a lot of money invested by people with imagination, ability and confidence in Canada. When we hear that the federal government intends to establish a national petroleum corporation with the Canadian taxpayers money to participate in exploration, I wonder how they will feel when, after a few years, the company might lose something like $90 million on one project. Will they get scared and back down, leaving the Canadian taxpayer to foot the losses? Quite likely.

What we should be doing, Mr. Speaker, is giving private industry and individual Canadians the incentives and encouragement they need to explore and develope new sources of energy rather than see big government grow even bigger, with the tax burden on the average Canadian becoming ever greater. Any government which gets so big that it can give you everything you want, will also be so big that it can take everything you own. Recently I saw some facts showing that within one decade under the Liberal administration the federal budget has jumped from $6 billion to $18 billion a year. And it is growing by leaps and bounds. That extra $12 billion came out of the average Canadian taxpayer's pocket, and I am not all sure the federal government is spending it to the best advantage of the people it took it from.

In closing, Mr. Speaker, might I make a plea for provincial-federal co-operation rather than confrontation, incentives and encouragement to individual Canadians rather than a "big daddy" or "big brother" government attitude, legislation which gives more rather than less freedom to the Canadian people, and a real drive toward re-establishment of a full and free parliamentary democratic government in this great country of ours. Obviously this legislation will, in one form or another, be approved. But I think it is essential, when it is considered in committee, that pressure be placed on the government to make it accede to accepting additional safeguards to the legislation, with parliamentary approval of any declaration of emergency, and some protection for provincial rights.

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, like many who have preceded me, I have grave reservations about Bill C-236. Most of my concerns with the bill are similar to those already advanced by several of my colleagues. Nonetheless, this bill is of such national importance that I feel it is necessary to once again articulate these concerns. After all, history has shown this to be the only possible way to reach this government. Unlike the hon. member for York South (Mr. Lewis), not all of us have a hot line to the Prime Minister (Mr. Trudeau). While the nature and possible ramifications of the energy crisis in Canada are far-reaching and all encompassing, I am not convinced that the broad delegation of powers provided for in the bill are at all justified. Like many other Canadians, I am curious to know how a government can possibly justify and defend a policy when it is not even sure of the exact dimension of the problem that policy purports to alleviate.

Furthermore, has the government given serious consideration to the concommitants of the bill? For example, what effect will this legislation have on domestic economic activity? How will it affect the free enterprise system? Also, one has to wonder if it was necessary for the government to propose new legislation in order to have these standby emergency powers, when these powers are already contained in the Export and Import Permits Act.

These are only a few of the questions I have with regard to this legislation. But they are questions which have not been properly answered by the Prime Minister or the Minister of Energy, Mines and Resources (Mr. Macdonald). Until these and other questions are cleared up, the people of this country will remain in the dark—they will be freezing in the dark soon anyway as long as we have this government—on the entire energy question.

As we all know, Bill C-236 would permit the creation of an allocation board with power to set prices for energy resources, to control imports and exports, to establish rationing and to take other actions should the cabinet decide that a national emergency exists because of an actual or anticipated petroleum shortage. These powers are broad and far-reaching. History has shown that powers like this once given are never easily taken back. But how can this government ask for such discretionary powers when its understanding of the energy crisis, as it affects this country, is so incredibly poor? We are bombarded daily with a plethora of conflicting statistics. What is apparent from these facts is that nobody in the cabinet seems to know the true extent of our energy crisis.

The Minister of Energy, Mines and Resources have yet to provide information to prove that the country faces a petroleum crisis. Various statements over the past few months from government spokesmen have all been inconsistent and contradictory. An example of this is the Prime Minister's ever-changing position with regard to the Montreal pipeline. He was against it in 1969, in 1970, in 1971 and in 1972. He was even against it last spring, despite the fact that his own energy policy white paper clearly warned of the real possibility of interruptions and reduction in the supply of offshore oil. But now the Prime Minister supports and embraces what was originally a Conservative policy.

It seems to me that the government should be given powers like those in Bill C-236 only after it can be established that Canada will, in fact, face a major energy crisis. While it is undoubtedly true that Canada is experiencing regional supply shortfalls of Arab oil and imported products, it is also true that much of the country is not faced with an energy crisis similar to crises in the United States or parts of Europe. And while the Middle East dispute undoubtedly accelerated some domestic crisis characteristics, many of the aspects of Canada's crisis have their roots in long-standing domestic problems. The principal cause, therefore, of our crisis today is not Arab cut-offs or oil embargoes but the lack of federal leadership in anticipating and settling problems in an orderly and co-

ordinated manner. This lack of knowledge and leadership on the oil issue is currently evident in the minister's futile efforts to determine whether Canada is being affected by Saudi Arabian oil embargoes. The minister maintains that we are not on Saudi Arabia's black list.

The fact is, however, that we are on their embargo list. We have been told as much by Sheik Zaki Yamani, the Saudi Arabian oil minister. On CTV's "W-5", Mr. Yamani stated that Canada has been cut off totally from Saudi Arabian oil supplies. Why then has the minister not been informed of this? While it is true that Canadians are generally confused about the energy situation, it appears that the minister may be more confused than anyone. And yet, he is asking parliament to give him these tremendous powers. How can Parliament be sure the minister will know what to do with them? I am sceptical.

The economic effects of this bill must also be examined carefully. Inasmuch as the industrial, commercial and business sectors of the economy depend upon energy products to produce output, mandatory allocation and rationing of energy and energy products suggests that domestic economic activity could be regulated under the provisions of Bill C-236. It should be remembered that control over energy resources implies economic control.

● (2050)

For example, clause 16(2) of the bill allows allocation to be applied selectively, if necessary, to specific areas as well as to individual consumers of energy or energy products. This could be seen as a means to achieve regional economic policy ends. If the government wanted to see the establishment of a plastics industry in say, Toronto, then it would be a simple matter to declare that a shortage of certain petroleum by-products necessary for the production of plastics exists throughout Canada, except in Ontario. Whether the shortage is actual or is declared by fiat is a matter of the opinion of the Governor in Council.

There are numerous other ways in which this bill might affect economic activity. All of them imply government control, and government control means socialism. An estimate of the industries directly affected by allocation measures contained in this bill shows that almost 20 per cent of real domestic product could conceivably be controlled by the Governor in Council. This is a potentially dangerous arrangement especially for our free enterprise system. Indirectly this control also applies to retail outlets which sell goods which are composed of an energy product.

What all of this means is economic domination by the government. This is a road toward which the government is already heading Canada. Surely, Mr. Speaker, we will get there soon enough, so the government does not have to speed up the process. This bill, and the government's proposed national energy corporation simply mean the expenditure of more money, more government, more bureaucracy, more skyscrapers in Hull and, concommitantly, less individual freedom. This I vigorously oppose.

Not only is this bill unnecessary for the reasons I have just mentioned but it is unnecessary because a statute already exists which would give the government many of the powers it is now seeking. The special provisions of the Export and Imports Permit Act provide the government with most of the authority it needs to come to grips with the current situation. For example, section 3 of the act provides in part:

> The Governor in Council may establish a list of goods to be called an export control list, including therein any article the export of which he deems it necessary to control.

However, this is not to imply that I favour exercising such powers under that act, or under any other act or bill. I believe that the government's reasons for not employing the provisions contained in Bill C-236 via the Export and Imports Permit Act are politically motivated. The Minister of Energy, Mines and Resources wants to give the impression that he is doing something about the situation, and that this bill is an innovative policy to deal with our energy shortages. Such is not the case. This bill merely excuses the government's inaction on the supposed crisis by implying that the government did not have the powers necessary to deal with such an event. But this fact should not come as a surprise. After all, this is the essence of the Liberal government.

In conclusion, Mr. Speaker, the bill is unacceptable to me. It is an unnecessary and potentially harmful piece of legislation concocted for politically expedient reasons by a government whose inability to handle the entire energy situation can only be equalled by its inability to handle the economic situation. Unfortunately, in both instances it is the Canadian people who will suffer.

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, when the Minister of Energy, Mines and Resources (Mr. Macdonald) opened this debate a few days ago, the thing I remembered most about his speech was not so much what he said, as the almost matter of fact way in which he outlined what I am sure he, on another day, will call a case for granting unto this particular government extraordinary powers. I say that what he said was not too important from that point of view because if he had been making a submission to a judge to try to convince him of the points of view set forth in his argument that these powers were necessary, then I think it is fair to say that his cause failed, and his cause should have failed. But it was the unconcern that I noted with which he dealt with these extraordinary powers, these massive rights, really a theft from the legislative process that he was asking this House to agree to give him without, it seemed, any recourse whatsoever that worried me.

I want to say at the outset that it has never been the policy of this party to deprive the government, even this government which has proven itself so inept and inert, of the powers it might need to cope with a real national emergency, whether that emergency was in the field of energy or anything else over which it had jurisdiction. The one criterion we have asked for, however, is proof that the emergency is in fact a real emergency.

Having said that I want to say I do not feel I would be happy being a member of this party if it abrogated its responsibilities, whether in opposition as it is now, or in government as it soon will be—

Some hon. Members: Hear, hear!

Mr. Baker: —by granting all these overriding powers in circumstances under which this granting or this taking of

power was not warranted. I do not think the government has satisfied the burden that is on it to show beyond all reasonable doubt, and I dare say in terms of the depth and the strength of the powers that it seeks, beyond a shadow of doubt that it needs these powers to look after the national good.

As a member of this parliament, this minority parliament, I am not content with this bill as it now stands because when parliament enacts this bill, at that instant the members of parliament who represent Canadians from all walks of life in all parts of Canada will have passed their legislative responsibility to a government that has proven itself not only to be faulty in judgment but one in love with the authority of government by order in council and one which, through the fireside chats by the Prime Minister (Mr. Trudeau) and the statements in this House by all ministers, has shown itself to be on all sides of the energy question with respect to whether there is a crisis for Canadians this year or in the immediate future.

The burden upon the government to make out a case for these powers is even heavier in a minority parliament than it is in a parliament where a government would have a majority. It is particularly heavy on this government because the only thing that is propping it in office is a party known as the New Democratic Party, a party that left its principles a long time ago to moulder in the dust, whose members on the one hand say with all their honour that on some occasion they will oppose the government, and on the next occasion gather those incompetents opposite to their bosoms, to such an extent that the Minister of Energy, Mines and Resources is able to announce to this House the colour of the eyes of the hon. member for York South (Mr. Lewis).

To measure the extent of the various positions of the government over the last few weeks, and how it has moved from this side to that side as to whether or not there is a crisis, one has only to hear and see how ministers have reacted to questions in this House. This should be an indication to all members of the House, including even the ciphers who support the government, that the government is running very close to the end of its string in terms of public trust.

I would like to direct the attention of the House to the government's record of vacillation and inconsistency that it has displayed in the matter of energy. The Prime Minister said on November 22:

> Our current assessment is that oil rationing at the retail level will not be necessary. If Canadians generously support the voluntary program—and I know they will—there is every prospect that shortages can be minimized throughout this winter.

● (2100)

On September 20 of this year, on a television program, the Minister of Energy, Mines and Resources said this:

> In a sense, this is a passing situation in Canada because we've got new refinery construction under way which will be completed in the fall of next year, and further refinery construction will be completed in the year after.

Now, Mr. Speaker, you have this kind of optimism and pessimism. I ask you whether this is the kind of statement on which to base the far reaching and extraordinary powers for which the government is now asking.

Again on October 16, 1973, the minister, when speaking to that society of which the Prime Minister is so fond, the Royal Society of Canada, said:

> Comparing this Canadian situation with that of other developed nations of the world for example, Germany and Japan, we are not on the whole in too dangerous a situation. Compared to other nations Canada is in a relatively fortunate position.

On October 7, which is not so long ago, the minister said:

> Well, Canadians have been more fortunate than many other people. In terms of shortages the government has been able to take action by way of export controls to make sure that Canadian refineries will continue to have supplies of oil to turn into gasoline, into heating oil, and also to make sure that there will be supplies of gasoline and heating oil throughout the year.

This latter statement, Mr. Speaker, was made less than two months ago by the minister who has now come here to ask this parliament to grant the government extraordinary powers to meet a crisis. I do not have to say that the Minister of Finance (Mr. Turner) got into the act. He has been keeping a relatively low profile for some time but he got into the energy act and not too long ago he said:

> While we must be concerned . . . there is no justification at this time for panic or pessimism. Canada is in a much better position with regard to energy supplies than most other industrial countries.

There are some in this House who would say that this record of "on again off again on again Finnegan", which has characterized this government should be classed as a performance. But I think not, Mr. Speaker. What they have performed I believe is a tragedy, that is to instil in the minds of producers and consumers alike a sense of apprehensiveness and inconsistency that may or may not be justified—I do not believe this government really knows. In so doing, they have breached their public trust as a government.

It is interesting to note an article by Clyde Baxter which appeared in the *Financial Post* on December 15 1973 datelined Ottawa. I will quote part of the article which reads:

> One senior federal minister bet a skeptical friend in industry a steak dinner and a good bottle of wine there would not be a national petroleum corporation—protesting all the while that he, after all, had the advantage.
>
> Ten days later, Prime Minister Trudeau announced such an agency would be created.
>
> Last week, on Wednesday, Energy Minister Donald Macdonald assured a meeting of Toronto investment analysts the price freeze on domestic oil would come off as planned January 31. One day later, Trudeau announced it wouldn't.

Mr. Macdonald (Rosedale): Mr. Speaker, I have a question of privilege.

Mr. Deputy Speaker: The hon. Minister of Energy, Mines and Resources rises on a question of privilege.

Mr. Macdonald (Rosedale): Mr. Speaker, on a question of privilege, I have written to the editor of the *Financial Post* pointing out that this is a false story by Mr. Baxter so far as I am concerned.

Some hon. Members: Hear, hear!

Mr. Baker: That is an issue that the minister has chosen to take up with Mr. Baxter. Nonetheless, this article has been published. The minister was quite correct in adding that it may be false as far as he is concerned, but I think

there is a question of judgment as to whether the story is false at all.

Mr. Macdonald (Rosedale): I have a taped record and it is false all right. Would you care whether it is false or not?

An hon. Member: Bring in the tapes!

Mr. Macdonald (Rosedale): I will be glad to bring in the transcript.

Mr. Baker: Mr. Speaker, it really does not matter what letters the minister might write or to whom. The proof of the pudding with respect to the competency of this government will be made known in the next few months. I am prepared, no matter what the minister might have said or where he said it, to defer my judgment on that, and I am sure the Canadian people will do the same.

Mr. Macdonald (Rosedale): You do not care whether it is true or not.

Mr. Baker: Mr. Speaker, I am glad the minister has intervened at this point because he has been sitting there rather quietly. I hope he has been considering the enormity of his sins of omission and commission with respect to the energy situation in this country.

I want to say to you, Mr. Speaker, that by any standard this is no mean bill in terms of the power requested. There is one thing about the Liberal Party, Mr. Speaker; they are not backward when it comes to appropriating power to themselves. In some quarters, according to the way they operate, they might have been considered crude, although I would not want to put it that way tonight.

Perhaps the enormity of the power in clause 11 of this bill has been lost on many people. It gives the government the right by order in council—and just by order in council—to declare a national emergency all by themselves, perhaps to suit their political convenience.

Some hon. Members: Shame!

Mr. Baker: If this parliament passes that clause in its present form it gives this government the right to bypass parliament and to pass an order in council sometime in the middle of the night—after two o'clock in the morning perhaps as has been known to happen in this country. I should like the civil libertarians on the other side who make speeches out of both sides of their mouths on this matter to think about the enormity of the power they are trying to give to this government. Some people would say that they must have it because to come to parliament would be too inflexible a procedure; that they must have this power to bypass parliament.

Mr. Speaker, if any Canadian is so foolish as to believe that kind of claptrap let me remind the House that parliament was called to settle the rail strike and came together within 48 hours. That rail strike was settled by that parliament, despite the foot dragging by the NDP. So, that procedure is not so inflexible that there would be a justification for departing from the principle that if the government is to have those powers let it come to this parliament, this public forum and discuss the necessity for these powers. If they make a case, then I am satisfied that this parliament, acting in the best interests of all Canadians, would be prepared to grant the government that kind of power. I want to make it absolutely clear to this government that we believe this arbitrary, irresponsible and undemocratic principle, this ability that they ask for to govern by order in council, is not satisfactory to this party as a matter of principle as well as by reason of the fact of this particular government's bad record or judgment.

Mr. Speaker, this is an immense bill in another way. I have dealt with the power that will be left to a group of small men who are responsible from then on to no one but themselves. They have the power to allocate and ration. These powers apply to petroleum, petroleum products, secondary petroleum products such as plastics, alternative fuels—which incidentally are not specifically defined in the bill—anything capable of being used as a fuel, any product from anything capable of being used as fuel, coal, coal products, electrical power and probably following from that, any electrical power products. This board is to be a powerful board. Perhaps in an emergency, such powers are necessary, but that emergency must be demonstrated.

● (2110)

The principal powers of the board will relate to dates of allocation, to apportionment of product to wholesalers, to assigning of supplies to wholesalers, to storage control and prices to wholesalers, to market area determination and so on. Then, comes this omnibus part of clause 16, which always frightens me, which says that the board may undertake any other action that "the board considers necessary for the purpose of carrying out a mandatory allocation program . . . ". That covers a whole host of actions which may or may not be justified by circumstances of the day. That is why we must be careful. It is not that the government may not need these powers at some time; rather, it is that the government ought not to have these powers all the time. That is the principle which concerns me.

Other speakers have indicated that once this declaration regarding a national emergency is made, statutes such as the Combines Investigation Act, the National Energy Board Act, environment statutes, the Transport Act, the Motor Vehicle Transport Act as well as other acts are to be superseded. The rights and duties of citizens, together with their burdens and benefits under these acts, are to be superseded by five faceless men who are not elected and who are responsible only to the minister. I think that is a lot to ask parliament to give away. For that reason, we must look carefully at the principle behind this bill.

Members have spoken about the power of the board to alter supply contracts, to impose wholesale rationing, and so on. It is important for the House and country to know the extent of these powers and the industries and people in Canada which could be directly controlled under the emergency powers conferred by this bill, emergency powers which, as I said, any government should have if there is an emergency. This government has not established that emergency.

The activities of the board could affect forestry and uranium mining, mineral fuel mines, the rubber industry, synthetic textile mills, fabric preparing mills, the carpet, mat and rug industry, linoleum and coated fabric indus-

tries, miscellaneous textile industries, paper, petroleum refineries, petroleum and coal products, manufacturers of plastics, resins, paint and varnish, plastic fabricators, all kinds of other manufacturing industries. It will affect wood industries, transportation, electric power and gas utilities, coal and coke, petroleum bulk tank stations, and many other industries.

This bill confers significant powers. I emphasize that no government, certainly not this government, which has put forward its case through the mouth of the minister who has been supported only by the acquiescence and silence of backbenchers, is entitled to these powers permanently. I submit that on the evidence presented thus far the government is not entitled to the powers it asks parliament to confer.

There is another serious ramification that flows from this bill; that is, the seeming authority that is given to the government of Canada, if there were a national emergency, to interfere in fields of legislative authority which are left to the provinces under the constitution of Canada. There are many in this country who would be inclined to argue that our constitution perhaps needs revamping and that we ought to take a long look at it from the point of view of changes and amendments, a redistribution of power and a redefinition of the objectives towards which all levels of government should aim. That may be all well and good; yet, surely there is a time and place for this, Mr. Speaker. There is a method for doing it. I suggest that the method is not the introduction of a piece of legislation which, in the hands of one government, can be used to bludgeon another. I gravely suspect that this idea is behind the haste with which this government wants to garner these powers unto itself.

Speaking as a member of parliament from Ontario, I am concerned for my own province because of the powers that would be granted to the government under this bill, particularly with respect to the field of hydroelectric energy. I am sure that this concern is shared by representatives from the province of Quebec, although some of them have sold out their principles to the extent that they probably would not voice that concern on the floor of this House. That is why they remain silent about that concept of this bill and another which has been mooted. They well know of what I speak.

Clause 14 permits the government to authorize the allocation of electric power and to establish mandatory allocations in respect thereof. This comes within the terms of the statute. Once electric power has been added to the mandatory allocation program this act will apply *mutatis mutandis* in respect of electric power to the same extent as if such electric power were a petroleum product. There is no mention of consultation. I think this is an omission, and perhaps indicates the way in which this government is prepared to consider relationships between the federal and provincial governments of this country.

No one would ever argue that there would never be a time in our national life when such drastic, sweeping powers which leap across sections of the British North America Act might not be necessary. In that event, I put it to you that there would not be one provincial legislator, not one provincial premier and not one provincial government in this country which, regardless of political stripe, would stand against the government of Canada if it needed these kinds of powers in a real emergency.

[Mr. Baker.]

Surely, Mr. Speaker, without such an emergency, and even if the government says that there is an anticipated emergency, in connection with energy, but has not proven it to any greater extent than it has, these clauses can only be classed as instruments of confrontation as opposed to consultation. These instruments are not unfamiliar to this government. Speaking as a member from Ontario, I think that the government has embarked upon a very dangerous course for which it has not proven the necessity. One can only speculate as to the reasons for adopting this position.

Much has been said, Mr. Speaker, about what has been generally and loosely called an energy crisis, whether in terms of supply or in terms of the transportation system. There might be a crisis relating to transportation, in that it may be difficult to supply Canadians in all parts of Canada with fuel taken from territory within their country. In the recent weeks when we have been exposed to many government inconsistencies and the general lack of leadership in the important field of energy, it has become apparent to Canadians that there is a much more important crisis facing them. That crisis is the crisis of leadership, a crisis caused by the failure of the government either to anticipate events, as reasonable men would expect them to be anticipated, or to act when these events have appeared on the horizon.

If there is a place where the crisis of leadership in this country is apparent, it is in the fact that at this late date, in 1973, the government of Canada, with all its resources and research capabilities, with the large and growing Department of Energy, Mines and Resources, cannot say to this House that it has a Montreal pipeline in the works. Oh, they have talked about the pipeline. The Prime Minister has used his prime ministerial rhetoric about the pipeline. As each day goes on, the date upon which such a pipeline would be in place fades further and further into the future. Not long ago the Prime Minister indicated that the pipeline would be ready in 1974. Everyone was prepared to cheer. Then, a few days ago we heard that the government has been told that the pipeline cannot be commenced until some time in 1975. Then, the other day, we found out that two applications to the National Energy Board would be required. The government has not even told us authoritatively what is to be the size of the pipe.

The government indicated as late as last night on the CTV network, through the mouth of the Minister of Energy, Mines and Resources, that it was not even sure of the route that was to be taken. There is the whole question of acquiring and establishing the right of way. There is even the question of acquiring steel. This has not been dealt with authoritatively. All of these problems have been allowed to lie dormant even though we are faced with them in this usual mad scrambling of a government which scrambles to make up for its own deficiencies. This is a mad scramble which is usually fraught with futility.

● (2120)

All of these problems have been allowed to lie dormant. They have even been allowed to lie dormant since September 4 and, more important, well before that time. As is usual with this government, we are now faced with a last

minute, too late mad scramble to make up for their deficiencies and to cover their inefficiencies, ineptitude and negligence in Prime Ministerial rhetoric. It is the usual mad scramble, the usual badge of this government. It is a course of action that we in this House have learned is fraught with futility. This fact has also been learned by the people of Canada.

The Liberal party has governed this country since 1963, a period of 10 years. The Prime Minister has been in office since 1968. Our party warned the government and the country that, as a result of the six day war and the uncertainties which it brought about, our country could not expect that forever we could have a sure supply of petroleum from the Middle East, so we ought to consider building a pipeline. Even the government's policy papers tabled last summer in the House of Commons, the so-called first energy policy which was nothing more than a discussion of various problems, pointed to why the pipeline ought not to be built. Now, today, faced with a crisis, really a crisis of leadership, abandonment of responsibility and the results of neglect, we suddenly have been talking about a pipeline, but as far as this government is concerned it is a rhetorical pipeline. The fixed objective of a national policy must be that of an assured oil supply for all of Canada. We can only have that assurance if the source of supply is Canadian.

The Progressive Conservative party believes that it is within the competence of a national policy to provide that assured supply and at a reasonable price. The Canadian objective should be self-sufficiency. Indeed the Canadian opportunity over the course of the coming decade will be self-sufficiency, not because this government acted but because this government will be horsed out of office and replaced by a government that is prepared to act.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Baker: I can understand the noise from the other side. I am glad they are awake. It is the first time since last week. I must say to you, Mr. Speaker, that that great objective of self-sufficiency is not a remote goal but one well within our grasp. The barrier between us and the attainment of that objective, the only obvious barrier, is the long-standing and continued, neglect of duty by the Trudeau government.

We are fortunate in Canada because we live in an area where we do, in fact, have self-sufficiency in terms of the amount of crude oil that we produce. I want to state that we reached this state of development only as a result of the 1961 national oil policy implemented by the government of the right hon. member for Prince Albert (Mr. Diefenbaker). That was the most significant step taken in relation to petroleum resources development in Canada. It allowed us to develop our resources. It allowed them to develop to state that they are today. I want to point out as well that since 1969 our party has been on record in support of extending the interprovincial pipeline from Ontario into Quebec. We advocated that policy not only in the interest of expanded national self-sufficiency, but because we saw in 1969 a prospect of curtailed off-shore supply from the Middle East.

I put it to you quite frankly, Mr. Speaker, that had the Progressive Conservative party the responsibility of government at that time, that pipeline would be in place today. The fact that it is not in place today is a monument to the neglect, ineptitude and the failure of initiative of this government. This, perhaps more than any other reason in this current debate, is why this government does not deserve to govern, and is not fit to govern. It ought not to be given the powers it asks for in this bill in its present form.

Now we have the Prime Minister supporting the extension of the pipeline to Montreal. What a change. He was against it in 1969. He was against it in 1970. He was against it in 1971. He was against it in 1972. He was against it even in the spring of 1973. Then, he did his usual flipflop. Now, we find him making speeches about it, telling about what a wonderful idea it is. Well, Mr. Speaker, most Canadians are not going to be fooled by that kind of nonsense. In terms of energy, this government and this Prime Minister have been like a weather vane affected by every wind that blows, not consistent as to the direction in which it would point itself. The biggest wind that affected it not too long ago was the wind from the party to my left.

Regrettable as it is for all Canadians, Mr. Speaker, the government's record of neglect in the field of Canadian self-sufficiency and in the field of security of supply for Canadians, is another example of how the Trudeau government has not come to grips with reality and has not acted. Let there be no mistake about it. We have seen nothing that indicates that our warning in 1969 was wrong then or is wrong now. In fact, events have confirmed the correctness of our view at that time. We say to his government, do not wait until 1975 but do something about building the pipeline now.

As a result of the neglect of this situation there are many Canadians in the Atlantic provinces, Quebec and perhaps in other parts of Canada who are going to suffer this winter by reason of additional costs. Eastern Canadians and others in this country are beginning to understand how barren of action and decision are the words of the Prime Minister. As a result of the neglect, many Canadians in the Atlantic provinces, Quebec and perhaps other parts of Canada are going to suffer this year. We have advocated a shelter grant system for the consumers of home heating oil because they are the ones who need the protection and assistance in a market that is rising.

There can be no doubt that because of various factors, not the least of which is the neglect of the government in terms of petroleum, there are going to be price increases to Canadians over the year. It is our view that these price increases ought to be staged. It is the hallmark of our policy with respect to oil that Canadians ought not to have to pay the world price for petroleum products. It is also the hallmark of our policy that there ought not to be two Canadas with respect to the price of petroleum products. Our party believes in a one-price system for Canada. The announcement by the Prime Minister in this debate a few days ago creates two Canadas in terms of price, creates a division in the country which has been overlooked by the Liberal members from Quebec and the Atlantic provinces who, by sitting in their places and say nothing, who by defending the government like the ciphers they are, have

sold out their provinces and sold out the people that they were supposed to represent.

● (2130)

Mr. Blais: I dare the hon. member to come to my riding and talk that nonsense.

Mr. Baker: We take the position that the tax system ought to be used to provide incentives for Canadians to build storage facilities. We do not believe the government should act in such a way as to be held to be admitting that its policies are subject to the whims of the international corporations.

You will recall, Mr. Speaker, a few days ago a new person strutted across the energy scene, a person called *force majeure*. Someone called me to ask whether he was a French-speaking army officer who was taking part in the crisis. A lot of Canadians did not know what it meant. But they got the hint when the minister told them that the largest oil shortfall could result from pro-rationing among multinational companies and that to do this the companies would have to enforce the *force majeure* clauses in the supply contracts. Canadians ask why should this be, and look to the government for answers. As usual, they receive none. Through subsequent questioning in the House of Commons by my leader and others, it became apparent that the Canadian government could not or would not challenge the right of the multinationals to allocate oil supplies arbitrarily. It came to light that the government was not only weak in policy but weak in resolve. When asked whether or not the minister or any of his officials had been in direct contact with these large oil companies or seen the supply contracts, the reply was: It is not our business. At this point Canadians began to think that perhaps the government was permitting a situation to develop in which the national government of Canada was subservient to the will of private international companies. Our view, Mr. Speaker, and I think it is the view of most Canadians, is that this is not a healthy situation and that the government has been derelict in its duty in this field as well.

There is to be a federal-provincial conference of first ministers on January 22, 1974. The Prime Minister has said they will be discussing the energy issue and it may well be that the conference will consider other matters affecting Canadians, such as the uncontrolled inflation which is itself causing concern and which, again, is being aggravated by the crisis in petroleum. This conference could prove to be one of the most important first ministers conferences since the practice of holding such meetings was begun. It might also be one of the most productive. It will all depend on the attitude of the participants. If the conference is to be used as an instrument to bludgeon the provincial governments it will surely fail. Although there may be a lot of strutting about and a lot of breast beating about national supremacy, our country will be the worse for that failure. Unfortunately, there is an atmosphere of confrontation in Canada and the federal government must take a substantial share of the blame for this. It should surely take a substantial share in an initiative to erase this attitude.

While it cannot be said that the ten provinces ought to regard themselves as ten sovereign states—and I do not think they do—it must be said that the federal government ought not to forget that the governments of the ten provinces are duly elected governments with mandates of their own. The people of those provinces are all Canadians and would not welcome, from either their provincial governments or from the federal government, any action, statement or position which would deprive them of the right to participate in a matter of national interest.

Mr. Deputy Speaker: Order. I regret to interrupt the hon. member but the time allotted to him has expired. He may continue with unanimous consent. Is there unanimous consent?

Some hon. Members: No.

Mr. Randolph Harding (Kootenay West): Mr. Speaker, I am the first speaker for the New Democratic Party since early Friday morning, and I intend to be brief—

Some hon. Members: Filibuster.

Mr. Harding: —because we are hopeful that the bill may get through the House tonight. We have listened to an interesting debate on the energy supplies bill currently before us. The position taken by the NDP is that the House of Commons should give speedy passage to the legislation. The government should be given the powers required to cope with the present energy crisis but these powers should not be excessive. It would be completely irresponsible to break for a lengthy Christmas recess without dealing with this legislation.

Some hon. Members: Hear, hear!

Mr. Harding: If a crisis arises we must have the necessary measures in place to meet it and for this reason I strongly oppose the suggestion by the Conservative Party that the legislation be held up until the end of January. Why wait until the winter is half over before laying plans to forestall a possible energy crisis? The official opposition is using the same delaying tactics as it used in trying to block progressive legislation this past spring.

Some hon. Members: Hear, hear!

Mr. Harding: The people of Canada brought them to their senses at that time by reflecting in the public opinion polls growing disillusionment with their stalling tactics. I predict it will happen again, for the Canadian people expect parliament to prepare plans and measures to cope with the looming energy crisis. We cannot take a chance and wait until the end of January before making plans as proposed by the Tory party. The completely irresponsible position take by the official opposition shows that their concern is for the multinational oil corporations, not for the Canadian people.

Some hon. Members: Hear, hear!

Mr. Harding: Our group will offer some amendments to the legislation. We hope to see second reading completed quickly and the legislation sent to committee for immediate study and report. We urge the Conservative party to call off their apparent filibuster of the bill and to join with other parties in trying to set up the necessary machinery to cope with a possible energy crisis in our country.

Some hon. Members: Hear, hear!

Mr. Harding: The bill provides for the creation of a five-member board whose task will be to prepare, review and maintain contingency plans in readiness in the event of an energy shortage. The board will also be given power to impose mandatory allocations of energy sources, and to ration supplies. This power is contingent upon a decision by the cabinet that a national emergency exists. Such an emergency could arise as a result of actual or anticipated shortages of petroleum or disturbances in petroleum markets which affect, of might affect, the national security of Canada.

The Conservative party says these powers are excessive. They say the government has to prove there is an energy crisis to justify the legislation and that its provisions are an infringement of provincial jurisdiction. What is the solution offered by the Conservatives? It is to wait until the federal-provincial conference on January 24 and then deal with the legislation. But what would happen should a crisis develop? We cannot forecast what might happen in the tense international field to further upset our oil imports. Again, internal problems of supply might arise. The official Conservative position of delaying action is not defensible.

Some hon. Members: Hear, hear!

Mr. Harding: It is an indication of their inability to grasp the seriousness of the situation and of their lack of concern about preparing for an emergency which could seriously affect the nation. Their present attitude stands out in sharp contrast to their concern for the welfare of the multinational oil corporations.

• (2140)

Let us look at the events which have taken place in Canada in the energy field over the past few months and at the role played by the various parties in this House. It should give us a clear indication of who is really fighting for the best interests of Canada and Canadians. A number of Conservative members have told us that they have fought for the pipeline to Montreal for a number of years. Let the people of Canada know that it was a Conservative government which, in 1961, brought in legislation to stop the building of the pipeline from Sarnia to Montreal.

Some hon. Members: Hear, hear.

Mr. Harding: And in their 1969 election literature, Mr. Speaker, they did not say that they were going to build the pipeline to Montreal; they said that they would consider the building of the pipeline to Montreal.

Some hon. Members: Oh, oh!

Mr. Harding: If it had not been for the Tory party, and for their short-sighted energy policy in 1961, we would have had the pipeline into Montreal and Quebec and would not be worrying about a shortage of oil for the people in eastern Canada. It is the official opposition that are really to blame for the energy crisis today, and they are trying to talk their way out of it by using the little gimmicks we have heard in this particular debate.

Some hon. Members: Oh, oh!

Mr. Harding: There are one or two points I should like to make about the bill. One section deals with the environment.

Mr. Deputy Speaker: Order, please. I suggest that the House give the hon. member an opportunity to be heard. His voice I continue to hear but I think he has to force himself. Not everything that he says has to be greeted by applause or disapproval. The hon. member for Kootenay West.

Mr. Harding: Thank you, Mr. Speaker. I was talking about one section of the bill. There are a number of sections with regard to which our party intends to offer amendments, but one of the provisions relates to the environment. One of the members this afternoon spoke very eloquently on this matter, and I agree with many of the remarks he made concerning changing this section. I think it is foolish to pass legislation without consulting the various provinces and ministers and taking into consideration legislation which they have on their statute books. This is why consideration must be given to changing this particular section, and as I say our party is going to offer an amendment to try to improve the bill in this regard. We are going to bring in other amendments to the bill as well. I shall not discuss them at this time; the proper place to do so is in committee.

In closing, may I say that this is no time for any party to play politics since a possible energy crisis is facing Canadians.

Some hon. Members: Oh, oh!

Mr. Harding: We can sit around the committee table, and hopefully amendments will be offered by the official opposition, by our party, by the Social Credit party and indeed by government members themselves, and I hope they will be given serious consideration. I am certain that basically most members of the House are anxious to assure the Canadian people that we are really trying to set up the type of legislation that will enable us to meet the energy crisis to the best of our ability, should such a crisis eventuate. But let every one of us hope and pray that we do not have to use the emergency measures which I think we should give the government in order to plan for the crisis in the event that it hits us later on this winter.

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I had very little intention of taking part in this debate, but a certain confusion exists in my mind. I am not an expert on this particular subject but I do not think that prevents me from speaking of the concern I have over the principles that I see the government accepting and which we must, of course, challenge; there is no question of that. I listened to the hon. member for Kootenay West (Mr. Harding) who for ten minutes carried on just in order to have an opportunity of—

An hon. Member: Filibustering.

Mr. Alexander: Well, I would not say filibustering. I do not know what he was trying to do except criticize this party because we have had the nerve to stand up when we believe something is wrong and has to be questioned. With all he had to say, he left me with but one thought, and that

was that he was not happy with the bill. He said that, in view of the environment provision, which I think is clause 24, it would be foolish for us to pass the bill, keeping in mind there are provincial responsibilities one must be aware of and concerned about.

In this regard I wonder why at this particular time, a time of concern, this government cannot understand that our federal system works on the basis of co-operation and consultation rather than confrontation. If anything is clear to me, to all members of the House and the people of Canada, it is the way in which this government has projected itself into the mainstream of this very important matter without having any consideration whatever for the requirements of the provinces, without any consideration whatever for our constitution, if I may call it that, the British North America Act, in terms of provincial rights. The provinces feel their resources are of such great importance that one sees them all going in various ways trying to beat the government. When one approaches a subject of such importance in a spirit of confrontation rather than consultation, then it seems to me the provincial governments have every right to put before the House their concern and the way in which they are going to handle this very serious situation.

Having read the preamble to this bill— I do not know whether it is the preamble but those who have more expertise will correct me if I am wrong—I am of the opinion that a very heavy onus is placed on the minister to indicate to this House just what crisis we are facing in whatever terms he can divulge it to the House. I have looked for such an indication in his speech. I did not peruse his speech in its entirety, but I did read some of the statements that the minister put on the record. I should like to repeat what the minister had to say when presenting to the House the atmosphere surrounding this emergency, or as we and others have called it, this crisis. I refer to page 8442 of *Hansard* for December 5, where the Minister of Energy, Mines and Resources (Mr. Macdonald) said there had been established a technical advisory committee on petroleum supply and demand. Then, he went on to say this:

> That committee, composed of senior representatives of oil companies and of the various departments of government, has continued to meet every week.

What I am more concerned about is this passage.

> The recommendations prepared by that committee have been undergoing continuous review and refinement. The picture which emerges indicates clearly the possibility of shortages of middle distillates and heavy oils in the Atlantic provinces, Quebec and to some extent in Ontario. There is also the possibility of local shortages of these products in British Columbia.

● (2150)

I ask whether the possibility outlined there would indicate that we should be dealing with matters we might call national emergencies?

Let me move on again to quote from the minister's speech where he indicates that the province of Ontario appreciates the difficulties which may arise. On page 8445, the minister is reported as having quoted Mr. McKeough as stating:

> In other words, Canadians cannot expect to escape the effect of a Middle East embargo on the United States. As a consequence of all this, there is more than a possibility of a Canadian gasoline and heating oil shortage. We in Ontario must accept our share of the burden.

Is that the basis of the national emergency the minister has talked about? Let me quote again form the minister's statement as reported at page 8445 of *Hansard*. He is reported as having said:

> As for the views of another provincial government, I refer to remarks made by the Quebec minister of transport as reported in *La Presse* for November 30 of this year. He indicated that he felt voluntary restrictions would not be adequate for the purpose of protecting the Quebec market. I quote from his remarks in *La Presse*.
>
> "Voluntary restrictions, he explained, would not be adequate for the purpose of protecting us against a possible scarcity."

My point is that the shortage about which the minister speaks is only a possibility. Are we on this side of the House to assume that because of possibilities referred to by the minister there is a national emergency? I suggest that the answer is, of course not. Because we take this attitude we are being criticized, and the suggestion is made that we are against the national interest.

Some hon. Members: Hear, hear!

Mr. Alexander: I would tell you one thing I have learned since I came to this House, ever since the War Measures Emergency Act was proclaimed, I will never again let this government or any other government railroad legislation through this House without giving us the facts upon which such legislation is based. We must be given the facts in order to come to a conclusion as to the necessity for such government action. We were fooled once, but we will not be fooled again. This government will have to give us some proof of the necessity for granting these powers.

As I understand the situation the NDP do not like this bill but feel they should rush it through in order to support this minority government. I suggest that we are entitled to some proof by this government that these extraordinary measures are necessary. I doubt that we will have the opportunity of voting on this measure tonight, Mr. Speaker, but I must repeat that we in this party are concerned about the federal government taking powers which traditionally have been provincial powers. The federal government will be meeting with representatives of the provinces on January 21 and 22 of this year, and I hope that these difficulties will be resolved as a result of consultation at that time.

I see the minister looking at me now, and I assume he is doing so because of the suggestion by other hon. members that there must be consultation with provincial authorities. I also see an hon. member who is sitting in the government front benches, although I suspect he never will sit there as a matter of right, who questions my criticisms of the Saskatchewan government in imposing a provincial tax on crude oil exported from that province. What this bill suggests is that we give this five-man board sweeping powers with the right to delegate powers to an agency. Speaking on behalf of the Canadian people, I do not think we should give up our rights as parliamentarians to a five-man board which could in turn circumnavigate, mesmerize and emasculate the powers of the governor in council.

I wish I had more time at my disposal in order to outline several other points I have in mind, but let me say in conclusion that there is no way I could support this bill in its present form. Let me refer to a brochure I have before me under the heading of "Richardson Securities of Canada" under the date of December, 1973. I am not sure whether this has been published under the authority of the Minister of National Defence (Mr. Richardson), but it states in part:

> It appears appropriate at this time to consider the need for co-operation rather than confrontation. Recent government actions, which have been based on short-term expediencies, have been disruptive enough in themselves, but the manner in which they have been handled is even more disconcerting.

I am pleased to have had the opportunity to be involved in this debate, and I conclude by suggesting that the problem facing this government is one of consultation. There are clauses in this proposed bill that need clarification, but over-all and in an overriding way there is a need for provincial consultation before going any further with this measure.

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

An hon. Member: Let's call it ten o'clock.

Mr. Deputy Speaker: The hon. member for Témiscamingue (Mr. Caouette) has already spoken during this debate. Is the hon. member rising on a point of order?

[*Translation*]

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I rise on a point of order. Since we have wasted enough time playing this stupid game for the Progressive Conservatives who are striving for political capital, may I call it ten o'clock.

[*English*]

Mr. Deputy Speaker: Is the hon. member for Témiscaminque (Mr. Caouette) calling it ten o'clock, or shall I put the question?

Some hon. Members: Question.

Mr. Deputy Speaker: The question is on the motion proposed by the Minister of Energy, Mines and Resources (Mr. Macdonald). Is it the pleasure of the House to adopt the said motion.

Some hon. Members: Agreed.

An hon. Member: On division.

Motion agreed to, bill read the second time and referred to the Standing Committee on National Resources and Public Works.

* * *

BUSINESS OF THE HOUSE

Mr. Bell: Mr. Speaker, I should like to ask the government House leader what the business of the House is for tomorrow?

Adjournment Motion

Mr. MacEachen: Mr. Speaker, tomorrow we will proceed to the consideration of the bill on election expenses, to be followed by the bill on export taxes and the division of profits. Hopefully, we will begin the report stage of the election expenses bill.

Mr. Bell: Do I understand that this same schedule will carry on into next week?

Mr. MacEachen: It very well might, and even next year.

Mr. Alexander: Mr. Speaker, I rise on a point of order. Unfortunately, the leader of the Creditiste party is not in his seat. I hope he will return because I have something to say that I feel might be of interest to him. I took advantage of my allotted time to register my concern about the extremely partisan attitude taken by that hon. member who indicated a desire to call it ten o'clock.

Mr. Caouette (Témiscamingue): I did not say that.

Mr. Alexander: I do not know how we play this game, and I do not suppose I should call it a game—

An hon. Member: Sit down or say something.

An hon. Member: You are ignorant.

Mr. Alexander: Notwithstanding what anyone, including my House leader might say, I do not take any instructions from anyone in respect of my concern about the measure being debated tonight, and I certainly will not take a back seat to anyone in respect of my involvement in this debate.

Some hon. Members: Hear, hear!

● (2200)

Mr. Deputy Speaker: The hon. member for Témiscamingue on the same point of order.

Mr. Caouette (Témiscamingue): I rise on the same point of order, Mr. Speaker. I did not have any objection to the member saying what he had to say, but there was an understanding between the House Leaders to the effect that the vote would be taken at 9:45. When I saw the hon. member rise after 9:45 I thought he was not respecting the word given by the House Leader of his own party.

Mr. Alexander: Mr. Speaker—

Mr. Deputy Speaker: Order, please. I should not have allowed the hon. member for Hamilton West to raise the point in the first place, since it is after ten o'clock. I, therefore, suggest that if hon. members wish to pursue this point they do it after the completion of the Routine Proceedings tomorrow.

Mr. Alexander: On a question of privilege, Mr. Speaker—

Mr. Deputy Speaker: Order.

Mr. Bell: Mr. Speaker, I must say there was no agreement whatsoever about this debate being terminated tonight.

Adjournment Motion

Mr. Deputy Speaker: Order, please. In accordance with Standing Order 40, a motion to adjourn the House is deemed to have been made and seconded at this time. Therefore, the question is that this House do now adjourn.

Mr. Alexander: Mr. Speaker, with all due respect, I have a question of privilege.

Mr. Deputy Speaker: The question of privilege may be raised on the same point tomorrow, but we are within the adjournment hour now.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

TRANSPORT—STUDY OF RAILWAY PASSENGER SERVICE IN SOUTHWESTERN ONTARIO BY TRANSPORT COMMISSION—LOCAL CONSULTATION

Mr. Bill Jarvis (Perth-Wilmot): Mr. Speaker, for many months a number of members have been trying in vain to find out what, if anything, the Department of Transport has been doing about passenger rail service in southwestern Ontario. For many weeks the Canadian Transport Commission study of this service in that area of Canada has been shrouded in secrecy. My colleagues and I have been denied any information by the Minister of Transport (Mr. Marchand) regarding the terms of reference of the study, its progress, or its conclusions or recommendations. We were led to believe, most explicitly, by the minister that the study involved local consultation. Those of us in the area affected searched far and wide in our ridings for someone, anyone, who had been consulted by the CTC, all to no avail. This, of course, prompted my question to the minister on November 22 last.

It was not until the Commission's chairman, Hon. J. Edgar Benson, appeared before the Standing Committee on Miscellaneous Estimates that I was able to determine that there was, in fact, no consultation with local people or officials. To the contrary, the CTC appears to be making two reports, the first being of an historical nature with possible solutions and recommendations and the second a survey or sampling of the needs of 1200 families in the affected area. The first study, according to my information, has been in the hands of the Minister of Transport for approximately two weeks. In response to my inquiry during the question period today, he did not deny that he had the report but he refuses to make it available to members of parliament and, even more important, to the communities of southwestern Ontario, isolated from rail transport.

If I understood him correctly today, the course of action of the minister defies reason and boggles the imagination. He seems to have adopted a four-step procedure: first, consider the CTC report; second, consult with the Province of Ontario; third, make a decision and, fourth, inform the House of Commons. This is a backwards procedure and that has been the difficulty from the very beginning of this travesty in passenger rail service. It seems to me that whenever the Department of Transport and the CTC have presented to them a reasonable course of action they consider it and then proceed to do the exact opposite. Surely, it is reasonable that the report, paid for by the taxpayers, should be made available to the taxpayers before any decision is made; indeed, I would think even before the Province of Ontario is consulted.

I know that there are circumstances where certain reports, for various good reasons, need not be made public immediately, indeed if ever. But the minister has been hiding behind this report for months. He has repeatedly used it as a crutch when I have tried to secure information or commitments. To use Mr. Benson's words, this study is "historical—poses several courses of action in a solution to the problem." If this be true what then is there to hide? Why does the minister not want the reaction of members of all parties whose ridings are in the area?

Finally, how can the minister make any valid decision based on his study of the CTC report without the benefit of the reaction of the taxpayers of southwestern Ontario? Therefore, I have two areas of concern this evening, Mr. Speaker. First, in my question of November 22 I pointed out to the minister that, despite his assurances, the CTC had not consulted any local people, and I asked him whether he approved of the study being conducted and completed without local consultation. I quote his reply:

> I think it was stated before the Standing Committee by Mr. Benson that these consultations are going to take place and that the report will likely be ready in a few weeks.

I say with respect, Mr. Speaker, that I believe all of us would interpret that answer to mean that there was to be local consultation before the completion of the report. That is not what has happened. The minister now has the report. There has been no local consultation. Not one single municipal official or representative has had any opportunity to offer advice or information. Indeed, I cannot find one single constituent who has been consulted.

In the light of these circumstances I can only accept Mr. Benson's version of what is taking place, that is, that there are two reports. The first, involving no consultation, was completed some weeks ago and, I believe, has been in the minister's hands since about December 4. The second report is to be some kind of a Gallup poll or sampling of 1,200 families in the area. This, to my knowledge, has not even been commenced.

This brings us to my second problem, and that is what the minister said today in reply to my question. If I understood him correctly, he indicated that the report had been received and was being studied. He indicated that he wanted to discuss it with the province of Ontario, and then I believe he said "even before that I hope we will reach some decision concerning this report." Does this mean a decision will be made before discussing it with the province? If so, what is the point of any discussion? When the minister says "we will reach some decision concerning the report" does he mean he will decide if it is good or bad? Does he mean he will decide whether or not he will

make it public? Does he mean he will decide whether it is worth discussing with the province? Does he mean he will decide whether or not he will have any local consultation?

The unhappy history of rail passenger service in southwestern Ontario is that every time the minister purports to answer a question he in fact does not answer but instead he raises all kinds of other questions. The path to the solution of this problem has been obstructed time and time again by ministerial uncertainties, evasions and contradictions.

The following are reasonable questions which I put to the minister through you, Mr. Speaker. They are not conceived out of political partisanship but out of genuine concern for the plight of the many communities in southwestern Ontario that have been neglected, ignored and misled. I put these questions to the minister not in an atmosphere of confrontation but by way of sincere appeal for information, and with the assurance that all members representing the affected area will do all they can to assist him in finding a solution to the problem. These are my questions: One, will the minister make public immediately the CTC report that he has now in his possession? Two, will the minister agree to local consultation with municipal representatives and officials, and the public, once they have had an opportunity to consider the report? Three, will the minister then consult with the provincial authorities if he deems it advisable? Four, finally, will the minister reinstate passenger rail service in southwestern Ontario?

● (2210)

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Transport): Mr. Speaker, the question of the mid-western Ontario passenger service was actively studied by the Canadian Transport Commission in co-operation with the government of Ontario. I know that the hon. member for Perth-Wilmont (Mr. Jarvis) did not hear what I said so possibly I should repeat it.

The question of the mid-western Ontario passenger service was actively studied by the CTC in co-operation with the government of Ontario. As a result of this close co-operation with Ontario, on November 9, 1973, the CTC received certain origin/destination information which, after evaluation, indicated that public surveys were required. As a result, the CTC contracted to have public surveys carried out. These started during the last week of November and are almost finished. The surveys consist of multiple interviews with some 1,200 families.

This action by the CTC met the recommendations formulated when the mid-western development council met with myself, five other members of parliament and six government officials earlier this year to discuss the mid-western Ontario transportation problem. Notwithstanding the progress made to date in the study of this question, I should like to inform you of the reasons for the delay in producing reports on the studies and for the delay in the resolution of the question of the type and extent of public consultations required. Of course, we received the interim report on this question from the CTC over two weeks ago. The delays which occurred in producing the reports were due in large part to the departure of three transportation analysts who had been working on the study. Needless to say, the project responsibilities were immediately passed on to others, but this inevitably delayed the production of reports. In view of the importance of the study, persons from other studies were reassigned to accelerate the work.

AGRICULTURE—INCREASE IN FARM COSTS—REQUEST FOR INVESTIGATION BY FOOD PRICES REVIEW BOARD

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, tonight I wish to pursue the question which I asked some months ago about the failure of the Prices Review Board to study farm costs when they were looking into the price of food in this country. It seems to me that the increase in cost to the farmer is a forgotten fact when looking at the cost of food to the consumer. The price that the farmer has to pay to produce a bushel of wheat or to grow a hog is increasing rapidly every year and not just the feed input but machinery, machinery repairs, fertilizer, lumber, fencing and all the other materials that the farmer needs to produce food for this country and many other countries in the world.

I thought it important that the Prices Review Board, to be effective, should analyse farm input costs as they are a large part of what the consumer pays for food. Today I looked at some figures from Statistics Canada which verify my point.

For example, in the third quarter of 1973 compared to the second quarter, that is a three month period, farm costs went up by 7.3 per cent. That is a hefty increase in a three month period. If you take the third quarter of 1973 over the third quarter of 1972, you find that farm input costs escalated by some 20.1 per cent over a one year period. When the farmer has to pay that much more for the basic necessities to produce food in this country it is no wonder that the price of food is going up. The farmer has to pass this on or be squeezed out of business.

Over the last number of years many farmers have indeed been squeezed out of business. They have been caught in the cost price squeeze and have been forced off the farm. As a matter of fact, two or three years ago, the average net income for a farmer in Saskatchewan was not much more than a thousand dollars a year, that is going back to 1970-71. Many people had to leave the farms and this led to the decay of the rural society, the small communities and towns and many of the small business enterprises that served them.

I suggest, Mr. Speaker, that if we are to stabilize farm income, if we are to have a secure agricultural economy and a secure food base in the future for our people, we must look at the cost to the farmer. We can do that in three or four different ways. First, the Food Prices Review Board must be expanded to become a Prices Review Board that will examine farm input costs in general rather than just the cost of food after it leaves the farm gate. I think the Food Prices Review Board should have the power to control selectively the prices of commodities when it appears that those prices are unjustifiably high.

Third, and I do not see why the government should not do this, I think the government ought to expand a program of selective pricing controls, to control the pricing of commodities we produce in this country and which we can control. For example, I am thinking of energy, with

respect to which there are now voluntary controls, and of other commodities which we can produce and control, such as steel, lumber, iron, copper, nickel and so on. We could effectively control such commodities. That would help the producers of this country who are farmers as well as consumers. The government ought to do these things because they would help farmers and consumers as well.

I remind the parliamentary secretary that, today, the farmer and the agricultural community are the backbone of our economy. If things go well for the farmer, the chances are that they will go well for many others in our society as well. In the future, I think we shall find that there will be shortages particularly in two fields, energy and food. There will be a real future in agriculture for the farmers of Canada if only we give the farmers a chance, give them some opportunities. There will be a snowball effect if the farmer has that opportunity; because, in the processing and growing of food and in the development of export markets, there is a tremendous growth potential.

We might begin by expanding the powers of the Food Prices Review Board and giving it power to look at farm input costs, particularly in cases where farm input costs are excessively high. It should also look into such areas as lumber, energy, iron, steel, farm machinery, and farm machinery parts and repairs. In saying this I am reflecting the views, certainly, of the rural parts of the Prairies. I urge the minister most seriously to look at the ideas put forward, as they may contain, possibly, solutions for making our country a better place in which to live.

Mr. Mark MacGuigan (Parliamentary Secretary to Minister of Manpower and Immigration): Mr. Speaker, when the hon. member posed his question to the Minister of Agriculture (Mr. Whelan) on June 12 of this year, he will recall that the minister expressed confidence that the Food Prices Review Board would be looking into farm input prices.

In its first quarterly report, published on September 26 of this year, the board did in fact devote a section of the third chapter to this very question of farmers' costs and prices. The hon. member may have noted in the report that a considerable portion of the increase in the annual rate of change in farm input price indices for the first six months of 1973, over the same period in the previous year, I would refer to hon. member to table 5, page 17 of the report, was attributable to trade in farm produce between one farmer and another. The highest increases were noted in the rate of change for feed prices, at 34.1 per cent; for seed prices, at 31.6 per cent; and in feeder cattle prices, which changed by 25.9 per cent. These increased prices were reflected in increases in farmers' incomes and generally indicated a rather buoyant situation in the farm economy.

The hon. member for Yorkton-Melville (Mr. Nystrom) suggested that we ought to impose controls over certain commodities. He mentioned energy, steel, lumber, iron, copper, nickel and so on. I draw the hon. member's attention to the fact that, for example, the comparative increase in the price of farm machinery was only 2.4 per cent, and of petroleum products, only 2.7 per cent. I therefore fail to see any connection between the point he tried to make and the factual situation.

[Mr. Nystrom.]

While it is true that the farmer has had to bear higher prices for non-farm commodities, including farm building replacements and repairs, together with some increase in labour costs, and I would refer the hon. member again to table 5, farmers' returns on an average basis were well above farm input prices during the first half of 1973, as shown by chart 4, page 19 of the report, and they have continued to be so.

The second quarterly report of the Food Prices Review Board is expected shortly. I believe the board has also stated before the standing committee that it is doing a study on feed gains, and these additional reports may further elucidate the problem.

● (2220)

UNEMPLOYMENT INSURANCE—POSSIBILITY OF CHARGING EMPLOYERS AND EMPLOYEES EMPLOYMENT RATED PREMIUMS

Mr. Don Blenkarn (Mississauga): Mr. Speaker, tonight I want to refer to questions I directed to the Minister of Manpower and Immigration (Mr. Andras), as recorded at page 8565 of *Hansard*. I want to first talk about the question of topping up wages, as set out in my supplementary question. Unfortunately, industry, business and labour have to some extent got to know how to play the game with unemployment insurance. That is probably because of the rules. When you make rules or laws, people learn how to use them.

In the construction industry, there is a common practice of employees winding up a work week that is almost referable to the hours of daylight. As the season progresses, there are shorter and shorter work weeks. Indeed, throughout the fall there are periods of rain, periods where it is impossible to do anything. It has become a practice to use holiday pay to, in effect, top up wages by paying holidays for one or two days a week. The effect is that when an employee is eventually laid off because of the inclemency of the weather, he has had his holidays. When he applies for unemployment insurance, after the two week waiting period he is able to immediately claim unemployment insurance because the wages have been topped up at the maximum rate. In effect, he and his employer have used the system. Usually this is someone who does fairly highly specialized work. Because he is from an area where there is not likely to be part-time employment for him, he is able to draw unemployment insurance for the bulk of the off-season period, and that is not just winter.

I will refer to the construction industry, logging industry, the auto industry, the Great Lakes shipping industry, the farming industry and to some extent the board of education in terms of secretarial help for schools. Industry has been able to use the fund to keep its employees grouped together during the slack period or offseason. They have quite a method of doing things. I received a letter today from Hutt Fence Limited, which is in the fence construction business. It states that their employees are concerned. They want to have their holiday pay. They want it blended in with their regular payment so that when they apply for unemployment insurance, they will get it immediately after the two-week waiting period.

My constituent is a very concerned person and does not want to do that. However, if he does not do that, he will lose his help. He has contacted the Unemployment Insurance Commission to see whether it is appropriate. I will have to tell him that it probably is, that he can probably do that kind of thing. There is nothing in the act to say when a person must take his holidays. He can take them any time he wants. There is nothing to prevent an employer from paying a person two days' holiday pay a week for a number of weeks prior to a layoff. Indeed, they can give him a day's holiday a week if they want to handle it that way. Really, it is the use of the system, not the abuse of the system.

This brings me to the first question I asked in connection with merit pay, as the minister likes to call it—I prefer to call it employment rating. The Unemployment Insurance Act provides for employment rating. There are some categories of employment in which a lay-off rarely occurs. For example, the secretaries in my law office are rarely, if ever, unemployed and they probably never will be in a traditional sense. It seems to me totally unrealistic that people in a job where there is no likelihood of lay-off pay the same premium as those in an industry which by its very nature can scarcely continue during the off-season. You do not run a skidoo or a ski-lift in the summer, and schools are closed during July and August. People who take up employment of this type, employers and employees alike, have an obligation to realise that this is the name of the game. Surely, it is not the responsibility of the government of Canada to keep an employment group together under the guise of paying unemployment insurance.

The hon. member for Verdun (Mr. Mackasey) has been very vocal on this subject, telling us that unemployment insurance is a form of income redistribution. He even likened it to a form of DREE grant. I want to tell him we certainly do not need social welfare programs designed for those who may well be earning $20,000 a year and living for extended periods at the expense of taxpayers such as the kids in my office who are working all the year round and paying the same amount in unemployment insurance contributions as others do.

Mr. Mark MacGuigan (Parliamentary Secretary to the Minister of Manpower and Immigration): Mr. Speaker, we could discuss the question of holiday pay from a number of different viewpoints, but since the hon. member has directed his remarks to it from the viewpoint of merit pay, I should like to answer them in that context. May I say in passing that the government does not acknowledge that unemployment insurance is a form of social welfare. We think, rather, that it is a form of social insurance, and on another occasion I should be happy to explain this point to the hon. member for Peel South.

Mr. Blenkarn: Mississauga.

Mr. MacGuigan: I am sorry, Mississauga. The original question was whether the minister had received a proposal or proposition from the Unemployment Insurance Commission. While we have received no such proposition from the Commission it is relevant to note that the white paper on unemployment insurance tabled in June, 1970, proposed a form of experience rating which would relate the premium paid by employers to the experience generated in terms of benefit costs against the program. This proposal was studied in depth by the parliamentary committee on Labour, Manpower and Immigration in the fall of 1970.

Many briefs were received from both employer and employee associations respecting the merits of introducing a system of experience rating in the Canadian context. The committee endorsed the principle of experience rating but recommended in its report that the subject matter be further studied with a view to determining the general structure of an appropriate rating system.

The government accepted this recommendation by the parliamentary committee and in the spring of 1971, when Bill C-229 was presented to the House, the minister of labour of that day asked the Unemployment Insurance Advisory Committee to undertake a complete review of the question of experience rating and make appropriate recommendations. The committee began the review in the fall of 1971 and a subcommittee of commission officials, management and labour was formed to examine in detail the technical aspects of any experience rating system. The committee met on a number of occasions during 1972 and it was expected that the Advisory Committee would receive a report at the beginning of 1973.

However, in the early part of 1973, when the committee would have expected to begin concluding its examination of experience rating, it was asked by the Minister of Manpower and Immigration to review the benefit control operation of the Unemployment Insurance Commission. The chairman of the committee has stated that the committee expects to pursue this matter early in 1974 in the hope that some conclusion can be arrived at in the course of that year.

Due to the complexity of this matter and the generally negative reaction which this concept has aroused among both employer and employee organizations, these first findings will have a bearing on the committee's ultimate recommendation. I cannot, of course, prejudge this conclusion but we have to take into account the feelings which employers and employees generally hold.

Motion agreed to and the House adjourned at 10.33 p.m.

HOUSE OF COMMONS

Tuesday, December 18, 1973

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*Translation*]

COMMITTEES OF THE HOUSE

JUSTICE AND LEGAL AFFAIRS

Tenth report of Standing Committee on Justice and Legal Affairs—Mr. Jerome.

[*English*]

INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

Eighth report of Standing Committee on Indian Affairs and Northern Development—Mr. Buchanan.

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

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FINANCE

TABLING OF AUDITOR GENERAL'S REPORT FOR YEAR ENDED MARCH 31, 1973

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I should like to table, pursuant to Standing Order 41(2), the report of the Auditor General for the fiscal year ended March 31, 1973.

I wonder whether on behalf of my colleague and seatmate, the President of the Treasury Board, we could not ask for the unanimous consent of the House to send the Auditor General's report to the Standing Committee on Public Accounts at the earliest opportunity.

Mr. Speaker: Is this agreed?

Some hon. Members: Agreed.

* * *

CONFLICT OF INTEREST

STATEMENT ON GUIDELINES FOR PUBLIC SERVANTS AND ORDER IN COUNCIL APPOINTEES

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, in my statement on July 18, 1973, concerning conflict of interest, I outlined standards of conduct which would apply to cabinet ministers. On July 17 my colleague, the President of the Privy Council (Mr. MacEachen), had earlier announced government policy concerning Members of Parliament and Senators and indicated that it was his intention to refer the government's green paper to a standing committee. The Standing Committee on Privileges and Elections has been heavily involved with other matters, as the House knows, until now. However, it is my understanding that the President of the Privy Council may be able to move that the green paper be referred to that committee this week. I know that members will give this matter very careful attention when the motion for the reference is taken up in the House and, later, in the committee.

In July I also indicated that the government was actively considering the proper steps to be taken with regard to the public service and those appointed to various offices by the Governor General in Council. I wish today to announce the government's policy in that regard.

Canada can take pride in her public service and in the individuals who serve within it. In any large organization, however, it may be necessary from time to time to give direction as to the manner in which people must conduct themselves in the course of their employment. In these matters it is as much a benefit to the employee as it is to the employer to have clear standards apply.

The government believes that in setting standards it is important not only to protect the public interest adequately but also to protect the rights of those who are affected by the standards. We have opted, Mr. Speaker, for a series of guidelines which have been incorporated in an Order in Council covering all employees in the public service which, with the permission of the House, I now table.

Central to our policy is the principle that it is not sufficient for a public servant merely to act within the law. We believe that there is an obligation to act in a manner so scrupulous that it will bear the closest public scrutiny. Public servants, therefore, must not place themselves in a position where they are under obligation to any person who might benefit from special consideration or favour on their part or seek in any way to gain special treatment from them. Equally, a public servant must not have a pecuniary interest that could conflict in any manner with the discharge of his official duties. Public servants will be expected, as are ministers of the Crown, upon appointment to office, to arrange their private affairs in a manner that will prevent conflicts of interest from arising if there is any risk of that occurring.

Public servants are being asked to exercise care in the management of their private affairs so as not to benefit, or appear to benefit, from the use of information acquired in the course of their official duties that is not generally available to the public. In matters of contract, public servants must not place themselves in a position where they could derive any direct or indirect benefit or interest from a government contract over which they can influence decisions. Regarding outside employment, public servants

are being asked not to accept outside office or employment that could place on them demands inconsistent with their official duties or call into question their capacity to perform those duties in an objective manner. In the performance of their official duties, public servants must take great care to ensure that no preferential treatment is given to relatives or friends or to organizations in which they or their relatives or friends have an interest, financial or otherwise.

● (1410)

[*Translation*]

Our policy, Mr. Speaker, clarifies for the public service responsibilities, which although they are not new or additional to the traditional ones long understood by public servants, are being made clear and formally published at this time. In order to assist public servants in determining where areas of conflict of interest may arise, particularly in areas related to business, commercial or financial interest, we are asking that public servants disclose in confidence, all business, commercial or financial interests where such interests might conceivably be construed as being in actual or potential conflict with their official duties. The onus to disclose such interests and to determine where such interests might be construed as being in conflict with official duties, is being clearly cast upon the public servant himself. Only those matters which the public servant believes are in actual or potential conflit of interest will require disclosure.

As with public servants, it is our belief that, for their guidance and for the protection of the public interest, those appointed to office by the Governor General in Council should be provided with guidelines. Officials appointed by order in council will in general be required to adhere to standards which will approximate those which have been decided upon for Cabinet ministers. These additional standards, and indeed all standards, must be viewed not as abrogating from any specific legislative provisions, but as conplementary to them.

There is a broad range of positions to which appointments are made by order in council. Five broad groupings have been made: appointments to judicial and quasi-judicial boards, agencies and tribunals; appointments to positions where the holders report, or are directly responsible, to Parliament (servants of Parliament); appointments to senior positions in Crown corporations and autonomous agencies; appointments to the major operational and policy positions of the government; and appointments to a host of miscellaneous positions which do not clearly fit into any of the other groups.

The nature of the duties performed by these officials, with few exceptions, set this group apart from the rest of the public service and require that more stringent rules apply to them in dealing with their personal affairs. We believe, Mr. Speaker, that generally no less stringent standards than apply to Cabinet ministers should apply to this group.

In more specific terms, the servants of Parliament, and appointees to the major operational and policy positions, should have precisely the same standards apply to them. Appointees to senior positions in Crown corporations and autonomous agencies should also be the subject of the same general guidelines as for Cabinet ministers, with specific requirements to be promulgated by the ministers responsible to Parliament for a Crown corporation or agency. For miscellaneous positions, which cover a broad range of duties, functions and responsibilities, responsible ministers are being asked to examine the particular positions falling under their jurisdiction with a view to promulgating such guidelines as seen best to meet the needs of the position itself.

[*English*]

With regard to appointments to judicial or quasi-judicial boards, agencies and tribunals, it is our hope to extend the same general guidelines. There are, however, some legal problems. I have asked that the Minister of Justice (Mr. Lang) review this matter with a view possibly to recommending amendments to existing legislation to bring it into conformity with established standards of conduct.

Members will recall that in my statement to the House in July I indicated that ministers would have three options open to them in dealing with property other than residences, automobiles and other things of a personal nature of that kind. These were: total divestment, the use of a frozen trust or the use of a blind trust. After further consideration, the government has decided that a fourth option should be added to the three just mentioned. This fourth option will apply to cabinet ministers and to Order in Council appointees who are being included under the ministerial guidelines.

The option will provide for the registration of a declaration of ownership of property with a registrar who will be appointed for this purpose and for the purpose of assisting ministers and others in dealing with matters covered by the government's policy on conflict of interest. It will be possible for a minister, or other persons under the same rules, to deal with property so registered. Declarations and the details of the property covered by them will be open for public inspection in the office of the registrar. The property which may be registered under this fourth option will depend on a number of factors including the nature of the property, whether its value might be affected by decisions of government policy and whether the property could even remotely give rise to a conflict of interest situation. This arrangement, and the scope for individual management it provides, will not be available for stocks and securities traded on public stock exchanges.

The government has also decided that the categories of property exempt from treatment under one of the four options should be extended to include bank balances, Canada savings bonds and securities of any level of government in Canada and agencies of any government. It is apparent that a conflict of interest cannot arise from any such holdings.

[*Translation*]

We have concluded, Mr. Speaker, that as a matter of policy the subject of standards and procedures for employees of Parliament should also be considered at an appropriate time. We would recommend that standards and procedures for employees of the House of Commons be referred to the Commissioners for Internal Economy and for employees of the Senate, to the Committee on Internal Economy, Budgets and Administration. It is our

hope that an examination of those groups may be undertaken at an early date.

With regard to the employees of Crown corporations, whether appointed by order in council or not, we are of the view that standards similar to those which I am announcing today for the public service should be developed. Crown corporations and agencies will be urged to develop further standards and procedures within their own organizations, which in the view of the corporation or agency and the minister responsible for it, best meet the operational requirements of the corporation or agency and the employee positions within it.

These guidelines will not, of course, be any substitute for the qualities of honesty and integrity, long recognized as a hallmark of Canada's public service. But we are confident, Mr. Speaker, that they will assist public servants and officials in the performance of their official duties and in knowing with greater certainty what limits must be imposed on their private interests. Details of the administrative arrangements are currently being worked out by the President of the Treasury Board. He will shortly be sending a circular letter to all heads of departments and agencies explaining the administrative arrangements which are required to give effect to the guidelines.

[*English*]

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, at the outset may I suggest that since the guidelines the Prime Minister has tabled are quite short they be printed in *Hansard*? I wonder whether this would meet the approval of the House.

Mr. Speaker: Is this agreed?

Some hon. Members: Agreed.

[*Editor's Note: For text of Order in Council containing guidelines, see Appendix A.*]

[*Translation*]

Mr. Stanfield: Mr. Speaker, I welcome wholeheartedly the Prime Minister's statement. It deals with a most important subject. I recognize that it is not possible to eliminate entirely all possibilities of conflict of interest. Still, I should like to make a few comments on the Prime Minister's statement.

● (1420)

[*English*]

With regard to the part of the declaration related to the public service in general in which provision is made for the disclosure of conflict of interest, the Prime Minister makes it very clear that the onus to disclose such interest and to determine where such interest might be construed as being in conflict with official duties is clearly being cast upon the public servant himself.

I recognize the high quality of our public service. I recognize that ultimately, in the final resort, the elimination of conflicts of interest depends upon the exercise of our own final, fundamental judgment. Nevertheless, I recognize also that in many ways a person may be the poorest possible judge of potential conflicts of interest in his own case. Therefore I have to say I am not satisfied with leaving it entirely to the public servant himself or herself to be the sole judge whether or not there is a potential conflict of interest, since I think such a person is not a sufficiently good judge of that situation. I should like to see the appropriate committee of the House examine this problem, which I recognize is complex and difficult, to see whether or not there is not some more satisfactory way in which it can be resolved.

I must also say that, as was the case with the guidelines laid down for ministers, there is nothing concerning the spouse or minor child of a public servant. I believe a case of conflict of interest is just as likely to arise as a result of property or investments owned by one's spouse or, indeed, one's minor child or children, as in the case of an individual. Therefore I must say that this also appears to me to be another instance of gross inadequacy in the guidelines.

I note, too, that there does not seem to be any particular reference to the staffs of ministers or even to the senior staffs in the offices of ministers, though in the statement of Prime Minister Pearson in 1964 this was a matter of special concern. It may be that staff attached to a minister are intended to be covered by the rather omnibus clause under which it is to be left to the judgment of the individual minister to decide what are the appropriate guidelines. But even if such personnel were covered by this omnibus reference, I would not regard this as adequate in view of the importance of the position of those on the personal staffs of ministers. I regard this also as another defect in the guidelines put before the House today.

Since the guidelines for Order in Council appointments are the same as those for ministers, I must repeat that one of the options, that of the frozen trust, mentioned by the Prime Minister in his previous statement does not seem to me to be appropriate unless it is also associated with disclosure. In other words, I would not regard a frozen trust as an appropriate device for overcoming possible conflicts of interest unless it is also associated with disclosure. I am distinguishing in this connection between a frozen trust and a blind trust. I repeat that, since these guidelines apply to all Order in Council appointees as well as to ministers, the failure to deal with the spouses and the minor children of these appointees is a very grave shortcoming in respect of these guidelines as it was in respect of the guidelines the Prime Minister originally laid down for ministers.

While I am pleased to hear this statement and regard it as a substantial step forward in dealing with a problem of great public concern, I believe the guidelines outlined by the Prime Minister today have the substantial shortcomings I have mentioned. I should like to see these matters considered further by the appropriate committee of the House, and I would certainly be disappointed if the guidelines are left in this state which I consider quite unsatisfactory.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, we welcome the concern of the government about the problem in respect of conflict of interest which has been reflected in the fact that we now have been given three statements on the subject. We had the statement and the green paper presented to the House by the President of the Privy Council (Mr. MacEachen) on July 17 concerning members of parliament, we had the Prime Minister's state-

ment on July 18 concerning cabinet ministers, and now we have the Prime Minister's statement about public servants and others who are government appointees in one way or another.

We also welcome the fact that the subject, at least in general terms, is to be referred to the Standing Committee on Privileges and Elections. We feel that the discussions which will take place in that committee are extremely important.

I must say, however, that a word the Leader of the Official Opposition (Mr. Stanfield) used on July 18 certainly deserves to be used again today. He described the Prime Minister's statement of that day as "murky". I suggest that today we have about the murkiest Order in Council I have ever seen. When one listens to the Prime Minister and hears him say that in a moment or two he will be tabling an Order in Council, one assumes that the Order in Council will fill in the gaps, spell out the details, and that it will include some definitions, some clear principles and the means of enforcement. I was pleased that the Leader of the Opposition asked that the Order in Council tabled today be appended to *Hansard* in order that those who read these remarks will be able to read that Order in Council and discover that it is nothing more than a précis of the Prime Minister's statement.

Orders in Council usually provide some detail and some regulations with the force of law and, indeed, usually provide means of enforcement or penalties, but in this Order in Council, P.C. 1973-4065, December 18, 1973, there is not one word of definition, there is not one point spelled out in detail and there is no provision of any kind for enforcement. It is nothing more nor less than a statement of desires. Let me read one or two sentences:

> No conflict should exist or appear to exist between the private interests of public servants and their official duties.

Another states:

> All public servants are expected to disclose to their superiors, in a manner to be notified, all business, commercial or financial interests where such interests might conceivably be construed as being in actual or potential conflict with their official duties.

It goes on to point out that public servants should not do this and should not do that. But there is no detail, no clear definition, concerning what it is that is permitted or what it is that is prohibited. Certainly there is no suggestion of any way in which these so-called guidelines are to be enforced. I submit, therefore, that the Order in Council is of no more value than the statement the Prime Minister read to the House today.

● (1430)

I join with the Leader of the Opposition in expressing concern over the extent to which in the Prime Minister's statement as well as in the so-called guidelines everything seems to be left to the individual public servant. I think this is unfair to the public and also unfair to the public servant. I note this sentence in the paragraph in the Prime Minister's statement having to do with disclosure:

> Only those matters which the public servant believes are in actual or potential conflict of interest will require disclosure.

I ask frankly, of what earthly use is that kind of a guideline where in the final analysis it is left to every individual public servant to decide whether the interests he has are such that he should disclose them? As the Leader of the Opposition said, surely the poorest judge of one's own conduct is the person himself, and yet that is the way this has been drawn up. I recognize it is the Prime Minister's statement, but anyone in his position has to receive help in the drafting of such statements. I wonder what senior public servant drafted this particular statement?

It seems to me—and here I go along with the Leader of the Opposition or perhaps a little farther—that the only solution in all these areas, in respect of members of parliament, cabinet ministers or public servants, is to go for full disclosure. This so-called option of disclosure and option to register certain holdings and so on will not fill the bill. Those involved in decision-making, so far as public servants are concerned, should be required to come through with full disclosure. I hope that even yet the thinking of the government and this House on the question of conflict of interest will move in that direction.

Another criticism I offer is that this statement and the Order in Council with its guidelines draw no lines among public servants. They are all in the same basket whether they are deputy ministers or assistant deputy ministers involved in the making of policy or whether they are cleaners or helpers. Public servants across the entire spectrum are covered by one set of guidelines and one Order in Council. I think this is unfair to these public servants. Certainly the public must be protected but, as the Prime Minister says, we have to think about our public servants as well. I think we should be able to draw a line so that the most severe restrictions apply to those who are involved in the decision-making process. That does not require a set of guidelines so broad that, in order not to be hard on cleaners, helpers and stenographers, it really imposes no restrictions at all on those at the top.

The next comment I wish to make is that this statement makes no reference whatsoever to the process of hopping back and forth which goes on on the part of public servants who go out into private industry and back again and so on. It seems to me that some solution must be found to that problem. It know my friends on both sides of the House like to come out with the cliché that we need to have these people in government so that they bring to government the experience of service in the private sector. But one cannot but be concerned about conflict of interest when a senior public servant at the deputy minister level or close to that goes out into private industry and later comes back. All right, we cannot deny the right of people to look for employment when they are out of one job, but surely provision can be made that the government will not deal with firms which have in their upper echelons those who within the last year or so were in the sacred precincts of the government itself. This problem has not been touched in this statement or in either of the other statements which were given to us.

There is also no reference in this statement, as there was no reference in the statements of July 17 or July 18, to what we regard as fundamental in this whole question. In our view it is not just a case of whether a person is able to make a buck or so because of his connections; what counts to the public is the philosophy, the viewpoint, of those making the decisions, whether they be at the government

level or at the public service level. I think something must be done to bring that point of view to this whole discussion of the conflict of interest. Mr. Speaker, I am about to sit down.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): That kind of remark can always be counted on to draw applause, but I think it is particularly to be noted that when I complained about persons with a financial interest being in a spot to influence government policy, and then said I was about to sit down, the applause came from the Tories.

I want to associate myself with what the Leader of the Opposition said about this whole subject being considered in the Standing Committee on Privileges and Elections. I should like to go a little further, however. Instead of just saying it ought to be done, I would call upon the President of the Privy Council, when he presents his motion for the reference of the July 17 green paper to the standing committee, to amend that motion to include in it a reference to that committee of the statement made by the Prime Minister on July 17 regarding cabinet ministers and also the statement made and Order in Council tabled today. That committee should have the opportunity to go thoroughly into the whole subject before us today, the important question of conflict of interest and its relationship to public policy.

[*Translation*]

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, we welcome the statement made by the Prime Minister (Mr. Trudeau) concerning the conflicts of interest as well as that on the publication of guidelines which will help protect Canadian public servants against any suspicion.

Mr. Speaker, public servants must be protected against any suspicion in carrying out their duties, considering their importance. Hon. members and governments follow one another, but public servants remain. Some officials have been in the government service for 25 or 30 years irrespective of political parties. Those people are important and we must recognize it. They are not subjected to changes as we are whether we are Liberals, Progressive Conservatives, New Democrats or Social Crediters. This is why the civil service must continue to serve the country, hence the importance of its behaviour before the people of Canada.

Mr. Speaker, in the various departments where the public servants more or less rule the roost, I believe we should add another point to the eight set out by the Prime Minister, that is administrative control. For instance, because I received two rather important complaints, I am personally conducting an inquiry concerning some Central Mortgage and Housing Corporation employees who, I am told, receive bribes when they recommend the development of such and such a housing project, in two places in the province of Quebec. Mr. Speaker, when I have conclusive evidence, I shall name the persons involved on the floor of the House.

I want to draw the attention of the House to another point. The Prime Minister recommends the following, and I quote:

Local Initiatives Grants

—that standards and procedures for employees of the House of Commons be referred to the Commissioners for Internal Economy and for employees of the Senate, to the Committee on Internal Economy, Budgets and Administration.

Mr. Speaker, it seems to me that we are asking too much from the Internal Economy Committee. It is already bogged down in its work. Here is striking proof of it. For three years now I have been asking for a press attaché. All the other parties have one already. The committee did not have time yet to give me one because it is overworked. Mr. Speaker, I think we should set up another committee in order to relieve the one dealing with internal economy so that I too may get justice from the federal public service.

* * *

[*English*]

● (1440)

LABOUR RELATIONS

ONTARIO BILL RESPECTING SCHOOLTEACHERS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, I rise, pursuant to Standing Order 43, to move a motion of urgent and pressing necessity and I hope all hon. members will support it. In view of the fact that teachers in Ontario are forbidden to strike for better wages and working conditions, and in view of the fact that legislation now before the Ontario legislature will deny them the right to resign, which is a clear violation of their civil rights, I move, seconded by the hon. member for Brant (Mr. Blackburn):

That the Minister of Justice use the power of his office to urge the government of Ontario to withdraw Bill 274.

[*Translation*]

Mr. Speaker: The House has heard the hon. member's motion. Such a motion requires the unanimous consent of the House under the provisions of Standing Order 43. Is there unanimous consent?

Some hon. Members: Yes.

Some hon. Members: No.

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

* * *

[*English*]

MANPOWER

LOCAL INITIATIVES PROGRAM—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Elias Nesdoly (Meadow Lake): Mr. Speaker, under the terms of Standing Order 43 I rise on a matter of urgency arising from the fact that organizations and local government authorities were required to submit applications for local initiative project grants by October 15 of this year with the understanding that the Department of Manpower and Immigration would make its decision regarding the acceptance or rejection of these grants on or before December 3. In view of the fact that many constituencies in Canada, including the northern constituency of Meadow Lake, have not had any decision made to date

regarding LIP, I move, seconded by the hon. member for Assiniboia (Mr. Knight):

That the Minister of Manpower and Immigration make a statement on motions tomorrow indicating, first, the reasons for the delay in announcing LIP projects in certain constituencies and, second, the date that these announcements will be made.

[*Translation*]

Mr. Speaker: The House has heard the hon. member's motion. Such a motion requires the unanimous consent of the House under the provisions of Standing Order 43. Is there unanimous consent?

Some hon. Members: Yes.

Some hon. Members: No.

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

ORAL QUESTION PERIOD

[*English*]

ENERGY

OIL—CONSIDERATION OF HIGHER COST IN FORMULATION OF INDUSTRIAL POLICIES

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce who has spoken about the government developing a coherent set of industrial policies. I should like to ask the minister whether a part of this set of coherent industrial policies is to keep the costs of all vital forms of energy at a level to give Canada a competitive edge in processing and manufacturing?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, the Leader of the Opposition has identified an important part of the coherent set of strategies. We have talked about energy costs both as input and as material in the development of the industries of Canada.

An hon. Member: That is incoherent.

Mr. Stanfield: If there is a competitive edge for Canada in having lower energy costs, will not the substantially higher crude oil price in eastern Canada compared with the price of crude in the rest of Canada, possibly now different by as much as $3 a barrel, constitute a substantial disadvantage to the economy of those provinces and therefore an intensification of regional disparity? If there is a competitive edge one way, does the competitive edge not cut the other way?

Mr. Speaker: Order, please. The hon. member's question sounds rather like debate. Perhaps the minister might be allowed to reply briefly.

Mr. Gillespie: The government has made very clear, and the Prime Minister underlined this in his speech to the House the other evening, that future energy costs, particularly those related to oil, would be so organized that one would hope there would be a major advantage in terms of input and material costs to Canadian industry. In other words, prices would be allowed to rise to such a level that self-sufficiency in supply would be maintained but not to such a level as to reach the highest international prices pertaining at the time.

Mr. Stanfield: I have a supplementary question following what may fairly be referred to as an irrelevant answer to my previous question.

An hon. Member: That was a debating point, not a question.

Mr. Stanfield: I should like to ask the minister how he regards a set of industrial policies which he says is intended to fight regional disparity—he has said that is one of the set—as being coherent with a pricing policy for oil that provides a substantially higher cost for oil in the parts of Canada that suffer most from regional disparity? Will the minister reconcile those points?

Mr. Gillespie: I think that the long-term industrial development of Canada will be supported if we are able to obtain lower energy costs and lower oil costs for petrochemical industries and other energy intensive industries across this nation.

Mr. Hees: Get out your violin.

Mr. Speaker: The Chair will recognize the hon. member for Central Nova on a supplementary and then the hon. member for Selkirk.

ACTION TO OFFSET EFFECT OF HIGHER OIL COST ON REGIONAL DEVELOPMENT PROGRAMS IN EASTERN CANADA

Mr. Elmer M. MacKay (Central Nova): I should like to direct a supplementary question to the Minister of Regional Economic Expansion. Has he a specific policy on regional development that would link energy commodity prices with regional development strategy? In other words, what initiatives has the minister taken to cope with the energy situation in eastern Canada in the context of DREE?

Mr. Speaker: Order, please. I hope the minister will be able to reply to this question briefly. It seems to me the hon. member is inviting a rather general statement which should be made on motions.

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Mr. Speaker, in replying as briefly as I can may I say that one of the criteria which will be definitely taken into account in the future is the whole question of operating costs in relation to the level of incentive grants and other assistance that is provided. In that context I have no doubt that this will be one of the main considerations that we will examine in cases where new applications for incentives come forward. It is quite possible that in our consultations with the provinces with regard to general help in regional development this may be one of the central considerations that they will bring forward. I am sure the Prime Minister will be doing the

same at the first ministers' conference. We will consider these costs in order to keep eastern Canadian industry competitive.

* * *

● (1450)

NATIONAL DEFENCE

NORAD—SPECIAL ALERT ORDERED BY PRESIDENT NIXON ON OCTOBER 25—DELAY IN INFORMING MINISTER

Mr. Doug Rowland (Selkirk): Mr. Speaker, my question is for the Minister of National Defence. Is the minister satisfied that the chief of the defence staff exercised good judgment in delaying for six hours informing the political authorities of the first change in alert status of a component of NORAD in 11 years, an inherently dangerous situation, and has the minister now issued new instructions to the chief of the Defence Staff and other senior officers to ensure that he will not be allowed to sleep through the next alert?

Mr. Speaker: Order, please. The first part of the hon. member's question is hardly in order. He is asking for an opinion. Perhaps the second part of the question might be replied to by the minister.

Hon. James Richardson (Minister of National Defence): Mr. Speaker, I have every confidence in the defence chief—

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Richardson: —and I think that circumstances have proven that he made the right decision.

Mr. Rowland: The minister informed us yesterday that NORAD headquarters in North Bay was notified of the American decision to go to Defcon III on October 25 about midnight and that the chief of the defence staff was not notified until about 2.18 a.m. Has the minister determined the reasons for this delay, what are those reasons, and what steps has the minister taken to ensure that such a delay does not occur in the future?

Mr. Richardson: Mr. Speaker, I think the verbal advice that came through to our NORAD headquarters was in advance of the main decision. It was a warning advice before the actual decision was taken. The chief of staff did in fact receive the information when the decision was taken.

Mr. Speaker: Order, please. The hon. member will be recognized for a last supplementary and then the hon. member for Témiscamingue.

Mr. Rowland: Mr. Speaker, in light of the fact that the deputy commander of NORAD is a Canadian officer and must have known almost immediately of the alert, has the minister determined why this information was not immediately transmitted to the Canadian chief of the defence staff? In effect, is our top officer in NORAD

primarily accountable to the Canadian chief of the defence staff or to an American general?

Mr. Richardson: Mr. Speaker, I would say that the judgment made by our Canadian commander was the same one that our chief of staff made, that the information that had come to us did not relate directly to our Canadian forces.

* * *

[*Translation*]

AIR TRANSPORT

INQUIRY WHETHER NEGOTIATIONS WITH UNITED STATES COMPLETED

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I wish to direct a question to the hon. Minister of Transport.

Can he inform the House whether the negotiations with the United States concerning air transportation between Canada and the U.S. have been completed? If so, does he intend to make a statement in the House and to table the agreement that has been reached?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, negotiations with the United States have been completed, the document has been initialed by the head of each delegation; however, the American government and the Canadian cabinet have yet to ratify the agreement. When this is done, the agreement will become effective.

* * *

ENERGY

MEASURES TO COUNTERBALANCE HIGH PRICE OF PETROLEUM

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, I wish to direct a question to the Minister of Industry, Trade and Commerce regarding the situation prevailing in the province of Quebec.

Since crude oil prices are now higher in Quebec than in the provinces west of the Ottawa Valley and since those are international market prices, can the government assure the House that it is considering an industrial strategy to offset these higher prices?

[*English*]

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I am not sure if I got the full import of the question. Perhaps the hon. member would like to restate his question.

[*Translation*]

Mr. Wagner: I will gladly do so, Mr. Speaker. My question concerns more particularly the situation existing in the province of Quebec.

Since the price of crude oil is now higher in Quebec than in the provinces west of the Ottawa Valley and that it is on par with world market prices, is the government in a position to give guarantees to the House concerning the establishment of an industrial strategy to counter the effects of this high price?

[*English*]

Mr. Gillespie: Mr. Speaker, as I think my previous remarks made clear the long-term thrust is to secure for Canadian industry—

Mr. Stanfield: Long-term? We will all be dead.

Mr. Gillespie: —a cost of oil, and petroleum products that flow from oil, lower than the international price.

[*Translation*]

Mr. Wagner: Mr. Speaker, I wish to ask a supplementary, because the minister addressed his answer to the long term policy. How about the short term?

What has the government done to lower Quebec oil prices below world market prices?

[*English*]

Mr. Gillespie: Mr. Speaker, I am not sure whether the hon. member is talking about last week or the discussions that will be taking place in the near future.

Mr. Speaker: The hon. member for South Shore on a supplementary.

Mr. Knight: Mr. Speaker, on a point of order—

Mr. Speaker: Order, please. Perhaps the hon. member for South Shore will allow me to interrupt for just a moment. The hon. member for Assiniboia rises on a point of order. I will return to the hon. member for South Shore.

Mr. Knight: Mr. Speaker, my point of order is this. In view of the fact the Minister of Finance has tabled the Auditor General's report today, and in view of the fact it shows there has been a loss of parliamentary control over millions of dollars, I wonder whether the House would be prepared to revert to motions to allow the Treasury Board to make an explanation?

Mr. Speaker: Order, please. The hon. member for South Shore has the floor. That, of course, is not a point of order.

INQUIRY AS TO INDUSTRIAL STRATEGY TO OFFSET HIGHER OIL PRICES IN ATLANTIC PROVINCES

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, my question is for the Minister of Industry, Trade and Commerce. In view of the fact prices for oil in the Atlantic provinces are at present higher than in the provinces west of the Ottawa Valley line, and noting also that these oil prices in Atlantic Canada are world market prices, does the government now have an industrial strategy in place aimed at offsetting these high prices and, if so, what is the general outline of this industrial strategy?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, that is entirely why the announcement was made some ten days ago by the government with respect to the elements of a national oil policy.

Mr. Crouse: I rise on a point of order, Mr. Speaker. When the Prime Minister spoke in the House on energy policy he stated:

[Mr. Wagner.]

We must in the long run allow prices to rise to a price high enough to allow development of the oil sands and other Canadian resources, but not one bit higher.

That, Mr. Speaker, is a statement of policy. We in Atlantic Canada accept the Prime Minister's word, but I should like to know what specific steps the government is now taking to bring oil price levels in the Atlantic provinces and in Quebec below world market prices, and when will these steps be implemented?

Some hon. Members: Hear, hear!

Mr. Gillespie: Mr. Speaker, in the last ten days I think the Minister of Energy, Mines and Resources has outlined a number of measures including the extension of the pipeline to Montreal—

Some hon. Members: Oh, oh!

Mr. Gillespie: —to bring about self-sufficiency for the first time for Canadian users of oil.

Mr. Hees: A point of order, Mr. Speaker.

Mr. Speaker: Order, please. The hon. member is rising on a point of order. This will be the third point of order within the first ten minutes of the question period. I think it is much easier to ask a question. If the hon. member has a point of order he will be recognized for that purpose. I am sure it will be a genuine point of order, after which I will see the hon. Leader of the Opposition.

Mr. Hees: Mr. Speaker, it is a genuine point of order. You have cautioned the House about spending too much time on points of order during the question period, but the reason is that ministers give no answers whatsoever. We have to ask supplementary after supplementary after supplementary and we still do not get the information that we have a right to get on behalf of the people of Canada.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Hees: We are getting no information.

Mr. Lawrence: You cannot get blood out of a stone.

● (1500)

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to ask the Minister of Industry, Trade and Commerce if he can indicate to the House how a pipeline that the Minister of Energy, Mines and Resources has said will carry 250,000 barrels a day will take care of the price in an area of Canada that consumes about one million barrels a day?

Some hon. Members: Answer!

Mr. Speaker: The hon. member for Kootenay West. I appreciate that a number of hon. members are seeking supplementary questions. The Chair, of course, is quite prepared to return to this subject and allow further supplementaries on this matter.

REQUEST THAT EXPORT OF PROPANE BE LIMITED TO ENSURE ADEQUATE SUPPLIES FOR DOMESTIC NEEDS

Mr. Randolph Harding (Kootenay West): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources or his parliamentary secretary. In view of the fact that propane is used widely in rural homes and communities, especially in western Canada, and is becoming increasingly difficult to obtain or to afford because of unprecedented demand from United States buyers and the sharp increase in price, is the National Energy Board taking steps to limit the export of propane to ensure that there are adequate supplies to meet our domestic needs and, if not, what action is being taken by the government to ensure adequate supplies for Canadian users?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, on behalf of the minister I will be pleased to take note of that question and refer it to him.

EXPORT CONTROLS ON REFINED PETROLEUM PRODUCTS FROM UNITED STATES

Mr. Randolph Harding (Kootenay West): I have a supplementary question, Mr. Speaker. Has the minister received any information from United States authorities on two questions asked yesterday, the first whether Canada was included in the export controls banning shipment of refined petroleum products which began last Friday, as announced by the United States energy czar, Mr. William Simon, and, second, as to the possible curtailment of the shipment to B.C. of oil products from the Atlantic Richfield refinery at Cherry Point which means no shipments from December 16 to January 1 and after that date shipments cut to 80 per cent of normal flow?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I think I can on behalf of the minister reply to the first part of the question. I think the minister answered that question in the House yesterday, or at the end of last week, when he said there had been discussions with the United States authorities on this particular point and, indeed, that representations had been made by Canada. I do not think the situation is fully clarified yet. As to the second part of the question, I will take it as notice.

* * *

[*Translation*]

WELFARE

DAY-CARE CENTRES—INQUIRY RESPECTING WITHDRAWAL BY QUEBEC OF VETO ON FEDERAL SUBSIDIES

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I would like to put a question to the Minister of National Health and Welfare.

Since the Quebec Minister of Social Affairs declared before the Legislative Assembly that the Quebec government is financially helpless in the face of the day care centre problem, could the minister tell the House whether the veto of the Quebec government to prevent the federal government from subsidizing day care centres under LIP has been withdrawn?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I think that the problem of the financial helplessness of provincial governments depends on the priorities established by them. As to the second part of the question, I think it concerns the Minister of Manpower and Immigration who is responsible for local initiative projects.

Mr. Lambert (Bellechasse): I would like to direct a supplementary to the Minister of National Health and Welfare.

Could he tell whether he had discussions with his Quebec counterpart during the last six months on the veto I referred to in my previous question? If so, is there any agreement on this matter?

Mr. Lalonde: Mr. Speaker, I think I remember I had an informal discussion on this subject during the last six months. The agreement was that the federal government would not approve local initiative projects for day care centres unless it had some guarantee that they would be financed by the provinces upon termination of the LIP financing. Quite a few projects were approved under LIP on the basis of that understanding, I believe.

* * *

[*English*]

ENERGY

USE OF CANADIAN SHIPS TO MOVE WESTERN OIL TO EASTERN CANADA

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, my question is supplementary to questions I have previously directed to the Minister of Transport on this subject. I thank him for the detailed information he sent me today respecting the registry of ships carrying oil from the west coast to the east coast. In view of the fact that of the 12 ships being used for this purpose none is of Canadian registry, is the minister considering any program that might be introduced rapidly to stimulate Canadian activity in the movement of oil from British Columbia to the east coast?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I wrote a letter to the hon. gentleman in answer to his question yesterday about the number of ships being used to transport oil. There are only two such Canadian ships, which are not available at this time. For the future, all depends on government policy regarding a merchant marine.

* * *

CAPE BRETON DEVELOPMENT CORPORATION

PROPOSED STRIP MINING OF COAL—REQUEST THAT MEASURES BE TAKEN TO PROTECT ENVIRONMENT

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, I direct my question to the minister responsible

for the Cape Breton Development Corporation. In light of reports that the Cape Breton Development Corporation is planning a strip mining venture, can the minister advise if, first, this is correct and, second, if it is, can he assure the House that no strip mining for coal will take place by Devco unless proper and adequate plans are laid down and duly announced for a program of backfilling and reforestation?

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Mr. Speaker, to the extent that I am technically competent to do so, I can report to the hon. member that I understand this is in contemplation but so far as I am aware it has not reached anything close to the decision-making point. I can also assure him that the matter will be pursued much more thoroughly before anything goes ahead. I have no doubt that, should it go ahead, conservation measures will be taken. If he will permit me, I will take the balance of the question as notice and send him a written answer.

Mr. Muir: In view of the very bad experience some years ago in Cape Breton connected with strip mining—I thank the minister for his reply—will he assure me that he will bring back a report, as already intimated, affirming that no strip mining will take place unless proper measures are carried out so that the topography and the environment of the area will not be ruined?

Mr. Jamieson: Yes, Mr. Speaker. To repeat my earlier comment, I do not think I am competent to talk about the technical side of it, but I will provide a written answer and I hope it will be satisfactory to the hon. member.

* * *

ENERGY

PROVISION OF OIL SUPPLY TO INDUSTRY IN CARLETON-CHARLOTTE TO PREVENT LAY-OFF OF WORKERS

Mr. Fred McCain (Carleton-Charlotte): Mr. Speaker, my question is supplementary to earlier questions by the hon. member for Central Nova and the Leader of the Opposition. Inasmuch as the international exchange of petroleum products has been interrupted by the present supply situation, and because it is estimated that some 2,500 people will be unemployed in my constituency on or about January 25 if supply cannot be renewed, does the Minister of Industry, Trade and Commerce have any plans to put these people back to work since there is no oil coming from Montreal?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, if the situation is as serious as the hon. member has indicated, I hope he will make every effort to see that the allocation bill is passed by the House just as fast as possible.

[Mr. Muir.]

AGRICULTURE

ALLEGED SHORTAGE OF FERTILIZER—REQUEST THAT MAJOR SUPPLIERS APPEAR BEFORE HOUSE COMMITTEE

Mr. Craig Stewart (Marquette): Mr. Speaker, my question is for the Minister of Agriculture. As it now appears evident, according to reports from dealers across Canada, that there will be a serious shortage of all types of fertilizer, would the minister reconvene the agricultural committee of the House and request the major suppliers of fertilizer to appear before the committee, thus allowing that committee to ascertain whether a shortage faces Canadians in the coming year and what action needs to be taken?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, first I differ with the premise of the question because I do not foresee any shortage of fertilizer. In some instances over 500 per cent more fertilizer has been delivered than at any time in Canada's history to Canadian farmers. I am still optimistic that supplies will be adequate to meet the demands of the producers. We are still having ongoing meetings with fertilizer companies, suppliers, etc. The problem now mainly concerns distribution and the obtaining of some of the ingredients that go into the making of the final product.

Mr. Jack Murta (Lisgar): Mr. Speaker, may I direct a supplementary question to the Minister of Agriculture. I ask the minister whether the industry has informed him of pending shortages, especially of nitrogen fertilizer and anhydrous ammonia, and whether some 60,000 tons of raw product are still being held back because of lack of railway cars?

• (1510)

Mr. Whelan: Mr. Speaker, there is no doubt there is a transportation problem, but at this time of the year there is very little fertilizer being used; it is mostly being put in store. As far as that goes, we have asked farmers to do this. I am optimistic. Last year we asked them to do so later than this year, and they were supplied with 50 per cent more fertilizer than ever before in the nation's history. We are doing everything humanly possible to make our producers the most efficient in Canada.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. Looking around the House, hon. members will notice there are about 50 members rising for supplementaries or questions. Obviously most of them will be disappointed. If members have questions that could wait until tomorrow, perhaps they would wait until tomorrow. We still have supplementaries on this matter. I will recognize the hon. member for Lisgar, the hon. member for Brandon-Souris and then the hon. member for Vancouver Kingsway.

Mr. Murta: I again ask the Minister of Agriculture whether the industry has informed him of a pending shortage, especially of anhydrous ammonia and nitrogen fertilizer, and can he also tell us what magnitude of price increase the farmers can expect this coming spring?

Mr. Whelan: As hon. members know, Mr. Speaker, manufacturers of fertilizer are one of the largest users of

energy. For example, one pound of fertilizer requires 60,000 Btu's, and one pound of steel requires 20,000 Btu's. I am told there may be a shortage of nitrogen, especially in British Columbia where the government of the province saw fit to raise the price of natural gas to the industrial consumer by 81 per cent. These things have to be taken into consideration. There are other forms of nitrogen. If there is a shortage of anhydrous, other forms will be available.

Mr. Murta: Mr. Speaker, I rise on a point of order in connection with the answers given by the Minister of Agriculture. They were specifically non-answers. I believe the minister does not have the information.

Some hon. Members: Order!

Mr. Murta: The minister is not aware of what is going on in connection with the shortage of fertilizer for the agricultural industry.

Mr. Speaker: Order, please. I would point out that that is not a point of order but a point of debate. If hon. members want the Chair to recognize the Minister of Agriculture to reply to the hon. member's point of order I will do so, but I am not sure what that will accomplish.

Mr. Whelan: Mr. Speaker, speaking to the point of order, I challenge anyone to prove that this Minister of Agriculture has not had more conferences and deliberations with the fertilizer industry of this country in the past year than anybody in Canada and has gathered more information re the fertilizer supply situation than ever before.

Some hon. Members: Hear, hear!

Mr. Whelan: It is obvious to me that the hon. member knows a lot less about the real fertilizer situation in this country than the false one.

GOVERNMENT ACTION TO STABILIZE PRICE OF FERTILIZERS AND ENSURE ADEQUACY OF SUPPLY

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, my supplementary is to the Minister of Agriculture. In view of the minister's familiarity with fertilizer and all aspects of the problem, will he inform the House whether he is taking any action to deal with the inflated price across the border, that is being made available to Canadian manufacturers of fertilizer, a price that is attracting more and more Canadian production; and what action is he taking to ensure adequate supplies for Canadian farmers?

Hon. E. F. Whelan (Minister of Agriculture): In reply to the hon. member's question, Mr. Speaker, I said a week ago that I hoped to present to the House a document or paper on the actual position of fertilizer manufacturing and the potential production in this country. I intend to do that. As far as I am concerned, what the hon. member has said is erroneous. We know that the manufacture and distribution of fertilizer is now greater in Canada than ever before. These plants were built in the first instance because of export demand. They could not have operated without exports. This government has taken action in the past to guarantee that when products are needed by Canadians they will be available.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please.

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CONSUMER AFFAIRS

INCREASE IN PRICE OF SUGAR—NEGOTIATIONS FOR WORLD AGREEMENT

Mrs. Grace MacInnis (Vancouver Kingsway): Mr. Speaker, I think we have had enough fertilizer for now. My question is for the Minister of Finance or whichever minister is responsible. In view of the recent statement of the vice-president of Redpath Sugar Limited that the rise in the wholesale price of sugar of $1.15 a hundredweight reflects a jump in world sugar prices on the London commodity market, can the minister tell the House if any negotiations are in progress for a world sugar agreement?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, there have been negotiations with regard to a world sugar agreement. Those negotiations were not successful and efforts are being made to get negotiations under way again. That is the current situation.

Mrs. MacInnis (Vancouver Kingsway): I was afraid I would get that kind of answer. I have a supplementary question for the Minister of Consumer and Corporate Affairs. What plans has the minister, in the meantime, to protect the Canadian consumer from the effects of this assault on one of the basic elements in the Canadian diet?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker—

Mrs. MacInnis (Vancouver Kingsway): I am sorry. I had better put it again.

Mr. Gray: Mr. Speaker—

Mr. Speaker: Order, please. I believe the question has not been entirely asked. The hon. member will be given an extra few moments to complete the question.

Mrs. MacInnis (Vancouver Kingsway): Thank you, Mr. Speaker. Pending a world sugar agreement, what plans has the minister to protect the Canadian consumer from the effects of this assault on one of the basic elements in the Canadian diet?

Mr. Gray: Mr. Speaker, I thank the hon. member for that useful question. I have been consulting on this matter with my colleagues, the Minister of Finance and the Minister of Industry, Trade and Commerce.

Some hon. Members: Oh, oh!

Oral Questions

LABOUR RELATIONS

RAILWAY EMPLOYEES—INQUIRY WHEN ARBITRATOR'S REPORT WILL BE MADE

Mr. Paul E. McRae (Fort William): Mr. Speaker, my question is to the Minister of Labour. In view of the fact that three months have already elapsed since an arbitrator was appointed to arbitrate the rail dispute, and the fact that there is extreme concern among railroaders and Canadians in general about the results of that arbitration, can the minister give us a date on which the arbitrator's decision will be tabled?

Mr. Fairweather: The papers say January 16.

Hon. John C. Munro (Minister of Labour): Mr. Speaker, I think hon. members will realize that Mr. Justice Emmett Hall has had a very arduous task indeed, with about 30 volumes of evidence to study prior to making his report. I understand he will have the report ready about the middle of January.

* * *

FISHERIES

LICENSING PROGRAM FOR FISHING CRAFT—REQUEST TO DEFER IMPLEMENTATION—SCOPE OF UNEMPLOYMENT INSURANCE

Mr. Walter C. Carter (St. John's West): Mr. Speaker, my question is for the Minister of Fisheries. In view of the fact the minister's statement of November 14 with regard to the licensing of fishing craft is causing widespread concern and a lot of uneasiness and frustration among fishermen, particularly because of the fact they were not fully consulted on this matter, is the minister prepared to defer the implementation of that program until such time as the fishermen are acquainted with its implications and possibly may have some input into the regulations?

Hon. Jack Davis (Minister of Fisheries): Mr. Speaker, I think the hon. member should consult his provincial minister of fisheries who thinks that the policy and the licensing program are very good.

Mr. Carter: Mr. Speaker, I am not concerned about what the provincial minister of fisheries thinks. I am asking the federal Minister of Fisheries. In view of the fact this announced program has caused a lot of concern, will the minister agree to defer it until the fishermen are fully aware of the implications?

Mr. Davis: Mr. Speaker, teams are going around to the fishing communities and describing the assistance available to the fishing industry as well as discussing any other matters about which the fishermen are concerned.

● (1520)

Mr. Carter: Since one of the concerns expressed by the fishermen has to do with unemployment insurance benefits, and inasmuch as the minister's parliamentary secretary said a few nights ago that small boats under 35 feet in length would not have to be licensed and that these people would be allowed to fish, can the minister tell us whether the UIC plan as it refers to fishermen will be applied to those who fish from small boats, or whether it will be restricted to professional, full-time fishermen as defined by the minister?

[Mr. Gray.]

Mr. Davis: I know of no imminent change in the administration of unemployment insurance as it applies to fishermen.

* * *

AIR TRANSPORT

REFUSAL OF FUEL TO CANADIAN PLANES AT UNITED STATES AIRPORTS—REQUEST THAT CANADA TAKE SIMILAR ACTION

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, I have a question for the Minister of Transport. In view of the fact that Canadian airlines are still being refused fuel at United States airports, will the government cease allowing Unites States airlines to refuel in Canada, as they seem to be doing excessively, until an agreement is reached between the two countries to solve this problem?

[*Translation*]

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I doubt that in fact Canadian airlines are treated any worse in the United States than American airlines are treated here.

[*English*]

Mr. Reynolds: I did not get an answer to my question, Mr. Speaker. Pacific Western Airlines are being refused fuel in Hawaii. Until they are allowed to get fuel in Hawaii, will the Canadian government stop allowing United Airlines and Western Airlines to refuel in Vancouver and Calgary?

[*Translation*]

Mr. Marchand (Langelier): Mr. Speaker, doubtless such incidents have occurred and will still occur in the future. In fact, several American airlines are being refused fuel here in Canada.

* * *

ENERGY

OIL—POSITION OF SAUDI ARABIA RESPECTING SHIPMENT TO CANADA

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I should like to put a question to the Secretary of State for External Affairs.

Since the Minister of Energy, Mines and Resources has stated recently that Canada was not on the list of countries penalized by Saudi Arabia, as regards our imports of oil, that the Department of External Affairs had sent Mr. Gignac as ambassador in order to clarify the problem and that importing companies state that they still face difficulties in getting oil, can the minister say whether Mr. Gignac has reached the core of the problem and knows when this question will be settled?

[*English*]

Hon. Mitchell Sharp (Secretary of State for External Affairs): As my colleague said in reply to a similar question yesterday, the information we have from the government of Saudi Arabia is that Canada is not on the boycott list.

EXTENSION OF OIL PIPELINE TO MONTREAL—ROUTE TO BE FOLLOWED—POSSIBILITY OF GOVERNMENT FINANCIAL ASSISTANCE

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, in the absence of the Minister of Energy, Mines and Resources perhaps I could direct my question to the Minister of Industry, Trade and Commerce. It arises from the statement yesterday by the Minister of Energy, Mines and Resources that there is still a serious possibility that the oil pipeline extension to Montreal will follow a route through Sault Ste. Marie. Could the minister tell us today, in light of meetings which were, I understand, held yesterday, whether the Sault Ste. Marie line is still a serious possibility, or does Interprovincial Pipeline now say it is convinced that Sarnia is the only way for the line to go?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): I believe the Minister of Energy, Mines and Resources has indicated that he will be making a statement on this matter in the near future.

Mr. Stevens: I have a supplementary for the Prime Minister. Can the right hon. gentleman inform the House whether the government of Canada has offered any financial assistance to Interprovincial to help construct the line and, if so, what is the extent of such assistance offered?

Right Hon. P. E. Trudeau (Prime Minister): The answer to that question, Mr. Speaker, is no.

* * *

[*Translation*]

SOCIAL SECURITY

GOVERNMENT ASSISTANCE TO HELP PEOPLE PAY HIGHER COST OF FUEL OIL

Mr. Eymard Corbin (Madawaska-Victoria): Mr. Speaker, I should like to put a question to the Minister of National Health and Welfare.

Can he tell us how the provinces reacted to the suggestion which he made to them three weeks ago that the federal government would share the additional welfare costs for needy persons in order to help them pay the cost of fuel oil this winter?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, only one Atlantic province, Prince Edward Island, has replied to this date and its answer was that it would increase welfare payments by 10 per cent starting on January 1.

Mr. Corbin: Mr. Speaker, I should like to ask a supplementary question to the Minister of National Health and Welfare.

Does he intend contacting again the provinces which have not yet replied to his first suggestion?

Mr. Lalonde: I do not think it is necessary, Mr. Speaker. I sent very explicit telegrams to my colleagues and I imagine that, as a result, they are now trying to take action especially in connection with those 175 million dollars for which the provinces will benefit through the increase in equalization payments and an increase of 115 million dollars after the taxation of family allowances.

* * *

[*English*]

FISHERIES

INQUIRY AS TO AMENDMENTS TO UNEMPLOYMENT INSURANCE REGULATIONS TO ENCOURAGE FISHERMEN TO REMAIN IN INDUSTRY

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, my question is supplementary to a question asked by the hon. member for St. John's West. It is addressed to the Minister of Fisheries. In view of the fact that some of the best fishermen in the Altantic provinces are turning down the fishing industry altogether—these are men who work mainly in longliners valued up to $100,000 and carrying a crew of five or six people—can he tell us what progress has been made in connection with amendments to be brought forward to the unemployment insurance regulations as they apply to fishermen, to eliminate the disincentive which presently exists and is driving fishermen out of business?

Hon. Jack Davis (Minister of Fisheries): I am sure that if there are any amendments to be announced they will be announced by the Minister of Manpower and Immigration.

Mr. Lundrigan: Can the minister tell us what has happened in the three years he has been studying unemployment insurance for fishermen? What about the consistent responses he and his colleague, the Minister of Regional Economic Expansion, have given to the effect that they are consulting and planning to bring in changes? Next year he will not get thousands of fishermen to go fishing because of the disincentives which are presently causing so much concern. What changes does he intend to bring about?

Mr. Davis: As the hon. member knows, payments to fishermen under the act have increased substantially, as they have to other workers in Canada.

* * *

PROTECTION OF PRIVACY BILL

REQUEST FOR GOVERNMENT MOTION TO REJECT SENATE AMENDMENT

Mr. Stuart Leggatt (New Westminster): My question is directed to the Minister of Justice. In view of the minister's advice to the judicial committee of the other place that he could live with the notice provision in the wiretapping bill, and in view of the fact the other place gave this bill consideration for only 1½ days whereas this House has given it consideration over a period of years, will the

minister introduce a motion calling for the rejection of the Senate amendment so that the other place might be given an opportunity to reconsider its position and also to hear witnesses other than police officers?

Hon. Otto E. Lang (Minister of Justice): There may have been a few too many "in view ofs" and "whereases" in the hon. member's question, but I can assure him I hope to see this House consider further very soon the important bill on privacy.

Mr. Leggatt: In the event this House rejects the Senate amendment, would the Minister of Justice give an assurance that he will fight for the bill and all its amendments—

Mr. Speaker: Order, please. The hon. member's supplementary is hypothetical.

Mr. Ron Atkey (St. Paul's): I have a related question for the House leader. In view of the exclusion of Bill C-176 from the shopping list which the minister gave the House last night, would he say whether or not the government has decided to scrap this important legislation? Has it fallen into the dangerous trap set by persons in the other place who are really not interested in protecting the privacy of the individual?

Hon. Allan J. MacEachen (President of the Privy Council): I was not aware I was giving a shopping list last night. I did indicate that the bills I would call today and subsequently were the election expenses and the export tax bills. I have always included the privacy bill among the legislative items I wanted to get through this session, and I still regard it as essential even though when I gave my list last Thursday I did not expect it would be back in the House again.

Mr. Atkey: Would the government House leader indicate what priority he gives to Bill C-176 in the context of the other pieces of legislation he has mentioned? Would he undertake to consult his Liberal colleagues in the Senate to ensure that they understand the bill and that they will not blindly thwart the wishes of the majority of the members of this House?

Mr. Speaker: Order, please. That is hardly a question. The hon. member for New Westminster is rising on a question of privilege.

● (1530)

Mr. Leggatt: Thank you, Mr. Speaker. My question of privilege is in response to the question of privilege that the Minister of Justice raised on December 13, in which he asked me to apologize for an allegation I had made at that time, or which could be inferred, that he had flouted the will of the House in regard to consideration of the wiretapping bill in the other place. I did not rise immediately because I had not had an opportunity to read the evidence given in the other place. I have now had an opportunity of looking at the evidence and I do tender to the minister my apology in that there was no apparent attempt to flout the will of the House in the minister's evidence before the Senate committee.

[Mr. Leggatt.]

Mr. Speaker: Order, please. I have to interrupt the hon. member, if he will resume his seat. The hon. member is rising on a question of privilege which relates to a statement made before the House. The hon. member says he has now had an opportunity to look at evidence or at other documents. On this basis, if he had wanted to rise on a question of privilege it would have been incumbent upon him, according to the Standing Orders, to give notice to the Chair. I have received no such notice. I hope the hon. member will not pursue the matter at this time without the notice required by the Standing Orders. Orders of the day.

The hon. member for Gander-Twillingate rises on a point of order.

Mr. Lundrigan: Mr. Speaker, my point of order has to do with the proposed future government business. Today in the question period several questions were raised about unemployment insurance for fishermen. I wonder whether I could ask the House leader, on my point of order, if he would indicate whether there are any plans, in view of the fact that today many hundreds of fishermen, some of them professional fishermen who have maybe $100,000 invested in fishing equipment, are leaving the fishery—

Mr. Speaker: Order, please. Will the hon. member resume his seat. The hon. member seeks the floor on a point of order, but he is asking a question and making a speech or representation at the same time. If the hon. member has a point of order, he should indicate immediately what it is, and of course he will be recognized for that purpose. I will then try to ascertain whether he has a point of order on which a ruling ought to be made.

Mr. Lundrigan: Mr. Speaker, I do not have the facility to put my point of order in succinct enough terms so that it will be understood, without some preliminary introduction. There are four or five very serious aspects of the unemployment insurance regulations as they pertain to fishermen. The government has promised amendments to the act. I should like to know whether the House leader can indicate if any plans have been cogitated upon by him, the manpower minister and the Minister of Fisheries to bring in changes to the UIC regulations and amendments to the act that will enable—

Mr. Speaker: Order, please. I have to interrupt the hon. member. This is obviously not a point of order. The hon. member is asking a question, and I wonder how it qualifies as a point of order. The question may be very legitimate and perhaps the hon. member could be recognized tomorrow when I will cast an eye in his direction and give him the opportunity of asking the question.

Mr. Lundrigan: Mr. Speaker, I thought it was fairly customary, based on precedent, to inquire about future government business coming before the House. This is an urgent matter since the House could rise any day now. Has the government any plans to bring forward legislation or amendments to enable the fishermen of the Atlantic region in particular to stay in their fishing boats?

Mr. Speaker: Order, please. Orders of the day.

GOVERNMENT ORDERS

[*English*]

ELECTION EXPENSES

PROVISION OF PAYMENTS TO CANDIDATES AND REIMBURSEMENT OF PARTIES FOR CERTAIN BROADCASTING TIME

The House proceeded to the consideration of Bill C-203, to amend the Canada Elections Act, the Broadcasting Act and the Income Tax Act in respect of election expenses, as reported (with amendments) from the Standing Committee on Privileges and Elections.

Mr. Speaker: Order, please. The hon. member for Skeena (Mr. Howard) is rising on a point of order.

Mr. Frank Howard (Skeena): Mr. Speaker, I rise on a point of order before we proceed to consider any aspects of this bill. My point of order relates to the expenditure of public funds, as provided in two places in the bill. Perhaps it is worth while to look at the recommendation of His Excellency the Governor General, which I understand is the foundation for the expenditure of public funds, to be found at the front of the bill. So far as it relates to the reimbursement of candidates' expenditures, it says that the reimbursement shall be "to the extent of 16 cents for each of the first 25,000 names appearing on the preliminary lists of electors for their electoral districts, and 14 cents for each additional name". Then there are other reimbursement provisions, but these are the ones to which I refer.

At page 25 of the bill we have the clause where an assessment is made of what the reimbursements shall be. Paragraph (b)(i), commencing at line 13, provides that the reimbursements shall be—

> —the postage costs of mailing one item, not exceeding one ounce in weight, by first-class mail to each person whose name appears on the preliminary lists of electors for the candidate's electoral district,
>
> (ii) Eight cents for each of the first twenty-five thousand names appearing on the preliminary lists of electors for the candidate's electoral district, and
>
> (iii) Six cents for each name in excess of twenty-five thousand appearing on the preliminary lists of electors for the candidate's electoral district—

The complaint I have about the recommendation of His Excellency not having been followed related to subparagraph (i). True, at the moment the postage cost of mailing a piece of first-class mail not exceeding one ounce is eight cents, but there is no guarantee anywhere that it will be eight cents forever. In fact, with the escalation of various cost items, and in view of the avowed intention of the Department of the Post Office, it will not be eight cents but will increase in the future to something else.

To the extent that the charge does increase, it will then be in violation of His Excellency's recommendation concerning 16 cents for each of the first 25,000 names of the voters' list. The combination of the postage cost of mailing one item for everybody on the voters' list and the eight cents additional for the first 25,000 names on the list may well exceed, and probably will exceed, the 16 cents confinement contained in the recommendation of His Excellency. I would appreciate it if this aspect could be looked at and some determination made, not necessarily now but when we get to the appropriate stage.

The other point of order I want to raise regarding the expenditure of public funds not authorized by His Excellency relates to page 23 of the bill, where in subsection (3) of clause 9, halfway down the page, there are some words added by the committee, and it is this part that offends against the recommendation of His Excellency. The proposed subsection (7) reads as follows:

> Each auditor's report received by a returning officer from an official agent along with the summary of the return respecting election expenses to which it relates shall be published—

Now comes the part which the committee added.

> —at the expense of Chief Electoral Officer on behalf of the Crown in right of Canada in one newspaper published or circulated in the electoral district wherein the election was held.

When the bill was given first reading the words "at the expense of the Chief Electoral Officer," and so on, were not included; they were added by the committee. I think this provision has to be read in conjunction with the Canada Elections Act. The provision therein that is to remain, which is subsection (6) of section 63 at page 154 of the act, talks about the candidate's return of election expenses and provides:

> A returning officer, within ten days after he receives from an official agent any return or supplementary return respecting election expenses, shall publish at the expense of the candidate a summary thereof, in the form prescribed by the Chief Electoral Officer—

And so on. The key words there are "shall publish at the expense of the candidate a summary thereof". On first reading Bill C-203 contained a provision in respect of the auditor's report to the effect that each auditor's report received by the returning officer, from an official agent, will be published, with a summary of the return in respect of election expenses to which the return relates. I submit that there is no provision in respect of who should pay for the publication of the auditor's report and we cannot now say that this shall be made a burden on the taxpayer or on the public treasury, which are one and the same.

● (1540)

I suggest this partly because no reference was contained in the original bill in respect of who should pay the cost of publication, and partly because the words in the original bill suggest that the cost or the expense attached to the publication of the auditor's report shall be the candidate's. I suggest that the auditor's report is to be published along with the expense return. This argument is supported by the fact that in the recommendation of His Excellency at the front of the bill there is no reference to the payment from public funds of the cost of publishing the auditor's report in respect of a candidate's expenses.

Inasmuch as there is no reference to the payment of these expenses, I do not think it would be appropriate for us to amend the bill in order to reimburse a candidate in respect of publication expenses. I think we must consider this bill in accordance with the recommendation of His Excellency the Governor General, and it is very specific in its terms and contains no reference at all to reimbursement for publication of an auditor's report.

Mr. Speaker: Order, please. The point made by the hon. member is of interest and it will be considered by the Chair later today. I will look at the "blues" later this afternoon and perhaps I will look at *Hansard* tomorrow to determine whether the points made by the hon. member are in order. It may well be that the report received by the committee, if it is found by the Chair that there is an irregularity of such importance that would indicate the committee has gone beyond the powers granted it by the House in amending the bill as returned to the House, in that it does not conform with the recommendation, should be returned to the committee for further consideration. I should point out that it might be embarrassing if the House spent some days considering a bill in the event the Chair should rule that the bill be returned to the committee. I think it might be wise to have an early look at the points raised by the hon. member for Skeena (Mr. Howard), and I can assure the hon. member that the Chair will do so later this afternoon.

For the moment the House will proceed to the consideration of motion No. 1 which stands in the name of the hon. member for Skeena and is as follows:

That Bill C-203, an act to amend the Canada Elections Act, the Broadcasting Act and the Income Tax Act in respect of election expenses, be amended by deleting the words "Election Expenses Act" in Clause 1 and substituting therefor the words:

"Election Expenses and Subsidies to Political Parties Act."

This is a motion which seeks to amend the title of the bill. The precedent for this was set, to some extent at least, when the House was considering the wiretapping bill and a similar motion to amend the title of that bill. That motion was postponed, in the same way as similar motions are postponed in the committee of the whole, for consideration at a later date. I would therefore suggest that motion No. 1 be allowed to stand in the same way as followed normally in committee.

I suggest that motions Nos. 2 and 30 could be grouped for the purpose of debate; motion No. 2 standing in the name of the hon. member for Skeena and the motion No. 30 in the name of the hon. member for Comox-Alberni (Mr. Barnett), both of which substitute the words "Her Majesty in right of Canada".

The next item for consideration would be motion No. 3, and I would suggest that motions Nos. 3, 4, 5, and 6 should be considered together. This is the only grouping the Chair has attempted to make, with the assistance of the gentlemen at the table, because there are so many that it is practically impossible to present a group which would be satisfactory to all hon. members, particularly those who have proposed the motions.

In view of the fact that there are 42 motions for consideration, I would invite hon. members to be as relevant as possible, keeping in mind the Standing Orders and the procedures of this House in respect of several motions. If we had a general third reading debate on each of the 42 motions, we might still be here for Christmas of 1974. Therefore, I would seek the co-operation of hon. members in respect of the relevancy of their remarks to the motions being considered by the House. I would propose, therefore, that we start with the consideration of motion No. 2, in the name of the hon. member for Skeena, and motion No. 30, in the name of the hon. member for Comox-Alberni, as follows:

No. 2.

That Bill C-203, an act to amend the Canada Elections Act, the Broadcasting Act and the Income Tax Act in respect of election expenses, be amended by deleting the words "a government, Crown corporation, or any other public agency" in paragraph (*h*) of the definition of "election expenses" in clause 2 and substituting the words:

"Her Majesty in right of Canada."

No. 30.

That Bill C-203, to amend the Canada Elections Act, the Broadcasting Act and the Income Tax Act in respect of election expenses, be amended in subclause 9(2) by deleting the word "governments" in paragraph 63(1)(e) and substituting the words:

"Her Majesty in right of Canada"

and by deleting the word "government" in paragraph 63(1)(f) and substituting therefor the words:

"Her Majesty in right of Canada".

Mr. Terry O'Connor (Halton): Mr. Speaker, I do not know whether I should raise this point of order now in respect of motion No. 13 in the name of the hon. member for Skeena (Mr. Howard), but I would suggest that it is procedurally out of order in that it is contrary to Standing Order 22 of our rules and procedures which recognizes the constitutional right of members of the other place to amend provisions in a bill approved by the House of Commons. For that reason I suggest that the proposed motion by the hon. member is contrary to our Standing Orders.

Mr. Speaker: Order, please. I hesitate to interrupt the hon. member, but it is my hope that we will not take up time considering procedural matters. We have several other motions to consider in addition to the one put in question by the hon. member. While I am in sympathy with the point of order he has raised, the Chair will take the point into consideration when we reach motion No. 13. I would suggest that is the time to raise this point of order. The Chair will hear the remarks of the hon. member at that time. In the meantime, I will consider the hon. member's remarks as a caution and I will keep his objection in the back of my mind for further consideration. Is the hon. member for Skeena rising on a point of order?

Mr. Howard: Not really, Mr. Speaker. I would be prepared to go ahead with the consideration of motion No. 1, if that is the wish of the Chair.

Mr. Speaker: The suggestion of the Chair is that we proceed to consideration of motions 2 and 30.

Mr. Frank Howard (Skeena) moved:

No. 2.

That Bill C-203, an act to amend the Canada Elections Act, the Broadcasting Act and the Income Tax Act in respect of election expenses, be amended by deleting the words "a government, Crown corporation, or any other public agency" in paragraph (h) of the definition of "election expenses" in clause 2 and substituting the words:

"Her Majesty in right of Canada".

Mr. Thomas S. Barnett (Comox-Alberni) moved:

No. 30.

That Bill C-203, an act to amend the Canada Elections Act, the Broadcasting Act and the Income Tax Act in respect of election

expenses, be amended in subclause 9(2) by deleting the word "governments" in paragraph 63(1)(e) and substituting the words:

"Her Majesty in right of Canada"

and by deleting the word "government" in paragraph 63(1)(f) and substituting therefor the words:

"Her Majesty in right of Canada".

Mr. Howard: As a preliminary, Mr. Speaker, I suggest to the hon. member for Halton (Mr. O'Connor), through you, that when he comes back to his point of order he get the accurate numerical designation of the motion in question.

Dealing very briefly with motion No. 2, it arises from an amendment the committee made to clause 2 which appears first in the bill as a definition of "election expenses." Clause 2 is a very complex definition, as members of the standing committee realized because of the great deal of time spent in an effort to ascertain what exactly was meant by "election expenses" as proposed by the government. In this regard we should express our appreciation to several gentlemen of the justice department, Mr. Blue, Mr. Gibson, the Chief Electoral Officer, Jean Marc Hamel, and others for the excellent analysis they gave the committee of the meaning of the meaning of the words "election expenses" as contained in this bill.

● (1550)

I think the difficulty arose—and it has yet to arise for members who were not on the committee or who have not yet met that difficulty in respect of election expenses—in persons' minds as to what in any specific case is meant by or sought to be included in the question of election expenses. It is not what we normally think; it is not necessarily an election expense if one makes an expenditure of money because under this definition some moneys expended, put out, transferred or paid out of the treasury of the particular registered political party would not be classified as an election expense. It also included things to which it is difficult to attach a monetary value, such as services donated or provided.

There was a great deal of concern in the committee about what value you attach to a service that has been donated or provided to a registered party or candidate. How would one make the computation in respect of whether the services or goods provided the candidate or the political party were charged for at a rate less than what the rate would be for those particular goods or services normally or in the normal conduct of a person's business? There is the question of how one determines what the normal cost would be of goods and services that might be provided if they are provided at less than whatever the commercial value might be.

All these concepts and ideas are included in the first part of the definition of election expenses and are classified therefore as a cost. The draftsmen of the bill—and I really cannot understand why this was done—then proceeded to use this phrase of generality in legal draftsmanship, namely, "without limiting the generality of the foregoing" as meaning certain things; then they proceed to spell them out as if they were not spelled out in the first definition. They seem, then, to say that election expenses, if one did not understand it from the first part of the definition, means the cost of acquiring the right to the use of broadcasting facilities or any broadcasting undertaking and the right to run an advertisement in a publication. These are considered to be election expenses and a cost either to the party or to the candidate.

Then there is the cost of acquiring meeting space, providing light refreshment, material of a promotional nature and the normal things that take place during an election campaign in which a party or a candidate becomes involved, such as running advertising in newspapers or on radio and television, holding meetings and distributing literature in an attempt to get a point of view across to the general public. These are the normal, natural and traditional approaches which result in expenditures and I thought they were included in the earlier definition, but apparently the people who drafted the bill felt this was not the case and wanted to spell it out with more particularity and make it more clear. However, in the process I think they made it a bit more confusing. As a result, we have confusion in respect of what election expenses include, because they obviously do not include every cent of money expended and obviously do not include things which cannot be identified. This is where we get to what I would call the addition. It is paragraph (h) on page 2 of the bill as revised by the committee.

Then we come to those items which are difficult to assess in terms of value. This includes, and this is where the first amendment comes in, " 'election expenses' means" certain things. In paragraph (h) this includes the cost of goods or services provided by a government, Crown corporation or any other public agency when such costs are incurred for a purpose set out in this definition. At this stage I shall not bother reading all the parts which were added, but they were all companion to an attempt to understand what was meant by "election expenses" in the first instance.

Apart from the examination made by the special committee of this House, the only person I know of in recent time who has examined this subject matter is Professor Khayyam Z. Paltiel, of Carleton University, who delivered a paper to the Specialist Panel on Political Finance of the Ninth World Congress of the International Political Science Association in Montreal, August 19 to 25 of this year. Professor Paltiel did a tremendous amount of work in an effort to discover what election expenses registered parties have incurred, because the law up until now has not required such disclosure by political parties. I am now speaking in terms of what are referred to as registered political parties.

With the authentication of the Chief Electoral Officer, the name of a party can be listed. There is provision in the act on how one goes about this so that the name may be placed on the registry. However, up until now these groups or parties have not been required to make any report to anybody about election expenditures. In fact, in one instance a particular political party did not even make this kind of disclosure to its own membership. It did not disclose what it expended on an election campaign. We have the notable distinction of having had in office for too long in British Columbia a party under the designated label of Social Credit. I do not say that with any sense of offending any gentlemen who belong to the Social Credit party because there are two distinct types or elements involved in social credit.

This party in the province of British Columbia consistently refused to report to its own membership at its annual conventions what moneys it took in for the purpose of an election campaign and what moneys it dispensed in the pursuit of the election campaign. So political parties have not been required to disclose to their supporters, or to anybody, their election expenses and I have pointed out one instance in which a party would not even disclose what was going on to its own members. There were two sets of books involved and only the leader of their party knew where the other set of books was. Nobody else in the organization knew anything at all about it. However, Professor Paltiel, insofar as the federal parties are concerned—in fact he mentions it in his paper—wishes to express thanks and appreciation to various executive officers of the particular parties for the information with which they provided him. This is in reference No. 5 on page 34 of that paper. It is important that I quote him so that we understand what we are trying to do in terms of election expenses. He writes:

● (1600)

The author wishes to thank numerous Liberal, Progressive Conservative, and New Democratic Party officials for their generous help in the preparation of this paper and accompanying studies. In particular he is grateful to John M. Godfrey, QC., chairman of the treasury committee and Blair Williams, national director of the Liberal Party of Canada.

I am told by my colleagues who know that area of Canada fairly well that the name of John M. Godfrey is preceded by the title "Senator." He is in the other place, a former bagman of the Liberal Party. The Liberal collection agent is now in the Senate—being paid, incidentally, from public funds to carry on the program for a registered political party. The professor goes on to express his appreciation and thanks to Finlay MacDonald, national campaign chairman, Malcolm Wickson and Mr. Curley of the Progressive Conservative Party of Canada, as well as Mr. Clifford Scotton, federal secretary of the NDP for his unstinting help over the years. Professor Paltiel was able to obtain from those persons, and probably from others because he says he wishes to thank "numerous Liberal, PC and NDP officials" and bring together in one paper information about expenditures and incomes of political parties that has not until now been available to anyone.

I know that the President of the Privy Council (Mr. MacEachen) on a number of occasions in committee, in speaking about another aspect of the bill said that nobody knew of the financial involvement of political parties at the national level, that no one had this information and that it has never been brought together. For instance, he did not know what it was with respect to his own party. I assume that the people to whom Professor Paltiel spoke, the people to whom he gave special accolades for their help with respect to this paper, told him precisely what the truth was. They had nothing to hide. He documented it in here. His opinion—and this is the only one of which I know—is based upon a very careful analysis of the value and the impact of a federal election campaign.

It is his opinion that the value that accrues to a political party at the national level during an election campaign, the value that comes to the political party from the fact that that party forms the government, is in the neighbourhood of a quarter of a million dollars. In other words, the mere fact of being in office, with the facilities that are available—and Professor Paltiel spells them out; he talks in terms of facilities such as government aircraft and cabinet ministers travelling on government aircraft from one place to another—has a value attached to it. The government employs propagandists, loosely called speechwriters, to write speeches, to prepare press releases, to engage in assessments and in conducting polls of opinion in the country about how the party is doing.

Officials who do that sort of work are paid out of the public treasury, and Professor Paltiel puts the costs all together and concludes that they amount to something in the neighbourhood of $250,000. Perhaps it would be worth while to read what he says. The following appears on page 9:

At the very least part of the substantial differences in the cost of the leader's tour and administrative costs of the party as compared with parallel Progressive Conservative expenses may be accounted for in this manner. In all, these unrequited services probably benefited the Liberal party by a sum not far short of $250,000 which should be added to the total in the aforementioned table.

On the previous page he sets out a table of the expenditures of the Liberal Party for such things as the leader's tour and expenses for television, the printed media and the like.

This amendment which the committee made includes an amendment proposed by the Progressive Conservative Party, specifically the amendment of the hon. member for Lanark-Renfrew-Carleton (Mr. Dick). The amendment, which the committee accepted, said that the costs of goods and services provided by a government Crown corporation or any other public agency have to be included in what are election expenses. The amendment that I seek to make here, in so far as the first part is concerned, is to remove the words "a government Crown corporation or any other public agency" and replace them with the words "Her Majesty in right of Canada".

My reason for doing that is as follows. The word "government" has extremely broad application and includes a provincial government. It is true that some provincial governments have in the past exerted some of their energies at the federal level toward the party to which they belong. I am quite sure that that has occurred. Governments also include municipal governments and regional districts. In my estimation they include school boards, school districts and hospital districts organized under provincial law. The amendment that I propose, and the other one that is proposed which is a companion to this for a later part of the bill, seeks to narrow the interpretation of what is government from the extreme and broad down to the federal government, because it is a federal elections act, there are federal candidates involved and it is members of the House of Commons who are being elected.

● (1610)

It is the federal government that is being formed out of the particular election which is the one, I think properly and only, that should be accountable in making returns about what it does or what facilities it provides—to the extent that you can assess them—what facilities and services it provides toward the conduct of an election when

these costs are for the purpose set out in the definition and for the purpose to which you can attach some commercial value.

I know the argument on the other side may be that provincial governments are political entities as well, and that provincial governments have engaged in federal election campaigns. Provincial governments undoubtedly have in the past, and will in the future, try to say that whatever effort they can extend will be to the benefit of the particular party running in the federal election to which they belong. I just cannot see that we would be able to make some kind of assessment. If one does make an assessment of the value of that effort, and if that assessment is considered to be inaccurate—we have to look at this matter because there is a provision later in the bill, and an excellent one, moved by the hon. member for Greenwood (Mr. Brewin) and accepted by the committee in so far as concerns overseeing these activities or policing them—the Chief Electoral Officer is authorized to appoint a commissioner whose duty it shall be to ensure that the provisions of this act in regard to election expenses are complied with and enforced.

As I say, that is an excellent and necessary amendment. But I am very much afraid that if we extend as federal law the application of what are election expenses to a government structured under the British North America Act, a provincial government which is equal to the federal government in the area of its activities, the commissioner will oversee these matters and examine them, but if he comes upon a return of election expenses in which a party or a candidate lists an assessment of the value accruing to that party from the activities of a provincial government, upon what does he determine whether it is an accurate assessment? If he determines that it is not accurate, how does he find out what is correct? Can he bring the provincial government into his office and ask to see its books? I think he would not have the authority or power to search out these matters. Can a provincial government be arraigned in court to produce that information and make accurate what the commissioner concludes is not accurate? I doubt it very much.

A few years ago there was a case in British Columbia where the provincial government seized logs owned by a logging and sawmilling company and became the owner of them. The provincial government drove the logs from one place to another through a salmon-spawning river. No private entrepreneur or corporation could have done that because they would have been in violation of the Fisheries Act of Canada. The matter was raised right in this House. The then minister of fisheries said on a number of occasions in this House, on the advice that he got from the legal people in his department, that the federal government could not challenge the provincial government on this, even though it was *de facto* violation of the Fisheries Act, because the two governments were equal one with the other in their respective jurisdictions: one could not override the other. That could very easily be the case here, Mr. Speaker. We would have either a matter of great tension or a confrontation which would not satisfy the intent of the act.

I am sure, on the other hand, that if we were to accept the amendment and say that only the costs of goods and services provided by a government apply to those provided by the federal government, Her Majesty in right of Canada, which includes Crown corporations and all other public agencies, it is an all-inclusive term and that is the only one that we can, and should, tax. Naturally, the only political party at an election that would be making a return of that nature or a return on election expenses that included items referred to in the relevant section would be the party that happened to form the government. None of the other parties would be involved. I do not think any of the other parties could claim that the service provided by a federal government agency, a federal government aircraft or the speechwriter for a cabinet minister, was really an asset in the election of a candidate for some other party. It may well be, and some of them are. But that is something that is not foreseen; it is an indirect benefit to the candidate in the opposition party. I cannot see a candidate listing an assessment of value for the speechwriter of a cabinet minister whom he considered he could use to his advantage in his riding. It was not conceived to be so. There would be only one party making returns under this provision, and that would be the party in power. That is so far as the definition of election expenses is concerned.

There are other references to this question of "government" in the bill. One of them is the return which the registered party is supposed to keep, indicating how much money it obtained and the commercial value of goods and services, of individuals, corporations, governments, etc. Governments are included. Some of them were left because, as I understand the rules of procedure, if an amendment occurs to one clause of the bill, it necessitates consequential amendments to other clauses; those consequential amendments can be made without 24 hours' notice, right on the spur of the moment, and necessarily flow in order to have some continuity and some sense in the bill. They were left out of other clauses for that reason.

I understand that when the committee reported on Friday it reported amendments to the bill and the 48-hour period commenced then, as in fact it did under the rules. At that time I was unaware that some other arrangement had been made and so there was an urgency, I thought, to get amendments in by Friday at five o'clock because if the bill had been called for report stage proceedings yesterday there would have been insufficient time and the 48-hour period would have lapsed. On Friday the bill had not been reprinted, so we then did not have copies of the reprinted bill; we had only copies of the bill which had been given first reading. We had notes concerning amendments moved by members in committee and it was somewhat difficult to fit these in with copies of the bill in our possession. That is another reason we did not go exhaustively through the bill and determine to which sections the suggestions concerning "government" or "governments" would apply. We did look, however, at those parts concerning candidates' returns. We looked at the definition of "election expenses" and at what the returns should show so far as the candidate is concerned. Both these matters may be considered together. Once these matters have been considered, I think we will be able to find other references to "government" fairly easily and make the necessary consequential amendments.

● (1620)

Motion No. 30 seeks to remove from page 21 of the bill, line 34, the word "government" and substitute therefor the words "Her Majesty in right of Canada". Part of section 63(1) of the act is to be repealed. Section 63 deals with candidates' returns on election expenses. The legislation has always required, as everyone in this House knows, a candidate to file at least one return on election expenses. Candidates are required to work closely with an official agent in attempting to assess what expenses have been incurred. Those expenses must be compiled, and receipts and records must be kept and filed with the returning officer. We all know what that involves. The bill will impose an additional burden on candidates and official agents. That additional burden will involve greater accuracy, greater detail and greater efficiency.

I am quite sure that quite a number of candidates' election expense returns have not been completely accurate. I do not mean to say that the candidates are not honest; I merely mean that the information contained in the returns is not accurate. In some cases the candidate and official agent is not able to discover in detail exactly how much has been spent on the election campaign, especially in areas where there may be a number of subsidiary groups of the political organization. For example, in some areas inhabited communities may be 100 miles or so apart. Naturally, there will be a separate political organization in each community. The organization may use volunteers. That is where the difficulty comes in. Being volunteers, those people do not always keep track of expenditures.

I know of instances where a devout party worker will say something like, "Don't worry about the rental of the hall. If you want a public meeting, I will pay for the hall and consider that my contribution." He pays for the hall but does not keep receipts. He does not make any contribution directly, yet that is his traditional way of contributing to the campaign. That may be an expenditure of which the official agent may not be aware. Therefore the official agent, not knowing about it, cannot include it in the return.

The provisions of the bill mean that in the constituencies there will need to be a highly centralized, authoritarian bookkeeping operation to keep track of every cent of income spent. Candidates will be required to supply receipts, to keep track of all expenditures, to keep copies of bills and vouchers, and so on, and keep all these intact in one place. In some areas this will impede the traditional way of running campaigns.

We were shocked, to put it mildly, in committee on hearing the testimony of representatives of the Canadian association of chartered accountants. I think that is the correct name of the organization. They tried to assess for the committee what would be entailed if a candidate were to meet the requirements of the bill and employ an auditor to go over all expenses. They said something like this, "Suppose, for argument's sake, we see in the committee room a billboard, a sign or a poster advertising a candidate. We would want to know where that sign came from. We would want to see the receipt for the sign and know who paid for it."

We conceived that the chartered accountants might attach themselves to the candidate at the beginning of the campaign trail. They might sit in every committee room, count every sheet of paper and keep close watch over all election expenses. On being asked how much this would cost, the representatives said, having been asked in a number of different ways, that they thought the cost of an auditor would run in the neighbourhood of $5,000 for a campaign. One can see the concept involved. The accountant would be running around the country making sure the candidate had receipts for everything. If the candidate stayed overnight in a hotel, receipts covering that stay must be obtained. The provisions of this bill mean that constituency organizations must become centralized agencies and the bookkeeping requirements are more stringent than ever before. I can conceive that some requirements of the bill with regard to candidates will hinder the full and proper conduct of an election campaign.

Mr. Deputy Speaker: Order, please. I hesitate to interrupt the hon. member, but the 40 minutes allotted to him under the Standing Order have expired.

Mr. Terry O'Connor (Halton): Mr. Speaker, after some 50 committee meetings which closely scrutinized nearly 150 amendments, Bill C-203 has finally been returned to the House. It has perhaps received more informed, practical, experienced deliberation than any piece of legislation considered this session. We are all experts. We are all so wise on the subject of winning elections. We all have some contribution to make based upon our actual involvement in the subject matter of the bill. Thus, the quality and quantity of inspection has been significant.

The official opposition, Mr. Speaker, is now satisfied that the bill, reprinted as amended and reported by the committee, moves a long way toward achieving the goals so long sought by the several parliaments which have considered electoral reform. During the debate on second reading I stated that I did not share the optimism of the President of the Privy Council (Mr. MacEachen) that the bill in its then form would achieve all of the admirable purposes he said it would. I pointed out that the Standing Committee on Privileges and Elections appeared to have its work cut out for it. This turned out to be a prophetic understatement. I congratulate all members of the committee who, I believe, worked long and sincerely in a co-operative effort at achieving workable and responsible electoral reform.

● (1630)

The bill now encompasses procedures for the disclosure of the names and amounts of all donors to political parties and candidates. I emphasize the word "all" because the original bill omitted any reference to the role in an election of governments, through their publications, their facilities such as aircraft, automobiles, advertising and their public service personnel. As we are all well aware, the use, usually surreptitiously and indirectly, by the party in power of such readily available weaponry can provide a significant and unfair advantage during an election campaign. Amendments introduced by the hon. member for Rocky Mountain (Mr. Clark) and accepted by the committee will require the filing by the parties of details of names and amounts of money and the commercial value of goods and services provided from all sources, including governments.

Further, the prohibition against advertising during the first four weeks after the issuance of a writ now specifically includes a prohibition against the use of government publications. For reasons that escape me, Mr. Speaker, the committee turned down a reasonably restrictive definition covering a "government publication". I suspect that government members may regret that decision when they find during the next election that the undefined term may be considerably broader than that encompassed in the definition offered by the hon. member for Rocky Mountain.

Further, the bill now sets out specific procedures permitting one party to institute negotiations which must be responded to by the other registered parties to determine the allocation of broadcast time among them. The hon. member for Lanark-Renfrew-Carleton (Mr. Dick) worked out a formula acceptable to a majority of the committee members. Similarly, amendments were introduced and passed to require a fairer, more even-handed adjudication by the Canadian Radio-Television Commission when deciding contentious issues between parties and broadcasters. Perhaps the most significant committee improvement was that establishing a commissioner, and I quote—

—whose duties, under supervision of the Chief Electoral Officer, shall be to insure that the provisions of the act in regard to election expenses, are complied with and enforced.

Although the commissioner does not take exactly the form envisaged by us, we are delighted that the important principle of his necessity was recognized by the committee and adopted. We feel the tenacious undertaking by the commissioner of his function as defined by the amendment is fundamental to the beneficial operation of many of the other sections of the act. To have left to candidates and parties a self-auditing role would have been folly. The hon. member for Greenwood (Mr. Brewin) deserves commendation for the introduction of this worth-while concept.

I do not wish to denigrate the work of government members who also contributed substantially to the final result by proposing nearly one-third of the amendments passed by the committee. As much as anything, this fact establishes that even the usually intransigent thinkers opposite saw the need for improvement to the original bill.

Having sat for so long and considered so many divergent aspects of the bill, one would have thought that we would have perhaps exhausted the subject beyond resuscitation. However, one need only glance at the order paper for today and yesterday to see that in the minds of some at least the debate is far from over. One wonders whether the New Democratic Party is serious about electoral reform in this country at this time. Their lack of influence over the amended bill as it emerged from committee must indeed chagrin them in light of their all-persuasive influence over the government on most other matters.

However, the fact is—virtually all the matters raised by their 42 amendments were thoroughly discussed, debated and dealt with by the committee. They, of course, have every right to reintroduce these matters at this stage. But the real world of practical politics must surely point out to them, or they are more obtuse than is generally recognized, that the only purpose that could be served by such tactics is to delay the passage of the bill. Given the lead time necessary for effective application of the provisions of the bill, if it is delayed beyond Christmas they know there is little chance that it will be in effect for the next election.

Mr. Deputy Speaker: Order, please. The Chair is in difficulty. I think hon. members heard Mr. Speaker a few minutes before four o'clock dealing with allocation and relevance of the particular motions or proposed motions that would be debated. Most of the speech of the hon. member for Skeena (Mr. Howard) was relevant in the sense that he dealt squarely with the deletion of certain words and substituting therefore "Her Majesty in right of Canada." The hon. member for Halton (Mr. O'Connor) has also in part dealt with that issue squarely. However, I would respectfully suggest to the hon. member that he is covering a much larger area and is really making what the Chair would have to regard as a third reading speech.

We are caught squarely within the particular motions that are being proposed. Our arguments must be directed to them. I know this will be a disappointment to hon. members. It will probably be a most frustrating exercise for the occupants of the chair if the debate is limited in this way. However, Mr. Speaker—and I certainly agree with him—suggested that we keep within the rules of relevancy because we have adopted a specific course of dealing with these particular proposals. I must ask the hon. member to consider the motion moved by the hon. member for Skeena as follows:

That Bill C-203 . . . be amended by deleting the words "a government, Crown corporation, or any other public agency." in paragraph (h) of the definition of "election expenses" in clause 2 and substituting the words:

"Her Majesty in right of Canada."

The hon. member must also consider the subsequent motion of the hon. member for Comox-Alberni (Mr. Barnett) which is practically to the same effect:

—deleting the word "governments" in paragraph 63(1)(e) and substituting the words: "Her Majesty in right of Canada"

That is the issue that has to be considered now. When we dispose of that we will go to other issues. There may be somewhat broader issues; however, it seems that this issue is rather precise. I hope hon. members who contribute to this debate will address themselves to whether this change should be made.

Mr. Dick: Mr. Speaker, I rise on a point of order.

Mr. Deputy Speaker: No point of order can arise from a ruling by the Chair.

Mr. Dick: Mr. Speaker, possibly my point of order could be heard before a ruling is made as to whether it is acceptable. It may well be out of order. Members of my party have discussed this matter. They want to keep the debate short and succinct, not taking 40 minutes on each amendment. It was recommended that our first speaker, the member who guided us through committee, make one general speech and the rest of us, when any other matter or any other amendment comes up, would make very short speeches, if any, because we would like to see this matter hurried through. I would ask the indulgence of the Chair so that we could co-operate in this way by having one general speech of perhaps some length, and any replies

would be much shorter than would otherwise be the case. In looking after this matter for our party, this is the proposal on which a number of us decided.

Mr. Deputy Speaker: I thank the hon. member. I say God bless the hon. member for bringing in a sensible suggestion such as that. The only difficulty is that apparently it does not receive the approval of all the parties whose members will be taking part in the debate. If it were agreed that the opening speech from each of the four corners of the House would not be longer than 40 minutes, and that thereafter the rule of relevancy would be very strictly applied, the Chair would be most happy to put it to the House for acceptance. But if it is not agreed, we must follow the suggestion Mr. Speaker made. On the point of order raised by the hon. member, I will recognize the President of the Privy Council (Mr. MacEachen).

• (1640)

Mr. MacEachen: Your Honour, with respect to the proposal which has been made, that the first speaker for each group on this particular amendment might be given general latitude, I would certainly agree. The hon. member for Halton (Mr. O'Connor) might make a general statement on this amendment. I would, however, agree to this on the understanding that once we move from amendment No. 2 we should observe strictly the rule of relevancy as suggested by Your Honour earlier. When the third reading is before us, wider latitude will again be possible.

Mr. Brewin: As far as this party is concerned, we would agree. Our first speaker was the hon. member for Skeena (Mr. Howard). He dealt with a precise motion; he did not make a general statement. So in a sense, by agreeing to this proposal we are depriving ourselves of an opportunity. Nevertheless, we shall agree.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Gilles Caouette (Charlevoix): Mr. Speaker, we too agree to the suggestion made by the hon. member on the condition that speeches on the amendments be really limited to the motion before us.

[*English*]

Mr. Howard: On the same point of order, Mr. Speaker, I do not see how we can make deals with respect to the rules. The rules are to be enforced, that is all.

Mr. Deputy Speaker: The House has heard the suggestion by the hon. member for Lanark-Renfrew-Carleton (Mr. Dick), that the opening speakers from the four corners of the House be allotted 40 minutes, that thereafter the speeches to motions Nos. 2 and 30 be of 20 minutes' duration, and that on subsequent items at the report stage the rule of relevancy be strictly enforced.

The hon. member for Greenwood (Mr. Brewin) made the point that the hon. member for Skeena's contribution had been within the rules. I think that as an element of justice some latitude might be allowed as far as time is concerned when the next member from that party speaks. Perhaps he might be allowed to go somewhat beyond 20 minutes. Apart from that is there agreement on the 40 minutes and then the 20 minutes?

[Mr. Dick.]

Some hon. Members: Agreed.

Mr. O'Connor: Mr. Speaker, I thank the hon. member for Lanark-Renfrew-Carleton for his suggestion and I thank the rest of the House for accepting it. May I apologize to Your Honour for rising to make a speech of this kind, but any problem which may have arisen seems now to have been resolved.

When I was interrupted I was speaking of the attitude of the New Democratic Party toward the passage of this bill. I was about to suggest that here we see the self-proclaimed, unctuous champions of reform stonewalling for reasons of their own. Well, Mr. Speaker, if the bill is delayed, the Canadian people will know where the responsibility lies.

Some hon. Members: Hear, hear!

Mr. O'Connor: One need only peruse some of their amendments to obtain an accurate appraisal of what is being attempted. Amendment No. 34 would raise the vote qualification enabling a candidate to obtain reimbursement of a part of his election expenses from 20 per cent to 70 per cent. The amendment stands in the name of the hon. member for Skeena (Mr. Howard) who attempted unsuccessfully in committee to reduce—not increase—the qualification standard to 10 per cent. He is saying, apparently, that if he cannot have his way, no one else shall have theirs. If we do not play the game his way, he will take his marbles and go home. Ironically, under the hon. member's formula, in the unlikely event of its successful passage, it would seem the only candidate he wishes to receive any reimbursement is the hon. member for Crowfoot (Mr. Horner) whom I am sure will be delighted with his new-found admirer. The hon. member for Crowfoot, I understand, is one of the only members who received more than 70 per cent of the votes in the last election. Politics does make the strangest bedfellows.

Amendments Nos. 8, 9, 10 and 11 deal with the same section of the bill. They would all reduce the ceiling for party election expenses to three or four varying amounts. Are the great, self-proclaimed reformers of our electoral system, so long the lonely carriers of the light of revelation, now so confused that they are stumbling over each other in the darkness, a darkness which no doubt results from the ill-conceived energy policy they forced upon the government? Can the self-proclaimed reformers of our electoral system not get together among themselves and decide on an amount, thus reducing the problems of their making which now face the House? Or perhaps they do not wish to facilitate the passage of this legislation. I expect the latter is the case.

Mr. Speaker, the measure before us gives hon. members an opportunity to substantially improve the quality of the image of politicians and political parties in Canada. The bill takes large strides toward alleviating the long and deeply-held public suspicion—in some cases it is an actuality—that politicians are crooked, that the system operates on the basis of patronage, of favours, of jobs and other amenities offered and granted in return for candidate and party funding.

The bill will open up the books and records of parties and individuals through tough auditing requirements and

through the requirement that details of sources of donations must be revealed. It will allow every Canadian the opportunity to look over the shoulders of the backroom boys as they go about their often misunderstood task of raising the money necessary to convey the message of a party and its candidates. It will compel disclosure of exactly who gives what to whom. Long-held suspicions will then either be confirmed or put to rest.

Further, the bill takes steps long overdue to reduce the rapidly escalating cost of elections. Strict limitation of the amounts which may be spent by parties and candidates will ensure less waste, a more carefully budgeted and planned campaign, less inundation of the average Canadian with repetitious messages and material. Above all, these limitations will reduce the discriminatory effect of wealth on the system. The wealthy man or woman will not be permitted to spend his or her way into office, nor will he or she enjoy the substantial advantage that money formerly held over the less well-to-do candidate. This end is further advanced by a system of partial reimbursement to parties and candidates from the public treasury of the costs of a campaign. Both the expenditure limits and the reimbursement amounts are geared to the number of voters that the candidate or party is attempting to reach. Allowances are made for the additional travel costs involved in schedule III and other geographically large ridings in our far northern areas.

● (1650)

A calculated attempt is made, through the disclosure of donations requirements and through amendments to the Income Tax Act, to broaden the base of financial support for our system. Donors to parties and candidates will enjoy the generous tax credit provisions proposed as changes to the Income Tax Act. We believe that, in principle, the best way to finance the system is by means of a freely given private donation. That is, it is preferable to fund candidates for public office voluntarily, rather than to require all of us to support all candidates through our tax dollars. We do, however, recognize the necessity to give everyone, regardless of wealth and financial ability, an opportunity to convey his or her message to the people of Canada.

Thus we have the combination of incentives to give voluntarily, combined with some degree of public reimbursement of expenses of candidates and parties. We suggest the discriminatory effect of tax credits, as opposed to tax deductions, on the other usual recipients of voluntary donations such as churches, charitable organizations, and so forth, which permit only a tax deduction, not a credit, can be remedied by a thorough study and possible amendment of the tax laws which affect them.

The bill is not perfect, Mr. Speaker. The government recognizes this fact by the inclusion of a provision that would refer certain sections back to a parliamentary committee, presumably the privileges and elections committee, for review after the first election held following the bill's coming into effect. But it is the result of nearly ten years of study, first by a royal commission, the Barbeau commission, then by three parliamentary committees, including one special committee and a plethora of academic and public studies. Reform is vitally necessary at this time even if not given additional impetus by the odious activities of many of those involved in the American political system. I urge all members of the House to accept the work of the committee so that the bill become law as soon as possible.

[*Translation*]

Mr. Gilles Caouette (Charlevoix): Mr. Speaker, I will not try to achieve the feat that the hon. member for Skeena (Mr. Howard) has managed this afternoon, that is to speak on a motion for 40 minutes.

I would simply summarize the position that our group has taken during the debate on Bill C-203.

If you consider the number of amendments on the order paper, you realize that the bill now before us, although representing a necessary stage in the revision of the Canada Elections Act, is far from being perfect.

Unfortunately, through consideration in committee, not only could we make the government aware of the various problems but we also managed to improve the bill. Unfortunately, we have realized that the object of the bill is to guarantee to the individual the best opportunity to be well informed and to vote freely.

Reference has been made to broadcasting and to the media while the expenses of parties are allowed or restricted and some refund can be obtained from the government, all this to let the individual know what to think, how to judge such or such a proposal during an election campaign.

We also realize that Bill C-203 does not directly protect the individual by providing, for example, a fair control over information. Expenses are restricted and refunds to the various political parties are limited, but in no case is the individual allowed to obtain adequate information on the political choices which can be offered during an election campaign.

Unfortunately, in Bill C-203 one is not told how choices are made as regards television broadcasting. They are willing to say "subject to an agreement between parties", but one realizes that it has always been the same thing, that those agreements do not really represent the current election, but elections held two, three or four years ago.

We come to the discussion of the allocation of time between political parties. Nowadays, according to the new election legislation, the organization of an election campaign involves registration of parties, which respect the provisions of the law and get together in a committee meeting for the allocation of broadcasting time or of other media. Such an allocation is always done according to the number of members in each party before dissolution of Parliament.

In Bill C-203 there is no corrective measure to such irregularity as concerns the people because during an election it is not the number of elected members in the House that counts, but the number of candidates in each party.

One realizes also that expenses allowed under Bill C-203 are the result of a computation to complicate a procedure that could be quite simple. It was simply suggested, at the beginning of discussions on Bill C-203, that the government should pay the representatives of each registered party in the polls as well as the scrutineers.

That would mean amounts of money paid directly to help the voting procedure instead of money spent as one sees fit, by whoever seems to be appointed to spend them.

Many things are lacking in Bill C-203. Amendments could have been adopted, or still included much more specific clauses in the bill to give people the maximum of security and information concerning political options. But we have not been able to guarantee this to the individual except through election funds which, as we all know, always favour the strong recognized parties at the expense of the smaller ones, especially in the field of information.

On the whole, Bill C-203 is a definite improvement from an electoral standpoint. But, once again, I am waiting for the reports which will be made after the next elections concerning the application of Bill C-203 and the amended Elections Act. I await impatiently these reports to prove that Bill C-203 will not really solve the problem of dividing equitably information among all political parties, which would benefit the population during an electoral campaign.

● (1700)

[*English*]

Mr. Andrew Brewin (Greenwood): Mr. Speaker, when the point of order was discussed it was suggested that the next speaker from our party should be given the opportunity to enter into something of a general discussion as the hon. member for Skeena (Mr. Howard), who opened for us, was speaking to his own motion No. 2. I do not intend to take advantage of that suggestion, but I want to make this contribution and all other interventions during this debate as brief and as close to the point as possible.

Speaking for the majority of my colleagues, if not all of them, I think that even though this bill has defects it is one that should be passed as soon as is reasonably possible. I do not mean that there are not reasonable amendments which could be made even following this stage: in spite of the over-all desire to get this bill passed, there may be some amendments required because in this free country and free parliament there are differences of opinion. I suggest that the majority of the members of our party will restrict their contributions to the debate in order to facilitate the early passage of this bill, and I intend to do so. Having said that, I now propose to turn to the amendment introduced by my colleague, the hon. member for Skeena.

I, personally, do not accept or agree with this particular amendment, the effect of which is, as I understand it, to limit the words in the original bill as amended by the committee regarding the definition of "election expenses" to include the cost of goods or services provided by a government, Crown corporation or any other public agency. It is true, as the hon. member for Skeena has said, that the purpose of his amendment is to change the words in respect of the source of campaign expenditures by striking out the words "a government, Crown corporation, or any other public agency" and substituting therefor the words "Her Majesty in right of Canada". In my opinion that is a limiting amendment and I, personally, do not think it is good. It has the result of enabling—the hon. member for Skeena referred to this possibility—provincial governments and agencies to contribute directly or indirectly to campaign funds. If they do, I would ask why their contributions should not be considered as part of the over-all election expenses.

I do not remember which member introduced this amendment but I think it was a useful one. It purports to suggest that if governments choose to make contributions to an election campaign, they should be subject to the regulations, limitations and accountability provided for by the act. Because this is a limiting amendment which is proposed by my colleague the hon. member for Skeena, I do not propose to vote for it and I suggest to other members that they should not vote for it.

An hon. Member: Dissension in the ranks.

Mr. Brewin: Why not?

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, like the hon. member for Greenwood (Mr. Brewin), I do not intend to take advantage of this opportunity to make a general speech on this particular amendment. I do, however, wish to express my agreement that one of the amendments proposed to this particular clause is limiting in its effect, and therefore it would be better for us to accept the amendment adopted by the committee which expanded the definition of "election expenses" to include the cost of goods and services, I believe the expression is "provided by a government, Crown corporation or any other public agency".

We took the view originally that the general definition included this particular elaboration or clarification. However, we are pleased to accept this new clarification as part of the definition and we believe it ought to be accepted in order that the bill can be maintained as proposed by the hon. member for Rocky Mountain (Mr. Clark) and as accepted by the committee as a whole.

I stated I did not intend to make a general speech, but I do wish to express my appreciation to hon. members of the committee for the very long and tough sessions they endured in discussing, analysing and dissecting this bill. As the hon. member for Halton (Mr. O'Connor) has said, probably no other bill has received greater scrutiny in any committee than this bill which was considered by the Standing Committee on Privileges and Elections. The spirit which prevailed in the committee was almost totally non-partisan. There were occasional flashes of partisanship, but they were quickly eliminated and the discussion continued on a very objective and non-partisan basis.

I took the view when the bill was brought before the House that it was of interest to every hon. member of the House of Commons in that it affected each one of us and, therefore, it was of a type that would probably receive very careful study in the committee and would benefit from the scrutiny of hon. members. I believe that to be the case and that the general framework of the bill has been maintained. The hon. member for Halton has outlined, probably better than I could at this stage, the general framework of the bill now before the House. Undoubtedly there have been some amendments which will improve the operation of this measure and probably will improve the definition of "commercial value," and so on. This matter occupied a good deal of the time of the committee.

I may also say there were several amendments with which I did not agree, and my efforts to persuade the committee were not acceptable on a number of occasions. However, I am quite content to accept the over-all judgment of the committee and it is for that reason I did not put down any amendments to change in any way the conclusions of the committee. In all cases in respect of amendments, they were carried in the usual way by the committee. I note also that the hon. member for Halton, whose party lost some amendments, did not propose any amendment at the report stage to recover ground that might have been gained in the committee. That makes it easier for us to move ahead in dealing with this bill. It is my firm expectation that the bill can be passed and can receive royal assent before we rise, whether by adjournment or prorogation, and that this very important area of electoral reform will have been dealt with by this twenty-ninth Parliament of Canada—probably a good parliament in which to deal with it because it is a minority parliament in which no party could succeed in imposing its views on a minority. This could be the result of the deliberations in the committee and the result of the bill, hopefully accepted by all the House, having been proposed by a government which has a minority of members in the House.

• (1710)

I wish to say, before concluding, that I really did get an eye-opener in respect of the operation of the committee system in the House of Commons. I attended, it seemed, an endless number of meetings. I noticed that most members of the committee were very faithful in attending to their duties. It did involve an enormous amount of time and a great deal of industry on the part of members. It took them away from the House and their offices. My eye-opener leads me to conclude that in the future we ought to do two things: we ought to do something to even further systematize and reform our committee system in order to reduce the burden of members of parliament which is very great at the present time, and certainly we ought to consider in the future what additional assistance should be made available to members of parliament to allow them to operate even more effectively as members of standing committees of the House.

Some hon. Members: Hear, hear!

Mr. MacEachen: So, Mr. Speaker, I conclude by thanking those who were on the committee. I entrust the bill to the chamber in the expectation that we can make good progress quickly and give the bill third reading later.

Mr. Joe Clark (Rocky Mountain): Mr. Speaker, my contribution at this stage will be brief. I was very pleased to hear the President of the Privy Council (Mr. MacEachen) speak with such pleasure of his experiences before the committee. I know all of us in every corner of the House hope to be able to arrange in the not too distant future an opportunity for the minister and several of his colleagues on the front bench to spend a great deal more time in our committees.

I want to say, also, I was very much heartened, as I believe all of us were in this House, to hear the words of the hon. member for Greenwood (Mr. Brewin). We can only express the hope that those words will be matched by the actions of his party as this bill proceeds through the House. I think it is worth noting that the great number of amendments which appear on the order paper in two waves are sponsored by a great variety of members from his party. The name of the hon. member for Skeena (Mr. Howard) is associated with a number of these amendments. Other amendments stand in the names of people who hold official positions in that party, including the whip. I do not think that should be lost sight of in proceeding with the debate. We would hope that no party would direct its attention to stonewalling this highly desirable legislation.

With regard to this particular amendment, I believe it would be a very serious limitation to exclude from the ambit of the legislation reference to contributions of goods and services of provincial governments. I think that while there may be concern, as the hon. member suggested, about the means of enforcing that particular provision relative to the provinces, it should be pointed out that there are other reasons for having penalties and prohibitions in this legislation that are not easily enforceable. While it might be difficult to prosecute a province, it certainly is a fact that this object could be achieved through the substantial weapon of publicity by publicizing that a particular government controlled by a particular party was abusing its trust in a partisan issue. I think this is a highly important addition to the bill and I say with suitable modesty that I shall vote against the amendment proposed by the hon. member for Skeena.

Mr. Thomas S. Barnett (Comox-Alberni): Mr. Speaker, amendment No. 30 which stands in my name is really consequential on amendment No. 2 introduced by the hon. member for Skeena (Mr. Howard). Therefore I feel they quite properly can be discussed together. I think the nub of the matter has been mentioned by one or two people who spoke in disagreement of the amendment. The really important issue was raised by the hon. member for Skeena in his remarks. It seems to me that this amendment to the clause of the bill which for the first time will insert in the Elections Act a definition of what are election expenses is indicative of the fact that the thrust of this bill will result in very major changes in the whole approach to the conduct of elections in Canada.

It may surprise some people, if this discussion comes to their attention, that over these years we have managed to function successfully, more or less, in the conduct of elections and in an orderly manner without any definition of "election expenses." Our official agents have been able to file summaries, keep accounts, and so on, to the reasonable satisfaction of the general public, at least in many areas of the country. I know that over the years my returning officers have said that no one came to their door asking to see the documents filed and offering to pay the 25 cents they must pay in order to have a look at those returns.

The point which I should like to stress is that if one looks at the proposed amendment to subclause (h) which is in the definition section, it will be seen that it refers to the cost of goods or services provided by a government, and that it refers back to sub-clause (c) which says that "election expenses" means, among other things, the commercial value of goods and services donated or provided.

One could very well argue that despite the strenuous effort made by the committee, to which reference has been made—and I along with other members certainly appreciate those efforts—the introduction of this particular clause which refers to goods or services provided by a government in many ways is completely redundant. I think the hon. member for Skeena really zeroed in on the point of concern, particularly when he quoted a study made on this subject.

● (1720)

In practical terms, the question of government expenses in the context of a federal election is a matter of an incidental service provided to the party from which the current government has been drawn prior to the dissolution of parliament, because of the fact that even though parliament is dissolved ministers of the Crown remain in office. That, to me, is the nub of the proposal put forward by the hon. member for Skeena and by myself in the consequential amendment. Otherwise, we are dealing with a very loose term when we talk about services provided by government. I am glad to know the committee did not go along with the suggestion that would have resulted in a chartered accountant, as an official agent, having to follow a candidate every step of the way during an election, but that rather the bill would provide relatively simple and relatively inexpensive auditing procedures.

That brings me back to the fact that I have already mentioned, namely, that for the first time we are seeking to put a definition of election expenses into the Canada Elections Act, an act which many people at first blush have often considered to be a rather extensive and complicated document, and which is in reality in many respects one of the most clearly stated pieces of law that we have in this country. I say this because countless thousands of people over the years have been able to work on the basis of the Canada Elections Act and the information material that comes from the Chief Electoral Officer, and to conduct elections in most respects in accordance with the law.

I think one of our concerns at any time should be to keep the Elections Act understandable to lay people and not to have a law that can be understood only by those who are learned in the law or who sit on the bench. As I listened to the discussion this afternoon I tried to imagine the average person who is called upon to act as a candidate's official agent and who reads in this piece of legislation "the cost of goods or services provided by a government". Perhaps if one went to the absurd, one might say that every time you turn around you find goods or services being provided by a government. Every time we drive on the highway we take advantage of services provided by a government, either provincial or municipal.

So just what does the bill, as it stands, mean? What are the services provided by a government? I would suggest, with all deference to the efforts of the standing committee, that perhaps they had not sufficiently thought through what they were putting into this act from the point of view of its being readily understood when they used the general term "government". If one considers that with the fact of what is stated in subclause (c), "the commercial value of goods and services donated", one finds that if one purchases goods from a municipal government or rents a schoolroom from a school board, it is readily understandable that one pays for that service the way one would if one were renting a hall from a private organization. The rental would be based on normal commercial value. That is the way the total cost of an election is to be calculated under the Election Act if this law is put into effect.

It seems to me that the amendment which the hon. member for Skeena and I have proposed zeroes in on a specific situation which all members of the House know exists, and that is the fact that there are incidental services which are available to the political party to which the ministers of the Crown belong after a dissolution that are not available to any other political party or any other candidates. Those kinds of expenses and services, whether they be for transportation or for other reasons during an election period, should properly be included in the kinds of expenses that are calculated as being expenses of a party or expenses of candidates who happen to be ministers of the Crown or in aid of whom ministers of the Crown are working.

That is the point of the amendments which stand in the name of the hon. member for Skeena and myself. Therefore, I ask the House at this point to give serious consideration to the idea that this will provide an improvement to the act, that it will make it more clear, more readily understandable and that it will certainly not mean that services or goods which may be provided by other agencies of the government at other levels will not be within the ambit of normal election expenses. Without in any way attempting to prolong this discussion, let me say that these are the points which I would ask hon. members to consider and which I think make the amendments worthy of support.

The Acting Speaker (Mr. Boulanger): Is the House ready for the question?

Some hon. Members: Question.

The Acting Speaker (Mr. Boulanger): All those in favour will please say yea.

Some hon. Members: Yea.

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

Some hon. Members: Nay.

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

Motion No. 2 (Mr. Howard) and motion No. 30 (Mr. Barnett) negatived.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Boulanger): Order. Pursuant to Standing Order 40, it is my duty to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Saint John Lancaster (Mr. Bell)—Energy—Consideration of construction of pipeline from Saint John to Montreal; the hon. member for Selkirk (Mr. Rowland)—National Defence—Position of armed forces members attached to NORAD following special alert ordered by President Nixon on October 25; the hon. member for Victoria (Mr. McKinnon)—Pension—Request for extension of program to increase annuities to ex-servicemen.

* * *

[*English*]

ELECTION EXPENSES

PROVISION OF PAYMENTS TO CANDIDATES AND REIMBURSEMENT OF PARTIES FOR CERTAIN BROADCASTING TIME

The House resumed consideration of Bill C-203, to amend the Canada Elections Act, the Broadcasting Act and the Income Tax Act in respect of election expenses, as reported (with amendments) from the Standing Committee on Privileges and Elections.

The Acting Speaker (Mr. Boulanger): As agreed to previously, we will now proceed to amendments Nos. 3, 4, 5 and 6. Motions Nos. 3 and 4 stand in the name of the hon. member for Assiniboia (Mr. Knight), Motion No. 5 stands in the name of the hon. member for Nickel Belt (Mr. Rodriguez), Motion No. 6 stands in the name of the hon. member for Timiskaming (Mr. Peters), and they read as follows:

No. 3.

That Bill C-203, an act to amend the Canada Elections Act, the Broadcasting Act and the Income Tax Act in respect of election expenses, be amended by adding the following definition immediately following the definition of "election expenses" in clause 2:

● (1730)

"electoral district agent" in relation to a registered party, means a person whose name is recorded in the registry of agents of registered parties maintained by the Chief Electoral Officer pursuant to subsection 13.1(1) and who is designated as such by the chief agent of the party.

No. 4.

That Bill C-203, to amend the Canada Elections Act, the Broadcasting Act and the Income Tax Act in respect of election expenses, be amended by adding, at the end of the definition of "registered agent" in Clause 2, the following:

"and an electoral district agent".

No. 5.

That Bill C-203, to amend the Canada Elections Act, the Broadcasting Act and the Income Tax Act in respect of election expenses, be amended by changing Sub-sections 13.1(2) of Sub-clause 4(1) to paragraph 13.1(*a*) and by adding the following as paragraph 13.1(2)(*b*):

Election Expenses

(*b*) An association or organization of the members of a registered party within an electoral district may choose a person or persons to be electoral district agents for the purposes of that registered party in that electoral district and may so notify the registered party who may forthwith notify the Chief Electoral Officer setting out the name and address of such persons and such information shall be recorded by the Chief Electoral Officer in the registry referred to in subsection (1).

No. 6.

That Bill C-203, to amend the Canada Elections Act, the Broadcasting Act and the Income Tax Act in respect of election expenses, be amended by adding, immediately following Section 13.1(3) of Sub-clause 4(1) the following:

"(4) Forthwith after his appointment the chief agent of each registered party shall notify the Chief Electoral Officer of the name and address of any electoral district agents of the party and such information shall be recorded by the Chief Electoral Officer in the registry referred to in Sub-section (1).

(5) Where

(*a*) any person whose name is recorded in the registry referred to in Sub-section (1) ceases to be an electoral district agent of the registered party in relation to which his name is recorded, or

(*b*) any additional electoral district agent or agents of the registered party are appointed, the chief agent of the registered party shall notify the Chief Electoral Officer by notice in writing and, on receipt of any such notice, the Chief Electoral Officer shall vary the register accordingly."

and by re-numbering the remaining Sub-sections accordingly.

Is it the pleasure of the House to adopt the said motions? I remind all hon. members that all the motions I called are to be debated together, that is Nos. 3, 4, 5 and 6. The hon. member for Assiniboia (Mr. Knight).

Mr. Bill Knight (Assiniboia): Mr. Speaker, the whip of the New Democratic Party has had honourable mention in the House already, and I appreciate that, from the hon. member for Rocky Mountain (Mr. Clark). I wish to begin my remarks by saying that the hon. member may be the whip, but he is also the member for Assiniboia. As such he represents the people in that constituency, so is intent upon expressing his view of the election expenses bill which is going to affect the people in that constituency as well as the general taxpayers across the Dominion of Canada.

I moved a number of amendments, three in particular, related to this bill, which I believe would improve this legislation when it is put on the statute books. One of my chief concerns is that in the area of election expenses the bill designates a chief agent for the party to handle the amounts of money, the expenditures by that party. What concerns me is the role of the individual constituency in the collection of funds for the use of that particular party. What I am attempting to do in the two amendments now before the House is to establish the principle, in the best way I could, of there being an official collecting agent within the constituency who is on record with the Chief Electoral Officer. I believe if the national headquarters of any political party is to be responsible for an agent to look after the funds coming to that party from contributions, it is obligatory that the local constituency organizations have the right, clearly spelled out, of an agent as well who can be listed with the Chief Electoral Officer. That is the purpose of the two amendments I have placed before this House.

There are a number of reasons for that, Mr. Speaker. The reason that strikes me is that I view the centralizing of power in the hands of either a national office of a country as regionally diverse as ours or any other country, as suspect. I think, regardless of party, that the local riding association should have a tremendous amount of influence on the collection of funds in that area. I have no quarrel, for example, with the regulations related to disclosure. In my view, there will be avenues for working around them if political parties in this country so wish but I do not believe that is true of the local level. For example, in the Assiniboia constituency I have always had an agent of some renown, who has put in considerable time and effort, in charge of the books and the funds that are contributed, and in charge of the payment of bills. He should be able to act as the official agent of the party in the collection of funds in that area and it should be clearly spelled out.

One of the things that concerns me is the centralizing that has occurred in connection with that other parliamentary system of government, that of Great Britain, where a considerable amount of power is given to the national headquarters of the party. This power is used to bring about a situation in which often the wishes of the local organization, in respect of candidates are overruled. The headquarters of the party may have an exclusive program of what I call parachuting candidates and controlling expenditures in a given riding. I believe that would be a move in the wrong direction, regardless of party. The local organization must continue to have autonomy over the collection of its funds, expenditure of its funds and indeed, as has always been the case in our party, have complete say about the candidate involved and some of the local issues involved as well. So the amendments I have proposed, Mr. Speaker, are to strengthen that provision within the act.

The hon. member for Skeena (Mr. Howard) has moved an amendment that complements the kind of change I am trying to bring about. I think the major amendment is the one that reads:

> "electoral district agent" in relation to a registered party, means a person whose name is recorded in the registry of agents of registered parties maintained by the Chief Electoral Officer pursuant to subsection 13.1(1) and who is designated as such by the chief agent of the party.

That at least moves in the direction of maintaining local autonomy. It still gives the national party some say about a local agent. If they have an objection, at least the local constituency organization has some influence.

Questions have already arisen in the discussion of the first amendment we have dealt with today, on the workability of many aspects of this legislation in terms of the kind of bureaucracy and kind of public expenditures it entails. Anyone who has been involved in a campaign for public office would certainly be aware of the difficulties of an agent of a party sitting in Ottawa, Toronto or maybe even Regina, trying to ascertain the moneys raised in a given local electoral district. In my view it is an almost impossible job. This legislation, if it passes, provides that the only agent of a party may well be a representative of the national party. This provision will create an incredible bureaucracy, in my view, within those given parties. How it will ever be administered by the parties is beyond my understanding, and it does not matter which party.

[Mr. Knight.]

• (1740)

In the last general election we ran into immense problems trying to keep track of funds, in the way the Elections Act would require. Agents in the riding ran into immense difficulties. I have the privilege of representing a riding which covers 20,000 square miles and includes two urban populated areas, Weyburn and Assiniboia. Ontario members might not consider these as large urban areas; however, in Saskatchewan, they are considered as urban areas of significant size. In the election, the opposition parties held at least one meeting in Assiniboia, as did the party I represent. They held two or more meetings in Weyburn, undoubtedly because of its population. During the campaign, which lasted between 40 and 60 days, I held public meetings in 30 or more smaller communities ranging in population from 50 to over 500.

These public meetings were attended by people of different political persuasions and, as was traditional, the hat was passed and contributions ranging from $1 to $100 were made. Sometimes people will give you $5; at other times they will give you $50, $75 or more. Some people write a cheque; others give you cash. A national agent who must keep track of funds contributed to party members will be faced with a nightmare. How can he possibly keep track of contributions made across the length and breadth of such a wide and diverse rural community as mine. I can tell you that any agent trying to keep track of donations will be faced, literally, with hundreds of hours of frustration and headache.

Even at the local constituency level it is difficult for people to keep track of donors of funds. For instance, at any one meeting 20 or 30 people might contribute money. If you hold a meeting in Weyburn, out of a crowd of 700 or 800 people you might get 400 or more contributors. Imagine trying to trace their names and give receipts for income tax purposes. The bill requires that where certain contributions are made, receipts are to be given. There is a provision with regard to the number of contributors who contribute over $100. You must find out who has given what at such meetings and provide receipts, so that people may use them for income purposes, as is their right. That being so, I suggest that an agent at the national level will have an impossible task. That is why I am bringing forward a suggestion with regard to the local electoral district agent.

There is something else with which hon. members are undoubtedly familiar. It quite often happens that people may contribute to the campaign of a candidate representing a party which they do not support. In my riding, for instance, and I am sure in the ridings of Conservatives, Liberal and Social Credit members, this kind of thing happens quite often. People who support another political party will give funds to your party, merely because you are running for parliament.

Mr. Nesdoly: Sometimes these people support two political parties.

Mr. Knight: As my colleague for Meadow Lake suggests, sometimes people support two political parties. He is well versed in Saskatchewan politics.

An hon. Member: Or, they may have supported the progressives and the conservatives.

Mr. Knight: Quite so. These people may not want to disclose their donation to another political party. The provisions of the bill in this regard may inhibit their so doing. People go to public meetings to listen to candidates; they do not always agree with the candidates, but they listen. If they give money, they do not always want it to be known. Of course, sometimes people give you $10, $20 or $30; that is how much they throw into the campaign. Some of these people want a receipt for tax purposes. If receipts must be provided, it is possible that some people will be reluctant to contribute. In any event, I suggest that a local, electoral district agent will be in a better position to make sure that people get what they are entitled to under this legislation.

A local electoral district agent undoubtedly will be able to follow more closely the views of the local riding association. He will know what priorities the association has established. Unquestionably, the local electoral district agent will be someone with whom the local candidate, party workers and members of the party executive are familiar. In a country as big as ours, an official party agent working out of the national capital will not be in a position to know the idiosyncrasies of local riding associations and local candidates. For that reason, I am strongly in favour of electoral district agents.

The local riding association, of course, knows much more about the events in a riding than any officer at the national level. For example, in my constituency there are over 200 polls, divided among at least 50 zones. Each zone has a different method of operating. Also, workers in ridings like to stick by their traditional ways of working. In the last election, for example, the official agent for my party ran into immense difficulties. For 20 years or more some of the local committees across the riding had been prepared to pay for the rental of halls out of their own funds, and not bill those rentals to the agent. They were so used to doing things this way that on being challenged to send the bill to the official agent they said, "No. We have not done this for 20 years and we are not interested in doing it now." As a result, the official agent had to make many telephone calls and many trips by car in an effort to persuade such committee members that the Elections Act required them to furnish receipts. That is what will take place in the constituencies with regard to funding. That is the essence of my suggestion. I do not believe it to be a traumatic change in the bill.

● (1750)

In the manner in which I worded the amendment, the agent will be in a position to recognize that he is listed with the Chief Electoral Officer through his party, that he has a commitment to follow the outline of this enormously complicated bill and that he will be obliged to a certain extent to be in touch with national headquarters as to what is taking place in his constituency.

Many of the expenses related to the operation of this provision will fall on the political parties; it will increase election expenses rather than limit them. The electoral district agent, the man who will be in charge of the collection of funds in the local area, keeping track of them and writing the official receipts for tax purposes, will become one of the most senior officials of the party in the local district. He will undoubtedly have a considerable amount of power and influence. Perhaps it is much better to have that situation at the local area than at the national level.

If we look at the urban centres, we will see there is room for a local electoral agent. In the past couple of years, we have seen the growth of a tremendous amount of community involvement in the large urban areas. That kind of involvement should also take place in the political realm. I believe the electoral district agent can be of substantial use to an urban constituency with regard to the collection of funds and ensuring that people get their receipts for income tax purposes. The great difference in the manner of gaining funds between an urban constituency and a rural constituency in the province of Saskatchewan goes without saying.

For example, I have colleagues who run in urban-rural constituencies in the cities of Saskatoon and Regina. No national agent of a party will ever be able to involve himself in the collection of funds in a constituency that is a combination of small communities, strictly farm areas and a large urban area. In that type of constituency, there are a number of factors to be considered. The first factor in the urban setting is that the collection of funds will be through direct contribution which a national agent may well be able to handle. There will also be collections at public meetings in the urban area where a considerable number of rural people, urban people and people from both urban ridings in those cities will be contributing. In the small communities in the constituency there will be the same kind of public meeting contributions, as well as in the rural area surrounding them, involving individual collections made by a local representative of the party.

All of this will complicate the role of the national party's agent. Therefore, I think it is incumbent upon the House to seriously consider the complications and administrative nightmares which can be created by the manner in which this bill is written. I have suggested these amendments which I hope will clear the air, at least in terms of the local constituencies versus the national office.

Mr. Speaker: Perhaps the Chair might be allowed to interrupt proceedings for just one moment to refer to a point of order raised earlier today by the hon. member for Skeena (Mr. Howard).

When Bill C-203 was called on orders of the day, the hon. member for Skeena suggested that the report received from the committee was irregular in that the bill before us included amendments passed in the committee and parts of a bill which were not covered by the royal recommendation.

Since the point was raised by the hon. member for Skeena, I have taken some time, with the assistance of the Chair's colleagues at the table and in the Chair, to look at the matter very seriously. I am prepared to admit there is an interesting point which has been raised by the hon. member.

If I understand his argument, the first point clearly relates to an amendment adopted by the committee and

included at page 23 of the amended bill. This is subclause (3)(7) where it is suggested that the auditor's report received by a returning officer from an official agent will be published at the expense of the Chief Electoral Officer. The amendment obviously intends to make it clear that the expenditure for the publication of these reports will be on the shoulders or the responsibility of the Chief Electoral Officer rather than the candidate.

My impression was that this amendment was intended to make clear the intent of the bill now before the House. Even if that is the case, the point of the hon. member might still be well taken in that additional expense, either provided by the amendment or the bill itself, does not appear to be covered by the recommendation. In this instance, it would not be the report of the committee or the bill as reported by the committee which would be at fault, but the recommendation which formed the basis of the original bill.

It may well be that some consideration should be given to a closer study of the recommendation to see whether it is large enough in scope to include this expense and, if not, whether with the consent of the House, I assume, an amendment might be obtained from His Excellency. I am not suggesting that is necessary, but it is a point which ought to be considered.

The second point raised by the hon. member is not quite as clear. He referred to a part of the bill at page 25 of the legislative proposal. Subclause (1)(b)(i) refers to the postal cost of mailing one item which is assumed to be eight cents under present regulations and (ii) eight cents for each of the first 25,000 names. That is a total of 16 cents under the present rules and regulations. The royal recommendation does refer to the fact there is 16 cents which is approved for payment by His Excellency.

The hon. member for Skeena suggests there may be a change in the postal rates. Perhaps next year it will be 10 cents and 20 years from now it will be 20 cents. At the same time, the hon. member will appreciate there is always the hope that instead of being eight cents next year, it will be six cents. I wonder whether it is not incumbent on the Chair, on the House, or on whoever drafts the recommendations in consultation with His Excellency to proceed on the basis of the law as it currently stands on the statute books.

● (1800)

At the same time, I repeat that in my view the point is interesting and well taken, though perhaps not as clear as the first one. If it were possible to change the recommendation to make sure that it covers not only the present situation but the situation as it might arise in the future, then such an amendment should be made. But I doubt that hon. members would wish to impose this very difficult task on His Excellency. I would think we should be content to look a little more closely at the first point to which I referred and consider whether it might not be possible to include a few words in the recommendation which would ease the hon. gentleman's procedural conscience so that we might go on to debate this bill and the amendments and motions related thereto in full knowledge that all the procedural niceties have been observed.

[Mr. Speaker.]

I thank the hon. member for having brought these points to the attention of the Chair. Perhaps they will be helpful not only in this present instance but in future instances when hon. members such as the hon. member for Skeena propose amendments which do not conform with His Excellency's recommendation.

It being five minutes past six o'clock, the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

The Acting Speaker (Mr. Laniel): When the House adjourned at six it was considering at the report stage motions Nos. 3 and 4 in the name of the hon. member for Assiniboia (Mr. Knight), motion No. 5 in the name of the hon. member for Nickel Belt (Mr. Rodriguez), and motion No. 6 in the name of the hon. member for Timiskaming (Mr. Peters).

Mr. Paul Dick (Lanark-Renfrew-Carleton): Mr. Speaker, I want to speak very briefly on this matter before us. If I may make a few introductory remarks, I should like to say that the reason I became a member of the committee was that this bill was referred to it. I, personally, requested that I become a member of the committee because I thought that this bill was not appropriate for Canadians or in their best interest. I felt that the principle of the bill went against the human nature of the people of this country, their traditions and a number of the institutions that we have.

However, I became involved in the debates in the committee and I can indicate, as my colleague did, that there were 51 meetings in all. This committee sat three times a day every Tuesday and Thursday, with some additional meetings added, from November 15 until last Thursday. The committee sat from eleven o'clock in the morning virtually through until eight o'clock at night. It is correct to say that there were 19 experts on the committee for whom politics was the very essence of their existence. Since they had all been successfully elected, they felt that they knew best how to frame a bill dealing with electoral expenses.

● (2010)

I think it would be fair to say that anyone who has worked on the committee, or anyone who was interested in the committee and expressed a belief in the various possibilities of the measures included in this bill, could advance the argument that the bill, as originally presented, was dramatically altered. Suffice it to say that the original bill had 38 pages and some 150 amendments which, worked out mathematically, amount to some 101 amendments to the original bill. I think it would be appropriate to say that this bill was changed or it was suggested that it should be changed drastically by the committee.

During the committee stage, members of the NDP party introduced a number of amendments to the bill. During the meetings of the committee we had long and serious discussions about proposed amendments put forward by members of the NDP. We now have some 42 amendments

put forward by that party for consideration. These amendments were put forward by six or seven members of that party. Some of the amendments suggested were discussed during committee proceedings, and some of them were of such a nature that I would support them. I did support some of them during the committee proceedings, particularly the amendments in relation to the appointment of an electoral district agent. I supported that amendment because I felt it would increase the independence of individuals in the electoral district in this country.

It is common knowledge that the NDP is the party which has the most scandalous reputation of all parties in this country, but even that party has suggested amendments which are acceptable to many members of this Chamber. There are a number of other amendments that could be made to this government proposal and which might be acceptable to most members. In view of the fact there are now 42 amendments before the House for consideration, I hesitate to suggest additional changes, but as a member of the committee which considered this bill at some length I would suggest that—

The Acting Speaker (Mr. Boulanger): Order, please. I hesitate to interrupt the hon. member, but I would remind him of the directive of Mr. Speaker earlier today in respect of the number of amendments that have been proposed to this bill. Perhaps the hon. member has not had a chance to express the view he has in mind but, in accordance with the suggestion by Mr. Speaker, I would suggest to the hon. member that he refer in his remarks to the general principles of the bill as embodied in the amendment before us at this time.

Mr. Dick: Mr. Speaker, I should draw your attention to the fact that the hon. member for Assiniboia (Mr. Knight) has moved an amendment in respect of electoral district agents, to which I feel I have the right to refer. I do not wish to become involved in an argument with the hon. member who has spoken for the NDP, but I must point out that his suggested amendment would cause a dramatic change in the operation of this proposed measure. I would perhaps support his amendment, and I did so at the committee stage, but I should point out that members of the committee dealt with this matter on a very non-partisan basis.

The President of the Privy Council (Mr. MacEachen) has indicated that he intended to introduce a number of amendments to the bill, but decided not to do so in view of the amendments proposed by other hon. members. He indicated he was taking this attitude because of the recommendations made by the committee. For this same reason, amendments have not been proposed by several members of my party. We felt we should not spend too much time discussing this bill, but should pass it quickly. I hope the House will support the recommendations proposed by the committee, and, speaking for the party to which I belong, I suggest that we are in favour of this measure.

Mr. Frank Howard (Skeena): It was refreshing, Mr. Speaker, to hear the comments of the hon. member for Lanark-Renfrew (Mr. Dick), but unfortunately when you work with an hon. member in a committee you get to know him quite well; there is an informality and you become familiar with the hon. member to the extent that you know his first name. Perhaps that is an improper attitude to take, but the fact is that this is the basis upon which one works in committee.

● (2020)

Mr. Dick: Lanark, Renfrew, Carleton.

Mr. Howard: In any event, it is refreshing to hear the comments from the hon. gentleman because, earlier this afternoon I listened to the official spokesman for the Conservative Party, the hon. member for Halton (Mr. O'Connor). I received the impression from his comments that, even though the bill was defective, was incomplete, was unsatisfactory, he and the Conservative Party were going to wrap their arms around it, embrace it and say it was the best possible measure that could be obtained so they would expedite its passage. I knew, of course, that there were members of the Conservative Party who did not hold that view because they had expressed their views earlier. I thought it would be passing strange if this group which classifies itself as the official opposition, the only party with an official leader, suddenly found itself engaged in a marriage of convenience with the Liberals and received nothing in return.

My friend from Hamilton West is again assisting me tremendously in the development of my thoughts. The hon. member for Halton earlier made what I thought were some unkind comments about myself and my position in respect of this bill. He made reference to the 20 per cent feature in the bill. Twenty per cent is the percentage of votes a candidate must receive before he is entitled to get any payment from the public purse for expenses. The hon. member for Halton tried to draw some conclusion from the fact that in the committee I had moved a motion, the effect of which would reduce that to 10 per cent, which is what I did. The motion was ruled out of order because it transgressed the recommendation of the Governor General in respect of expenditures. I now have an amendment which we will consider a little later to increase that to 70 per cent. The hon. member made some comments to the effect that I should pick up my marbles and go home and inferred "if you can't play it my way don't play at all".

I cannot follow the strange approach of the hon. member for Halton in respect of this situation. He does not seem to be able to draw the distinction between a member operating in committee, moving a motion in an attempt to present the position of his party, and a member acting in his capacity as a representative of his constituency in this House, which I am attempting to do. In case there is any doubt, I am against any payments out of the federal treasury to candidates.

Mr. O'Connor: Your first amendment would have increased the payment.

Mr. Howard: The hon. member for Halton, who made that comment, will have an opportunity, if he follows the rules to take part in this debate in a formal way instead of nattering away while remaining seated. I wanted to point out that we have a situation in which the official spokesman for the official opposition said in the House that his party is in love with this bill, in love with the Liberals, and will do everything they can to expedite the passage of

this bill. Therefore, anybody who disagrees with that position is somehow suspect.

I thought I would put on the record my view about these matters for the benefit of the hon. member for Halton. This is the first time in this parliament I have seen a member of the official opposition formally become an executive assistant to the President of the Privy Council and try to put a bill through the House.

An hon. Member: He is practising to take over.

Mr. Howard: If he does not have any more integrity about other matters than he has about this bill he should not take over.

Mr. O'Connor: I rise on a question of privilege, Mr. Speaker. The hon. member has been trading jibes with me and I with him during the course of the debate this evening. Now, he has allowed me to get under his skin and accuses me of a lack of integrity. I can assure you, Mr. Speaker, that is not the case. I have been consistent in my view and attitude in respect of this bill. I think he should be asked by you, Mr. Speaker, to withdraw such a charge or substantiate the statement he has made.

The Acting Speaker (Mr. Laniel): Is the hon. member rising to speak on the point of order?

Mr. Howard: No, Mr. Speaker.

An hon. Member: He should.

The Acting Speaker (Mr. Laniel): Order, please. So far as I am concerned it is my impression, although the feelings of the hon. member might be hurt, that this is more a question of debate than anything else. Perhaps I should take this opportunity to remind hon. members, and the hon. member who has the floor, of the view expressed by Mr. Speaker this afternoon and the direction given by him at the time of the decision to suspend the first motion and go on to the other motions. He invited hon. members to be more specific. I think the House has an opportunity on these four amendments which are before us at this time to engage in enough general discussion of the principle of this bill, so I think we should refrain as much as possible from making third reading speeches at the second reading stage. I would ask hon. members for their co-operation, and I would ask the hon. member for Skeena (Mr. Howard) to come as quickly as possible to the subject matter of the motion at this time.

Mr. Howard: Mr. Speaker, I was sure you would not find a question of privilege in that statement. In any event, may I say that I did not mean to cast any asperions against the hon. member for Halton. Perhaps the words "question his integrity" were beyond what should be the decorum for debate in this House. I apologize to him for having let those words escape my lips. He is certainly guilty, however, of an indignity. He and his party certainly are guilty of an indignity, and that is their subservience to the government in legislative matters of this kind without obtaining anything in return. Perhaps they might even lose the title "official opposition" which the House Leader of the Official Opposition took solely to himself the other day.

[Mr. Howard.]

The amendments before us, which I have been leading up to in my preliminary remarks, to me at least touch upon the very core and substance of parliamentary democracy in Canada. They relate to the structure of parliamentary democracy as it pertains to a constituency and to a community. These are the amendments which would set the pattern in respect of whether or not we are to have a politically organized element in this nation, and whether or not the people in the constituencies and communities will have a say in what takes place in their political organizations.

That is the fundamental question involved in the set of amendments before us now. Some years ago this Parliament embarked upon the question of organizing more tightly the position of parties at the federal level, and the placing of the political party in a more prominent position in relation to that of the individual candidate. The very question of deciding to place the name of the political party on the ballot, which was done some years ago, was a move in that direction. It was a move in the direction of saying that a political party shall have a larger say in what happens in a constituency.

● (2030)

I think it was in 1970 that we made amendments to the Canada Elections Act to set up the mechanism in section 13 for the registration and authentication of political parties. This provision enabled political parties to organize themselves at the national level in such a way that they could make an application to the Chief Electoral Officer to become registered and put on his list of registered parties. If a party is not on that list maintained by the Chief Electoral Officer, then it has no position within the political spectrum in Canada in an organized way.

We are now moving from those provisions that were enacted in 1970 about registered parties in the direction of saying, in effect, that only registered political parties can run candidates and can spend money, and that an amalgam of people who may want to get together to form a new political party will not be able to run candidates and to spend any money in the conduct of the election unless they meet certain criteria, one of which is to have a certain number of members in this House. That would not apply to a new party becoming established. For that party to become an established registered party and to move against the force of the state—which is what is involved in the bill—it would have to nominate 50 candidates by the thirtieth day before election day.

This is what we are talking about in these amendments, and there are four of them in number. They seek to establish a position within the registered parties' structure for an electoral district agent, specifically named as such with a specific orientation to the home town structure, because under the bill a registered party must have a chief agent and he and others can be called registered agents. It is only through registered agents that contributions can be made to a registered political party. The only channel for campaign fund contributions or administration contributions for the party is through a chief agent who is also a registered agent.

Under the bill it becomes the prerogative of the registered party at its national headquarters, of the chief agent

of that party or the leader of that party, in other words the top level portion of the registered party, to decide who will be the registered agents. What could occur in such an instance? For argument sake, let us consider that the Progressive Conservative party which is well organized in Ontario decides, if the bill passes, that it is in the best interests of that party to appoint, say, three people in Ontario as registered agents. Those three people would be the only three people in that province who would be able to collect funds for that party, organized and directed toward the top.

The party to which I belong may find it advantageous to choose one person in the province of British Columbia and, say, that person will be the registered agent of that party in B.C. for the purposes of collecting funds and for the purpose of being a registered official or designated agent of the party in the province.

The Liberals may do something else in the province of Quebec, and the constituency organizations of a particular political party will have no say whatever in the choosing of registered agents, except when there is a candidate, either declared or nominated in the official way. Then, the candidate can appoint an official agent, which he does now, and the official agent becomes the person in that constituency through whom all money is channeled for the conduct of the election in that constituency. Only during that very short period of time, not exceeding 58 days or something of that sort, can this take place.

There is a compressed minimum of time between dissolution of parliament, the issuance of the writ, and election day. Only in that period of time does the candidate of a party have the opportunity to become involved in the machinery of the party itself in terms of campaign fund contributions. Apart from that period this can only be done at the level of the national headquarters, the level of the chief agent, the level of the national leader, the level of the national president, or at whatever level is determined by the political party.

I think this is wrong in substance in relation to our sense of political values. What the amendments seek to do in one case is to say that members of a particular party in an electoral district can choose one or more people who will be called electoral district agents who are designated that way because they have only the authority to work within the electoral district which chooses them. Also, pursuant to the provisions of the bill, they will be called registered agents. There is an amendment to change the definition of registered agents to say that it shall also include, for more precision, a person who is called an electoral district agent.

It seems to me that this has nothing to do whatever with political philosophies or with the ideologies of parties. It has to do with the totality of what we want to see happen in our political institutions. If we want to see the consolidation of authority at the top and the centralization of authority in the national headquarters office, then we should go along with the concepts in the bill. If we want to see some countervailing force to that, some opportunity for people in communities and constituencies to have some involvement in a formal and direct way rather than having to rest their case upon the generosity or lack of generosity of the leader of a party or of the officers at the national level of parties or of the chief agent of the party or on the very tenuous relationship that exists sometimes between a constituency and the national office, we should accept the amendment. In other words, this responsibility should rest in the fundamental area at home, in the community consisting of members of the party who actually do the work at election time, who knock on doors, distribute literature, drive the cars and do the scrutineering.

A moment ago the hon. member for Lanark-Renfrew-Carleton (Mr. Dick) said that the NDP was the most centralized of parties. Immediately, I asked some of my colleagues whether they belonged to that party because I do not belong to that kind of party. The hon. member for Winnipeg North Centre (Mr. Knowles) said to me as an aside that if he had relied upon a political party, the CCF at that time, to get him elected, he would only have been elected once. The number of times he was elected following that were the result of his own activity and the activities of the members of that party in Winnipeg North Centre.

• (2040)

The Acting Speaker (Mr. Laniel): Order, please. I regret to interrupt the hon. member, but the time allotted to him has expired.

Mr. Maurice Dupras (Labelle): Mr. Speaker, without endorsing the comments of my colleagues from the Progressive Conservative Party with regard to this bill, namely, the hon. member for Halton (Mr. O'Connor) and the hon. member for Lanark-Renfrew-Carleton (Mr. Dick), I am at a loss to try to follow the reasoning of the hon. member for Skeena (Mr. Howard) who intends to repeat the motions that were tabled at the committee stage.

[*Translation*]

It is absolutely beyond me to understand this desire to propose new amendments which have been debated at the committee stage, for very obvious reasons at the time, and among others precisely because each party was seeking control over those allowed to submit their candidacy.

Since this legislation is aimed first at limiting expenditures of the parties and candidates and second at refunding parts of those expenses, surely each duly registered party represented by an official agent will want that the expenditures incurred by its representatives and the funds collected be spent in an acceptable manner.

The parties are entitled, at least mine is, to control the candidates which will represent it at a general election, mainly for the reasons just expressed by the hon. member and namely because of the tax deductions some adventurers might be interested in thrusting themselves forward and declaring their candidacy not for a marginal party but for a well-established party such as mine. If you consider History, you will find that in Quebec candidates have run at the provincial level under the Liberal banner and were elected by a strong majority. But a few years later they ran under another banner or as independents and were totally defeated.

Those are good reasons why the party must absolutely keep on choosing its own candidates, and controlling those

it mandates to collect the money, spend it, and make commitments on its behalf.

[*English*]

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, I appreciate the desire of this House to move this bill along in view of the fact that there are 40-odd amendments on the order paper. Having been a member of the committee at the time this particular clause dealing with electoral agents was discussed and related amendments in the name of Mr. Knight, Nos. 2, 3, 4 and 5 and particularly No. 5 in the name of Mr. Rodriguez.

Some hon. Members: Order.

Mr. Nowlan: That is the way it is on the order paper.

Mr. Knowles (Winnipeg North Centre): That does not give you the right to break the rule.

Mr. Nowlan: I am just reading the order paper, Mr. Speaker. If the man from Winnipeg North Centre wants to give some spiritual guidance to anything I have to say tonight I would be glad to sit down and let him help elucidate my very, very offhand reading of the order paper amendments Nos. 2, 3, 4 and 5 that are under discussion in the names of the members I cited.

In spite of that distraction from that distracting individual, I should like to go back to the merits of the amendments and deal with the merits rather than procedure, something that is fundamental rather than the rule book. I should like to deal with something that affects the rights of every member of this House rather than the dust of the parliamentary library where some members like to hibernate in season and out, and do not care about a vacation, be it Christmas or not. Let us hear some more from the hon. member for Winnipeg North Centre to learn what he can add to these amendments Nos. 3, 4 and 5 which go to the very heart of the constituency organization which puts all the members here in this House.

There are many things I could say about this bill. All members considered it with diligence in the committee. I am going to disagree with the hon. member for Halton this time, but he and other members of my party on that committee, frankly did help the government to bring some order out of chaos to Bill C-203. I think finally the President of the Privy Council (Mr. MacEachen), who has laboured long and with some hope of fulfilled expectation that this bill might move further down the sessional trail and perhaps to from conception into birth—I guess it has been conceived and it is partly in pregnancy now—perhaps wants to make sure it is not going to be stillborn or a complete abortion. This bill would have been an abortion if it were not for the members of the Conservative Party and the NDP. I guess, Mr. Speaker, the hon. member for Winnipeg North Centre could say a ho-hum to that because we are not supposed to refer to party names in this House but to the opposition and the government, but the member for Winnipeg North Centre has to refer to party names because he and members of the government are sort of tied up in an unholy alliance!

Be that as it may, all members worked on these amendments and the government brought forth many remedial amendments. What gives me most concern, and I echo many of the remarks of the hon. member for Skeena, is that this bill is founded on the assumption that all candidates are potential frauds and that the citizens are going to be seduced by politicians. I do not like the atmosphere in which this bill is conceived. I am all for reform, I am all for disclosure and I am for the state helping to pay back the candidate after a good election. Let us go further. The Liberals will have their next leadership contest within three or four months. If they are going to be consistent, let us have public funding not just for candidates at election time but let us make sure that wealth is not a necessary ingredient to be a candidate for the leadership of any party as we tunnel along the parliamentary road in this democracy of ours.

Coming back to amendments Nos. 3, 4 and 5, Mr. Speaker, the hon. member for Skeena and the hon. member for Lanark-Renfrew-Carleton stressed what to me is fundamental, and what I do not think members fully appreciate is the significance of these amendments dealing with the electoral district agent. There are many things I could say if we were speaking in general terms, but since we are dealing with these motions I have to restrict myself. However, it could be said that these particular amendments start at the wrong end of the totem pole. The authority by law which has some say in the appointment of the electoral district agent, is at the top. I am against that, Mr. Speaker. I am prepared to fight it and differ with my party if my party cannot be persuaded and other members of this House cannot be encouraged to amend this clause along the lines of the amendments we are dealing with right now.

I hope members of the Social Credit Party participate in this debate because, without the amendments, the bill allows the leader of the party to pick the electoral district agent in each of the electoral district ridings. As the hon. member for Skeena said, he may pick one or five but it is the leader who picks. This is a centralizing instrument in the hands of a leader in a national party context. I do not believe national leaders should have that authority. What would the position have been with the Social Credit Party during their schism when there was a Social Credit Party and a Créditiste Party if Bill C-203 had been in operation? Just what leader and what faction would have been appointing the electoral district agent to help give the income tax returns and collect the funds between elections?

The hon. member for Skeena correctly cites the bill now in its present form in conjunction with the Elections Act when all candidates, after nomination, appoint their electoral agent. This provision opens up new territory. We had a wiretapping bill which went to the other place, was amended and perhaps it is going to be ironed out. All the members on the committee, and certainly some in the House, stressed that since the wiretapping measure was entering into the field of privacy, safeguards had to be introduced. Certain members of this House said that the name of the bill was a misnomer; it ought to have been called the invasion of privacy act under certain conditions. They said that we must make sure there are safeguards, so that the privacy of individual persons is protected. That brought on much debate.

● (2050)

In some ways we are doing much the same with this bill. Some members say we are moving in the direction of reform. I say that all the election reform bills you can think of will not be worth the paper they are printed on unless real reform takes place at the constituency level. I come from the Nova Scotia, as does the President of the Privy Council (Mr. MacEachen). No member in this House knows more about abuses of the electoral process, and reforms which have been made without election reform bills, than the President of the Privy Council, in whose name this bill stands. He, and I, and certain other members, are aware of electoral abuses. Certainly, abuses occurred in many constituencies, but they were corrected because the people at the local level decided it was time to fight elections on a different basis. Yet there is a proposal before the House for parties to be officially registered. We are to create an agent who is to give out income tax receipts for money that is given to a registered party between elections. We are breaking new ground. Are we asking the public to pay registered parties and candidates who fight elections? As I say, we are breaking new ground but forgetting the people at the constituency level, the people who nominate and elect the candidate. Instead of working from the bottom, we are working from the top. I say that is the wrong way to begin.

How many members have looked closely at the implications of this bill, and of this part we are discussing? The Creditistes did not have a member in the committee while this part was being discussed. Do they know how the clause we are discussing would affect their problems with regard to leadership, since the leader of the party is supposed to appoint electoral agents? We have heard of individual members crossing the floor of the House. Even during the holding of conventions, some members crossed the floor. Yet, under this proposal, the national leader is given power to designate electoral district agents. I think that is wrong. I think all members want reform, but I do not see how, by changing the end of the totem pole, you will bring about reform. You will not bring about reform by ignoring people at the riding level, at the poll level. You will not bring about reform by creating a new structure which ignores them. If you call that reform, I say it is a deformed form of reform; there are many more things which could be said about it.

I hope other hon. members will address themselves to this clause. I do not think too many members are aware of the implications of these amendments, when taken together. Some members, I think, have suggested that instead of the leader designating the electoral agent, the constituency association should pick the electoral district agent who is to be appointed and send his name up to the leader for confirmation. That is the question to which we ought to address ourselves. I could say more on this point, but I had better not digress too far.

This bill will create basic deformities in our system and open up possibilities for fundamental abuse, unless we reverse the method of the appointment of electoral district agents. I hope we can do that in the spirit of Commons debate. Certainly, the bill is not perfect. One only has to see the number of amendments which were made in committee to realize that. Honestly, I do not know how many amendments were moved in committee. This is not a case of the Medes and the Persians. Amendments were proposed in committee because some clauses were impractical of application, some were plainly stupid and others incomprehensible. The bill was well amended in committee. I hope, in the spirit of Commons debates, searching attention will be given to the clauses referred to, so that the appointment of the electoral district agent can come from the people at the riding level rather than from the leader above.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I regret not having had the opportunity to attend the committee discussions on this bill. I take it that many changes were made and many worthwhile suggestions were brought forward. I should like to know exactly why it is proposed that an agent shall be appointed by a political party. Why were members interested in choosing the chief electoral officer in the manner set out in the bill? I can only surmise that much of the discussion was on a party basis, rather than on the basis on which each individually elected member could put forward his views.

It has always been fundamental in a democracy, I believe, that anyone who thinks he has a role to play in the political process of his country has the right to attempt to do so. Provincial governments, on many occasions, have dealt with this question in different ways, as have other countries. Normally, if a person in a democracy wants to become a political candidate, it is not difficult for him to do so. For example, when I was last involved in Ontario provincial politics, a man had to have only 100 signatures on a nomination form. No deposit was required, merely the signatures of 100 people who were willing to see you elected. Candidates in federal elections sometimes do not collect 100 votes. So, clearly, we have not made it too difficult for a person to participate in the political process.

I have been interested to learn that in the United States much attention has been paid to the pre-election period. I am looking at an article which deals with dollar politics, or the issue of campaign spending.

An hon. Member: Is it by Richard Nixon?

Mr. Peters: It is about Richard Nixon; I do not think he wrote it. It indicates that in the United States much of the spending begins prior to the election. The article also says that because of "Richard M. Nixon's extensive travel in 1966 on behalf of Republican Congressional candidates," he became a major presidential contender. The article goes on to say:

> The 30,000-mile tour, including the salary and expenses of one assistant, cost $90,000. The money was raised independently of the campaigns.

● (2100)

> Mr. Nixon's first campaign planning session for his 1968 presidential race was held in early January 1967. "Nineteen months and more than $10-million later, Richard Nixon was the Republican nominee for President," wrote Alexander in his book Financing the 1968 Election.
>
> Ronald Reagan's 1967-68 nationwide speaking tours contributed to his later candidacy for the Republican presidential nomination, Alexander wrote, yet at the time they were also legitimate activities of the incumbent Governor of California.

The article goes on to say he spent a very large sum of money prior to being declared a candidate. One member earlier referred to the New Democratic Party as being centrally oriented. If we are, this could be an indication of our socialist background. However, the fact is we are less centrally oriented than any other political party.

It is interesting to note a paper that was presented on politics and the last federal election by Khayyam Z. Paltiel, Professor of Political Science at Carleton. In it he refers to the Liberal party, the one which my friend across the way recently said he agreed with whatever they did and was a candidate for that party. The Liberal party of Canada collected approximately $6.5 million, some 60 per cent more than had been amassed in the 1968 election. Of this sum, $600,000 was used to discharge the accumulated overdraft incurred by national headquarters and the provincial associations; $1,322,000 was used by the national office and $3,978,000 was distributed by provincial campaign committees. The remittance to the candidates ranged from $4,000 to $7,000, averaging $6,000 in Ontario and $600,000 remained in the hands of the members of the treasury committee. No doubt this is one of the reasons members of the Liberal party have no objection to the central control of moneys being raised prior to an election and prior to the official agent taking over in the constituencies.

Those in the Conservative party who support this provision are well aware of the fact their situation is no different. The same writer goes on to say it should be noted that while constituency allocations appear to average $6,600, some provinces like Alberta and their constituencies were entirely self sustained. Where a member in a constituency, particularly a sitting member, is given a high priority, with the Liberals averaging $6,000 from the central treasury and the Conservatives $6,600, it is obvious they would be satisfied with having one chief agent to handle the collections prior to an election.

I wish to say that in my experience, that is not true. I suggest it will not be true for new developing political parties in the future. They will raise money for their election campaigns from the people in the constituencies. For this reason, it is going to be necessary for the constituency organization to appoint a constituency agent who will be responsible for collections that are made prior to the taking over of that responsibility by the official agent. I can state quite frankly that, as a member of parliament, I have never been impressed with the idea that has developed in this parliament of the individual becoming less and less important and the political party becoming more important. One does not have to go back many years to find very little consideration given in the rules of this House to the political parties, and certainly to the official function of those parties.

I suggest that the right, obligation and functions of an individual member to represent his constituency is more important to maintaining democracy than the creation of political parties and the central control they now have. I was amused when we last changed the Elections Act and eliminated the designation of a candidate's occupation, whether he be a farmer, miner, or school teacher, and whether he lived on a rural concession road, in a particular town or a particular section of the city. The name of the political party was substituted for that local identification.

The political party name can only be provided to a candidate if the party wishes to endorse him. They send the candidate a letter stating he is entitled to carry the name of that political party. This has tended to create an atmosphere of domination by political parties rather than the right of people to choose their candidate and demand that he represent them, even if it may be against the interest of some other members of his party or other members of the House. The constituents want their candidate to know their wishes and aspirations. They want to know that other members from other parts of the country are also aware of the wishes and desires of their constituents. They want their candidate to be as respectful of their wishes as he would like them to be of his.

In appointing an agent to represent a constituency, we are only extending the collective will of a group of people in a constituency to provide an agent who will obviously have to be registered with the chief agent. He will be responsible for collecting moneys prior to an election and prior to the appointment of the official agent. If it is the desire of constituents to choose their own representative, they should have the right to do so.

● (2110)

It is interesting to note that in Ontario 50 collectors were involved on behalf of the Liberal party as compared to 12 in 1968. The 90 largest corporations in Ontario were canvassed personally by the national chairman, the majority in the late winter and early spring of 1972, some six months prior to the election. It may be that the chief agent, where he is nominated from national headquarters, will operate fairly close to the national chairman and he can probably represent the party reasonably well.

It may well be that the national leader, the national secretary and the national financial chairman who may make collections prior to an election would be quite satisfied to make their contributions known only to an official chief agent. It may well be, as is more likely the case, that the provinces will be doing much of the collection and therefore there will be ten agents appointed. I suppose most of us can only speak for our own ridings, but in my riding I have always depended upon a committee to make a decision as to the cost of the election. I have always allowed them, with some advice, to set the budget and I am very happy to allow them to make all the collections but I believe that because those collections are made locally, we should be entitled to a constituency agent who would be responsible for reporting the contributions which are made in that area. He could make his report to the chief agent who will of course be responsible for appointing him. I think this should be true of the other political parties in my riding. It may well be they receive contributions from the national headquarters or from provincial headquarters, but I come from northern Ontario, an area where people take their politics very seriously and I am sure all political parties secure contributions locally.

I am sure other members from northern Ontario would agree that a constituency agent would be advantageous in making a report to the national agent. It may depend on how your political party is organized. It may depend in

some instances on your relationship with your party. I have run in a number of elections, but I can remember only one election in which I ran where I got the total contribution from the provincial party, and that was in an election where I was a token candidate. They gave me 2,000 posters which I was asked to put up. They had my name on them. They did a very nice job of it. The art work was very good. I have been using the same type of poster ever since. That was the only time, in my experience, when the contribution came from the top.

In all other cases we raised 25 per cent of our total budget and we paid that to our provincial office. We have always made that contribution during the eight elections in which I have run. I therefore believe the series of motions which I anticipate you will be putting as one, Mr. Speaker, are motions which deserve the support of all hon. members who really do not believe that as sitting members of parliament or as members of a major party we have the God-given right always to be elected. It should be possible for a small group formed in any of the constituencies to participate in the democratic process and raise money before an election so as to run candidates who will one day, perhaps, be elected to seats in this chamber. I am opposed to any type of system which will lock in the status quo by providing a sitting member with an unreasonable advantage.

There may be one simple thing which members of this House have forgotten. Many of them have gone a long distance away from the people. If there is one thing which separates Canadians from people of other nationalities, it is the support they are willing to give to the underdog. This could have quite an effect in an election if the kind of motion we are proposing is not accepted.

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, I rise in support of the series of motions which are under debate. I think it is important to look upon these amendments as typical of the purposes behind the bill and typical of the trend the bill is taking. It is a dangerous trend. It is a trend away from participatory democracy. Before the bill passes, I hope many of these amendments will be given careful scrutiny because when we move away from participatory democracy we move toward a more bureaucratized, a more computerized and a less personal kind of society. In the long run we shall find we have left the voters out entirely. We shall be able to let machines do the job, we shall be able to let the public purse run the campaign and perhaps the Gallup poll will tell us the result.

This may be stretching the argument to some extent, nevertheless the trend is evident within the bill and the amendment is a valid attempt by some members to reverse this trend and continue to seek a meaningful participatory democracy which involves local control and local contributions. I hope all members will support this approach, an approach which would allow a local constituency association to get off the ground regardless of political views, and pick one of their own—not someone superimposed on them from above—to participate actively in the political process. Too often we find we look at the picture from Ottawa, but do not see the picture from the viewpoint of local constituents.

● (2120)

This bill—and this amendment is an attempt to reverse what I think is a trend in the bill—seeks to avoid that kind of depersonalization. It seeks to avoid locking us into the status quo. The thrust of the bill, in effect, will be an attempt to confirm the existing political parties in this country and will make it extremely difficult for anyone with a new idea or a new approach to fund that idea or approach and bring it forward. What we are really saying is that the political parties we have now are sufficient in terms of their political range and that we do not need any more.

The views of the public change from time to time and we in this House can very easily become out of touch with those views. I think in some areas we are already out of touch, particularly in the area of women's rights and abortion. It may be that if we continue to be out of touch, other political parties will emerge. It is most unfair that this House should see fit to try to protect existing political parties and to injure those who may try to form new political parties. In effect, we would be denying them the kind of democracy that is traditional in this country.

I have no hesitation in rising to support this amendment, which is only one of many that have been presented by this party to try to protect the principle of participatory democracy, the principle of using local citizens and having them actively involved, not merely in making contributions, but in working, knocking on doors, raising funds locally and being responsible for those funds. I would very much commend this particular amendment to the House.

The Acting Speaker (Mr. Boulanger): Is the House ready for the question?

Some hon. Members: Question.

The Acting Speaker (Mr. Boulanger): The question is on motion No. 3, moved by the hon. member for Assiniboia (Mr. Knight), motion No. 4, moved by the hon. member for Assiniboia, motion No. 5, moved by the hon. member for Nickel Belt (Mr. Rodriguez) and motion No. 6, moved by the hon. member for Timiskaming (Mr. Peters). Is it the pleasure of the House to adopt the said motions?

Some hon. Members: Agreed.

Some hon. Members: No.

The Acting Speaker (Mr. Boulanger): All those in favour will please say yea.

Some hon. Members: Yea.

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

Some hon. Members: Nay.

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

And more than five members having risen:

Election Expenses

The Acting Speaker (Mr. Boulanger): Pursuant to section (11) of Standing Order 75, a recorded division on the proposed motions stands deferred.

Mr. Reid: Mr. Speaker, earlier when we were discussing how the amendments were to be taken, Mr. Speaker only indicated the combinations of the first two. I wonder whether it might be appropriate at this time to suggest to the House that motions Nos. 7, 17 and 31 be taken as a group since they deal with Canadian funds and the sources of those funds as donations to campaigns. Then, following that we might take motions Nos. 8, 9, 10 and 11 as a group since they deal with limits on party expenditures. Then, motion No. 12 deals with party gifts to candidates and should probably be dealt with separately, though I should like to reserve my right to argue a point of order on its procedural acceptability.

Mr. Brewin: Mr. Speaker, I rise on a point of order. I should like to ask what we are voting on, motion No. 3, or motion No. 3 plus some other motions?

The Acting Speaker (Mr. Boulanger): We have deferred the vote on motions Nos. 3, 4, 5 and 6.

Mr. Brewin: Mr. Speaker, I would point out the absolute absurdity of that, because motion No. 3 is not in any way consistent with motion No. 5 as I read it, and I do not know how we could vote in that way.

The Acting Speaker (Mr. Boulanger): I understood the arrangement or suggestion was made that motions Nos. 3, 4, 5 and 6 be voted on, but if the hon. member wants to change that the Chair is ready to listen to him.

Mr. Brewin: The point I am making, Mr. Speaker, is that motion No. 3 provides for electoral district agents and refers to designation by the chief agents of the parties. That is one thing. Motion No. 5 provides for an association or organization of the members of a registered party within an electoral district choosing a person to be an electoral district agent, and so forth. It seems to me these are two quite separate proposals, and I do not understand how we can vote for or against two inconsistent motions simultaneously.

Mr. Reid: Mr. Speaker, if one checks one will find that motion No. 3 is a definition amendment. Motion No. 4 adds the words "electoral district agent" to a clause in the bill. Motion No. 5 sets out the way in which an electoral district agent is to be chosen, which is by a group in a particular riding calling itself whatever it happens to be; and motion No. 6 sets out how the agent is to be registered. As I understood Mr. Speaker's suggestion, it was to put all the items that dealt with the same subject, in this case an electoral district agent, into one package for discussion, and then have a separate vote, as it is called, at a later moment.

Mr. Howard: Mr. Speaker, the way the report stage amendments were to operate, as I understood Mr. Speaker's remarks at the commencement of the debate this afternoon, was that motions Nos. 3, 4, 5 and 6 would be lumped together for discussion purposes only, and that when the vote took place—and the vote has now been deferred—a vote will take place on each of motions Nos. 3, 4, 5 and 6. In other words, there will be four opportunities to record a vote on those motions.

[The Acting Speaker (Mr. Boulanger).]

I disagree with the contention of my colleague from Greenwood in regard to the inconsistency or contrariness of one to another, but assuming that is the case for the sake of argument, whether or not there is an inconsistency is not material to the vote. If there is an inconsistency, a member can vote one way on one and another way on the other. He can do that if he finds them inconsistent. However, I believe, they are companion pieces to one another. One deals with a definition; the second ensures that the definition of "registered agent" includes an electoral district agent; the third is the mechanism by which an electoral district agent may be chosen; and the fourth is a mechanism for advising the Chief Electoral Officer of any changes in the registry of electoral district agents.

The Acting Speaker (Mr. Boulanger): Do I understand the House is unanimous that the motions will be voted on separately? If so I will put the question again.

Some hon. Members: Agreed.

• (2130)

The Acting Speaker (Mr. Boulanger): Is it the pleasure of the House to adopt Motion No. 3?

Some hon. Members: Agreed.

Some hon. Members: No.

The Acting Speaker (Mr. Boulanger): All those in favour will please say yea.

Some hon. Members: Yea.

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

Some hon. Members: Nay.

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

An more than five members having risen:

The Acting Speaker (Mr. Boulanger): The division on motion No. 3 is deferred. The question is now in respect of Motion No. 4. All those in favour will please say yea.

Some hon. Members: Yea.

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

Some hon. Members: Nay.

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

And more than five members having risen:

The Acting Speaker (Mr. Boulanger): The division on Motion No. 4 is deferred.

The question is now in respect of Motion No. 5. All those in favour will please say yea.

Some hon. Members: Yea.

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

Some hon. Members: Nay.

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

And more than five members having risen:

The Acting Speaker (Mr. Boulanger): The division on Motion No. 5 is deferred.

The question now before the House is in respect of Motion No. 6. All those in favour will please say yea.

Some hon. Members: Yea.

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

Some hon. Members: Nay.

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

And more than five members having risen:

The Acting Speaker (Mr. Boulanger): The division on Motion No. 6 is deferred.

I understand it is agreed that we will now move to the consideration of Motions Nos. 7, 17 and 31. Is that agreed?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Boulanger): Motion No. 7 stands in the name of the hon. member for Nickel Belt (Mr. Rodriguez) and reads as follows:

No. 7.

December 14, 1973—That Bill C-203, to amend the Canada Elections Act, the Broadcasting Act and the Income Tax Act in respect of election expenses, be amended by inserting, between the words "otherwise" and "shall" in Section 13.1(5)(*a*) of Subclause 4(1) the following: "shall be in Canadian funds and directly from Canadian sources and"—

(*b*) An association or organization of the members of a registered party within an electoral district may choose a person or persons to be electoral district agents for the purposes of that registered party in that electoral district and may so notify the registered party who may forthwith notify the Chief Electoral Officer setting out the name and address of such persons and such information shall be recorded by the Chief Electoral Officer in the registry referred to in subsection (1)."

We are also considering Motions Nos. 17 and 31. Is that agreed?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Boulanger): Motion No. 17 standing in the name of the hon. member for Timiskaming (Mr. Peters) and Motion No. 31 standing in the name of the hon. member for Regina-Lake Centre (Mr. Benjamin) read as follows:

No. 17.

That Bill C-203, to amend the Canada Elections Act, the Broadcasting Act and the Income Tax Act in respect of election expenses, be amended by removing the comma at the end of line 4 at page 12 and adding the following:

"provided, however, that all such money shall be in Canadian funds and directly from Canadian sources."

No. 31.

That Bill C-203, to amend the Canada Elections Act, the Broadcasting Act and the Income Tax Act in respect of election expenses, be amended in Sub-clause 9(2) by inserting between the words "class" and the word "and" in line 39 at page 21 the following:

"provided, however, that all such money shall be in Canadian funds and directly from Canadian sources".

Mr. Frank Howard (Skeena): Mr. Speaker, in dealing with this motion—

An hon. Member: Are we dealing with Motion No. 7?

Mr. Howard: We are dealing with Motion No. 7 in a formal way, and we are also dealing with Motions Nos. 17 and 31, the latter being in the name of the hon. member for Regina-Lake Centre (Mr. Benjamin).

The Acting Speaker (Mr. Boulanger): Order, please. Perhaps the hon. member would like me to call all three motions so there will be no mistake. The House is now dealing with Motions Nos. 7, 17 and 31.

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, there is not much to be said about Motions Nos. 7, 17 and 31, except that they express the desire of various individuals and organizations in this country in respect of the source of moneys used to finance political parties during election campaigns. I do not think anyone in this House will disagree with the suggestion that we should have a law that campaign funds should not come from outside Canada.

There is also a reference to a Canadian source. I might suggest that I have a good friend who spends the winter in Florida. He cannot get back to Canada during the wintertime but he sends a contribution to the campaign fund of the hon. member from Regina, and I should like him to continue to do so. I do not think that such a contribution should be considered as a contribution from a foreign source. In this regard, I think everyone knows what we mean, namely, that candidates should not in the normal course finance an election campaign directly or indirectly from a source outside Canada or through funds, the source of which, is other than Canadian. Surely, no one can disagree with that suggestion.

Amendments Nos. 7, 17 and 31 could be inserted in this bill without any damage to the political reputation of anyone in this country. In fact, I should think that the inclusion of these proposed amendments would enhance the reputation of any candidate taking part in a political campaign. I think I can safely assume that these three amendments will receive the unanimous support of all hon. members in this House, and that they will be accepted by hon. members of this Chamber and incorporated in our electoral laws.

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I wonder whether the hon. member could explain to me in some detail what he means by the words in

Motion No. 7 "Canadian funds", and what he means by "Canadian sources"? Perhaps there was not sufficient research in respect of this matter. I know what the principle is behind the proposed motions, but I hesitate to vote in favour of something in respect of which there has been no interpretation. While I understand the intent of the words "Canadian funds" and "Canadian sources", my point is that if we accept this amendment we will be giving our approval to a principle which suggests something which is obvious to some but not obvious to me. This principle may be obvious to many hon. members, but it is not obvious to me in respect of the reference to the phrases "Canadian funds" and "Canadian sources".

Mr. Howard: Mr. Speaker, after listening to the remarks of my hon. friend—

Mr. Alexander: I am serious, Frank.

Mr. Howard: Mr. Speaker, I know the hon. member is serious as he is not subject to facetious observations. I know the hon. member for Hamilton West (Mr. Alexander) always displays a consistent degree of seriousness in respect of everything that takes place in this House. I should like to thank him, through you, for the fact that this matter was raised in the committee. Let me suggest that I have always found that when a person is confronted with a good idea but does not want to spell it out, he can always reverse the acceptability by pleading an ignorance for—

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

The Acting Speaker (Mr. Boulanger): Is the hon. member rising on a point of order?

Mr. Alexander: No, I rise on a question of privilege, and I refer specifically to the remarks of the hon. member for Skeena (Mr. Howard). All I asked for was some explanation in respect of the amendment proposed by the hon. member. He has taken the attitude that I am not serious in proposing questions in respect of this serious matter. I would hope that the motion—

The Acting Speaker (Mr. Boulanger): Order, please. I do not think the hon. member has made out a question of privilege. Certainly he is objecting to the remarks of the hon. member, but if that is the extent of his question of privilege I do not think the Chair should entertain it.

Mr. Howard: Mr. Speaker, the hon. member for Hamilton West and I have some difficulty in understanding each other, and I know that he is laughing.

Mr. Alexander: I am laughing.

● (2140)

Mr. Howard: What I was putting forward was that in the committee these amendments were proposed in these words. In the committee objection was taken to them. In the committee there was advanced the thought by some hon. members, who I shall not identify, that this was a good idea but they did not understand it and therefore would vote against it. That is what I was trying to get across to the hon. member for Hamilton West (Mr. Alexander)—that some of his own colleagues found a refuge in ignorance. I was not trying to say to him that he was trying to find refuge in a question of misunderstanding. I was merely trying to relate what took place in the committee.

When drafting this motion I spoke to a gentleman in the Department of Justice. Perhaps I did the wrong thing. Perhaps I had too much faith in the ability of the Department of Justice to draft things to mean what they are supposed to mean. However, I called someone I knew there in respect of a lot of these amendments. I told him what our intent was. We had a conversation. This is how one goes about drafting legislation if one does not know legal phraseology. I told him what we wanted to impart in the bill. These are the words he gave me. He said that if we referred to Canadian funds that would be a designation that no one could misunderstand. Canadian funds are Canadian funds; they are not anything else. They are not United States funds, British funds or foreign currency or any other currency. I told this gentleman that we wanted to prohibit head offices of multinational corporations from making contributions to political parties, that we wanted to prohibit international unions headquartered in another country from making contributions to a political party and that we wanted to prohibit the bagman like Senator Hayes travelling to the United States, as apparently he did, seeking out contributions from headquarters offices of corporations which have subsidiaries in Canada. I told him that we wanted to knock out that possibility. These are the phrases and the words he gave me. The words "Canadian sources", "Canadian funds" and "directly from Canadian Funds" should not lend themselves to any misunderstanding unless the individual who seeks to find a misunderstanding wants to develop one for some other purpose. That is always possible in terms of statute law.

When laws have been passed, and when they have been presented before a judge for interpretation, we know how often the judge has said that surely Parliament did not mean this or something else because these words say thus and so. Sometimes when one is faced with what the court decides in a particular case and what was said in Parliament during the development of that law, one finds he is faced with two separate things. However, this is as close as it is possible to get to defining what we are talking about. I think it is completely understandable.

Another thing I was told about legislative drafting is that words are confining, restricting, and that the more words you use the more you restrict and confine what you are talking about; the more you attempt to spell out in precise detail, the more confusing and confounding you can become. This was the suggestion and advice we received in respect of our phrasing. I am sure the hon. member for Hamilton West has no difficulty in respect of understanding what we are trying to say. This is the advice I received. Even though members of the committee said this was a good idea but they do not understand it and would vote against it, I have not yet heard anyone suggest that it be phrased in some other way.

I do not think those members who said it was a good idea could phrase it in any more precise or clear way. We are trying to establish the principal point that Canadians should control Canadian policy in its domestic and indus-

trial sense, and in its political sense as well. We know certainly that there is an attachment between money and politics. We know that if there is a political party contribution which comes from a particular source there is a tendency for the recipient thereof to lean in that direction. Perhaps he did so beforehand, but there is that tendency. There is the tendency to say that he who pays the bills will receive the prime consideration, and that he who pays the accounts will get the attention or that he who does not pay the accounts will not. We are trying to prevent the extraterritorial aspect of corporations, trade unions, individuals, associations and groups in other countries having influence, especially an undue influence, on the politics of this nation.

I know that during the course of the election campaign the party to which I belong was accused by spokesmen from other parties of being in receipt of Yankee money coming from the headquarters of international unions in the United States. Frankly, I do not know of this occurring, but that is the accusation. This statement has been denied a number of times but the accusation continues. Here is an opportunity for those in this House who want to stop this taking place, even though it never took place in the past, to put their vote where their mouth is and be counted in favour of this principle so that this source of funds will be denied this or any other party. There is an opportunity also to those in this House who want to get rid of the corporate influence in politics, the international corporation influence, to say we will deny that source of funds. ITT has caused enough difficulty and trouble in the political system of the United States of America and we sure as hell do not want it here. ITT can involve itself in the politics of this nation under this legislation unless we plug that loophole and say it cannot do it.

That is what this amendment is all about. It is an effort to ensure that Canadians will control their own politics, both in fact and in money as well, and to deny this potential intrusion of other nations in what is likely to happen in this country. When we speak in terms of financing of political parties on a year-around basis we speak in terms of quite a few million dollars. An estimate of the total expenditure by political parties and candidates who ran in the 1972 federal election is in the neighbourhood of $31 million. This includes national parties and candidates, expenditures of provincial sections of the party, and the like. That is a fair amount of money.

● (2150)

Let us say for argument's sake that the treasury committee of the Liberal party is the one that collects the money. Senator John Godfrey was the collector at that time and he collected something in the neighbourhood of $6.5 million in the last election. Out of that sum, $600,000 went to pay debts and accumulated overdrafts, $1,322,000 of that was used by the national office of the Liberal party, and $3,978,000 was disbursed by provincial campaign committees. There is a loophole here and let us deal with it for a moment. Although the bill speaks in terms of disclosing the source of funds, which is a companion measure to one of the amendments before us here, there is a loophole big enough to let through a fleet of trucks. The loophole was in the portion which I read which says that $3,978,000 was disbursed by provincial campaign committees.

I can see that in the next election—if it is not taking place already—the collection agents for the two old line parties will be the provincial sections of those parties. The money will be contributed for the use of the provincial sections of the parties and kept in a vault or bank account. Then, when the election is called and campaign funds are required, the provincial section of the party will drag out the $1 million or $2 million, or whatever amount of money it has accumulated, donate it to the registered party, which under this bill is the national headquarters of the party. Then, watch the source of funds that is disclosed under this bill. The source of funds as disclosed properly, legally and directly under the bill by the registered party at that time will be the provincial association of Liberals, Conservatives, or whatever the case may be, in a certain province, and the disclosure will not go beyond that.

What is the purpose of disclosure if you can hide the source in that fashion so easily? Surely, if it is possible to distribute $4 million out of $6 million during a federal election through the provincial campaign committees, then you can collect that money in the same way in periods up to and before elections. Certainly, the loophole is there. In Ontario, so far as the Liberal party was concerned, 50 collectors were involved and 90 of the largest of corporations in Ontario were canvassed personally by the national chairman, the majority of them in the late winter of 1971 and early spring of 1972, six months before the election. That is what the Liberal party did, canvass 90 of the largest corporations in Ontario to find the money. This was done personally by the national chairman who, I think, is Senator Godfrey, although I am not certain of that because he is called elsewhere chairman of the treasury committee, but all money was raised by the treasury committee and I am assuming that the national chairman is the same individual. If I am wrong, then I am wrong.

In Quebec, the situation was entirely different. It was more heinous because in Quebec the national campaign fund collector was none other than the then Minister of Regional Economic Expansion.

Mr. Alexander: No, I do not believe it!

Mr. Howard: On the one hand, he was giving out $6 million to IBM and the next day he went knocking on their door saying "I am collecting funds for the Liberal party". This bill will not stop that.

The Conservative party also collected money. They collected something like $3,900,000 for the national campaign.

An hon. Member: Where did you get your money?

Mr. Howard: Wait, I am speaking about the two important parties first—

Some hon. Members: Hear, hear!

Mr. Howard: Let me tell the House that IBM and ITT consider the Liberal party to be important, as do Imperial Oil, Gulf Oil, Texaco, and every one of these oil companies. They consider the Conservative party to be no less important.

An hon. Member: Ten o'clock.

Adjournment Motion

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

ENERGY—CONSIDERATION OF CONSTRUCTION OF PIPELINE FROM SAINT JOHN TO MONTREAL

Mr. Thomas M. Bell (Saint John-Lancaster): Mr. Speaker, hon. members can relax. I just have one brief comment which I wish to make. My contribution towards solving the problems of energy in the country goes back to December 5 when I asked the Minister of Energy, Mines and Resources (Mr. Macdonald) if his department had under consideration the construction of a pipeline from Montreal to Saint John. Some other problems have come up since then, and I realize that the minister is busy tonight. I do not quarrel with the fact that he is not here—he has many problems in committee—but I thought it would be a good idea to raise it with him because he has a fond remembrance of Saint John and his relatives there.

In any event, the matter of a pipeline from Montreal to Saint John is current because today, according to a news report, Governor Kenneth Curtis of Maine is reported to have taken exception to the cutting off of energy to pulp mills in that state of the United States by Canada through the National Energy Board. Of course, this raises the matter of the dependency of Canada on the Portland, Maine, pipeline. Although Governor Curtis is good natured about it, and talks about problems which he knows the Maritimes have with the federal authorities, he does suggest that his state might have to get tough. This would be an interesting question of international law, whether the United States could cut off the supplies that come from Portland, Maine to Montreal. I suppose they would have the final authority to do so if they wished to exercise it.

● (2200)

In any event, Mr. Speaker, I call to the attention of the House the unique geographical position of New Brunswick with regard to all sorts of energy development. It lies between Quebec, the New England States, Nova Scotia and the other Atlantic provinces. It has a tremendous hydro potential, although I think it is under development now. We all know that a nuclear plant has been offered to the province, under a very niggardly scheme, I might say. There is, as far as I know, good potential for a heavy water plant on the Bay of Fundy and two or three of the rivers that flow in there. The development of tidal power from the Bay of Fundy is well known and has been promoted by the hon. member for Cumberland-Colchester North (Mr. Coates) and others.

New Brunswick has, in my humble opinion, a very good opportunity to share in this search for self-sufficiency in energy on which Canada is embarked but it seems we are not being considered in the making of some of these decisions. The site of the deep sea port that has been talked about is now Montreal. We did not get the plant for heavy water that was announced when we thought we were being considered for it. The tidal development has been shut off because there is no interest by this government. Geography seems to be working against us and we would like to get into the picture.

The other day Premier Hatfield of New Brunswick, in assessing the problems of energy in a session of the legislature, pointed out the great need to connect Saint John with the development that has been planned. It has been suggested that a reversible pipeline to Montreal or the St. Lawrence would transport foreign crude through Saint John to Montreal or western crude could come from Montreal to the Maritimes, depending upon which price was the lowest at the time. The Board of Trade of Saint John wrote to the Prime Minister (Mr. Trudeau) pointing out that in view of this extra burden that has now been thrust upon eastern Canada by the price of oil, the availability of a pipeline would be very important in this price differential. In other words, if you are going to build a pipeline from western Canada to Montreal or from Sarnia to Montreal, why not at the same time consider a pipeline to the Maritimes?

We have a great future in our city. On the one side we have the Irving interests which have under construction and nearly completed, the largest refinery in Canada, 166,000 barrels per day. It was the largest initial phase refinery and now, of course, it will expand greatly. They have Canaport which was the first deep sea tanker port in the western hemisphere and which will take the largest tankers afloat. On the other side of Saint John is the Lorneville development which now has a thermal plant. If this project went forward, it would tie in with the development of the Maritimes. We could twin the line and it would fit into the whole picture.

In closing, Mr. Speaker, I say that some consideration should be given in these grandiose energy plans of the government, even though we know they are not going to do anything for a while, to including New Brunswick in some way.

Mr. Leonard Hopkins (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, I should like to thank the hon. member for his understanding remarks concerning the Minister of Energy, Mines and Resources (Mr. Macdonald). As he knows, the minister is at a meeting of the Standing Committee on National Resources and Public Works tonight. I might also say, with regard to the remarks which have been quoted concerning the Governor of Maine, that I have been informed that his actual speech indicates that the press has misrepresented his views. Whether or not if that is so remains to be seen after further investigation. At the present time the government has under study the technical and economic feasibility of constructing a large diameter pipeline from a deep water port site in either the St. Lawrence estuary or on the eastern seaboard, to the Montreal refining centre. The crude oil throughput volumes would include supply of the St. Romuald refinery near Quebec City. Such a facility could significantly lower the cost of delivered foreign crude since it would give the new supertankers, VLCC's, access to a Canadian deepwater port. VLCC's have significantly lower unit transportation costs than do the tankers currently delivering foreign crude to Canadian ports.

Staff from several government departments are involved in the current feasibility study. A consulting firm has been retained. One consultant's report has been received with a second expected shortly. The interaction of the proposed new eastern pipeline and the existing Portland-Montreal pipeline system, as well as the proposed extension of the western crude oil supply pipeline to Montreal, is one of the important aspects of this study. There is a good possibility that at very little additional capital investment, any of these pipelines could be made reversible. In this manner, in times of emergency, the flow of oil could be reversed to supply east coast refiners with western Canadian crude oil.

NATIONAL DEFENCE—POSITION OF ARMED FORCES MEMBERS ATTACHED TO NORAD FOLLOWING SPECIAL ALERT ORDERED BY PRESIDENT NIXON ON OCTOBER 25

Mr. Doug Rowland (Selkirk): Mr. Speaker, the questions asked of the Minister of National Defence (Mr. Richardson) by myself and several other members yesterday and today in respect of Canadian involvement in the placing of American forces on Defence Condition III on or about midnight, October 24, and the answers given by the minister raise three important issues which are worthy of discussion. They are, first, was proper judgment exercised by senior Canadian military personnel in delaying notifying, for up to eight hours, the appropriate political authorities of the change in readiness of American forces; second, were Canadian troops actually involved in the alert without prior Canadian authorization; and, third, is NORAD an asset or a liability for Canada.

Let me deal with each of these questions in turn. First, was proper judgment exercised by the military in failing to inform the minister immediately of the change in alert status? My answer to this question is an unequivocal no. The minister, in answer to my question today, indicated that he, on the contrary, had absolute confidence in the judgment of the chief of defence staff and that events had proven that gentleman to have been right in deciding to avoid disturbing the minister's slumbers. After all, only American forces were involved.

The minister's statement was, with all due deference, patent nonsense. First of all, the general competence of the chief of defence staff has not been called into question. What has been called into question is his judgment in this particular instance.

Second, whether or not the general was proved right by events that Canadian security was not substantially affected is totally beside the point. That is a question for the democratically elected representatives of the people to decide, and not the military. I remind the House that our European allies in NATO were extremely bitter about their lack of notification regarding the American action. We received some notification, but our political leaders were not apprised of the situation until hours later and our Minister of National Defence wishes to defend the situation. Well, Mr. Speaker, either our European allies in NATO are hysterical and compulsive worriers, or our Minister of National Defence is entirely too soporific and complacent. I incline to the latter view.

Remember the situation. There was a shooting war in the Middle East. The United States and the Soviet Union were confronting each other in the area, although hidden behind their client states. Then, by executive action, American forces were placed on DEFCON III. What was the reason? Was it for fun? Was it because of a military threat? Was it to make the people of the United States forget the president's domestic political difficulties?

Should Canada be involved? Would Canada be involved, whether or not she wished to be? There is no question in my mind that the answers to those questions must be provided by the duly elected government of the country and that the answers should have been sought by the government immediately. Thus, the chief of defence staff was absolutely wrong in not advising the minister immediately he had news of the situation, which seems to have been about midnight, on October 24, and not 7.30 a.m. of October 25, when he eventually did tell the minister. The situation is this: either the general made that judgment, or the minister's instructions to the chief of defence staff about when his sleep should be disturbed are totally devoid of reality. I simply cannot believe, despite his assertions to the contrary, that the minister is happy with what happened on October 25. I would, therefore, like to know what instructions he has issued in an effort to avoid such blunders in the future.

● (2210)

The second major question raised by the events of October 25 is whether or not Canadian Armed Forces personnel were involved in a military alert without the knowledge or prior approval of this government. When I asked that question of the minister on October 25, his reply was, in effect, no. That answer was extremely misleading.

NORAD has a totally integrated command structure, communications network, radio network and aircraft guidance system. Canadians and Americans work together in all of the eight NORAD regions, a Canadian doing one job, an American another. Thus, the Continental Air Defence Command of the United States could not possibly have been moved to Defcon III without Canadians having been involved. It is nonsense to say otherwise and the minister as much as admitted the fact when he said yesterday at page 8793 of *Hansard:*

> There were some individuals in integrated staff positions who in the early stages would have been involved in the normal course of their duties, but they were not formally on alert and the country was not on alert.

That answer raises more questions than it answers. Does it mean that Canadians were relieved of their duties by Americans and that for the duration of the alert, which lasted several days, seven of the NORAD districts were manned entirely by Americans? If so, were the integrated command and direction structures of NORAD abandoned for the period of the alert and is the government happy with such a situation? If such was not the case, how much stock can we place in the minister's assertion that Canadians were not involved? Not much. Neither of the alternatives is acceptable.

The third major question raised by the events of October 25 is that of whether NORAD on balance is an advantage or a disadvantage to Canadians. I ask hon. members

to remember that because of our involvement in NORAD, Canadian troops were involved in a decision which, for however brief a period, increased world tensions without our political leaders having any say in the matter. There was no consultation before the fact, only notification after and that notification did not come from the senior Canadian officer in NORAD who must have been aware of the situation almost immediately. He is a subordinate to an American general.

I think I can do no better in this regard than to cite some passages from the "Minority Report of New Democratic Party Members of Committee on External Affairs and National Defence on NORAD". In that document we said in part, and I quote:

> We do not accept the recommendation of the Committee that Canada should renew the NORAD Agreement even for a limited period of two years. In our view Canada should take advantage of the termination of the NORAD Agreement to let it die a natural death. In our opinion, for all useful purposes the NORAD Agreement is indeed dead, and it would be more fitting to bury it than to attempt to keep it alive—
>
> Obviously, if we withdrew from NORAD on the basis that we wanted "no truck nor trade with the Yankees" this would cause difficulties, but if we demonstrate, as we think can clearly be done, that a new framework is necessary for Canadian-American cooperation in the air defence of North America and that NORAD is outdated, we think it is insulting to Americans to assume that they would resent this and try to coerce us by denying reasonable economic cooperation with Canada on this basis.
>
> As we said before, we think such timidity on the part of Canada is out of place and it is a threat to the independence of Canada.

The Acting Speaker (Mr. Boulanger): Order, please.

Hon. James Richardson (Minister of National Defence): Mr. Speaker, in reply to the hon. member for Selkirk (Mr. Rowland), I wish to respond quickly to the three points he has made. The judgment of the Chief of the Defence Staff was excellent. Second, the Canadian troops were not involved in any formal way in the events we are speaking about. And, third, as I have stated here and in committee, and in conversation with the hon. member, the NORAD Agreement is an asset to Canada and the free world, not a liability. However, I agree with the hon. member that accurate, complete and timely communication between the chief of staff of the Canadian Armed Forces and me, as the Minister of National Defence, is of vital importance. I would also like to say that we are human beings, and that we are not always able to perceive all the contingencies. Each of us within his own area of responsibility must make judgments about what should be done and what should not be done. If I may philosophize for a moment, I might say it is my belief that no number of rules or regulations can ever provide a complete substitute, in advance, for personal judgment.

As the hon. member has pointed out, and as the House knows, events have clearly demonstrated that in the particular circumstances we are discussing the personal judgment of the chief of staff was excellent. I wish again to confirm my confidence in the present Chief of the Defence Staff. That confidence is undiminished. But to the extent that future events might not be so accurately assessed I have today established procedures which will in future require the chief of staff to advise me automatically and immediately whenever he receives information that the United States has changed the alert status of its armed forces, even if this does not involve any change in the alert status of the Canadian Armed Forces.

An hon. Member: Hear, hear!

Mr. Richardson: Further, in reply to the hon. member, I also wish to confirm that the information which was received on October 24 just before midnight at the 22nd NORAD Region, North Bay, was also received simultaneously in National Defence Headquarters in Ottawa and was from there relayed to the Air Specialist Officer who immediately reported to the Operations Centre in National Defence Headquarters. This information was that the United States Continental Aerospace Defence Command Forces had been directed to move toward a state of increased alert, known as Defence Condition III.

The Acting Speaker (Mr. Boulanger): Order. I know this is very interesting but the hon. minister's time has expired. All I can do is ask the members—

Mr. Knowles (Winnipeg North Centre): Continue!

Mr. Richardson: Thirty seconds?

Mr. Knowles (Winnipeg North Centre): Agreed!

The Acting Speaker (Mr. Boulanger): This is a departure from the rules.

Mr. Richardson: Since our own Canadian defence units were not involved, it is my belief that in this United States alert all appropriate Canadian action was taken.

PENSION—REQUEST FOR EXTENSION OF PROGRAM TO INCREASE ANNUITIES TO EX-SERVICEMEN

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, may I inquire whether I still have seven minutes in which to speak?

The reason I am appearing in this debate tonight goes back to a couple of questions I placed on the order paper subsequent to the passing of Bill C-220. The first question is No. 3206, as shown on pages 8663 and 8664 of *Hansard*. I asked the Minister of National Defence the following question:

> 1. To how many retired servicemen are annuity payments being made as of November 15, 1973?
>
> 2. How many would be entitled to an adjustment pension after January 1, 1973, as a result of the amendment to the Public Service Superannuation Act and particularly to that portion known as the 85 rule?

The answer was that there are at present 40,687 ex-servicemen drawing pensions and that 1,487 of them will get the increase. It is a rather alarming piece of news, considering the publicity given to Bill C-220 and what it was going to do to combat the cost of living, to find out that it only applies to 3.6 per cent of the people for whom it purported to make life easier.

● (2220)

This caused me to ask another question, which is reflected at page 8798 of *Hansard*, in which I repeated the answer given to me by the Minister of National Defence describing this miniscule proportion of retired servicemen who

would be drawing the increase. I asked the President of the Treasury Board:

Would the President of the Treasury Board now consider sponsoring further amendments to the act so that it will apply to more than a small fraction of ex-servicemen and women?

The answer was:

Mr. Speaker, I shall be glad to look at that representation.

I regret that the President of the Treasury Board is not present to participate in this debate, but that was really no answer at all and that is why I am here tonight. He is living up to his tradition of non-communication with questioners. I am not at all surprised he is not here, but I am sorry that he is not here.

With the pension cheques that have gone out information was provided to the recipients on how they could qualify for the increase on January 1, and this occasioned several letters to me. I should like to go, for a moment, to Bill C-220, not the copy given general distribution but the bill presented to the House at first reading. I should like to indicate what the attitude of the government was at that time, as reflected in the explanation and in the recommendation to be found on the second page of the bill. The purpose of the bill was:

—to provide for the assumption by the government of the full cost of the escalation of pensions of persons retired before 1970 and under the conditions prescribed, the assumption of a portion of the cost of the escalation of pensions of persons retired since 1969; and to amend the Members of Parliament Retiring Allowances Act . . . the Canadian Forces Superannuation Act—

Having read that, and read the press releases at the time, one would assume that retired servicemen, seeing their service pensions connected in some way with the increase in the cost of living, would receive an increase. This seemed fair and so the bill was passed. I am glad to see the hon. member for Winnipeg North Centre (Mr. Knowles) in the House, since he was, I suppose, one of those conned by the government, like the rest of us, into thinking that the government was going to do something for servicemen, and he, too, did not spot the fine print which excluded 96½ per cent of retired servicemen from receiving any benefit whatsoever.

On September 7, 1973 the President of the Treasury Board presented the bill for second reading, and as reported at page 6336 of *Hansard* he had this to say:

The principal reason for introducing this bill is to provide that increases in the consumer price index will be fully reflected in the escalation of benefits payable under this act.

So much for the dreams of retired servicemen! I should like to point out that I have received a considerable number of letters, as I stated earlier, all of the same type. A serviceman finds out, when retired and on pension, that there will be no increase for him because the famous 85 rule comes into play, which is age plus service must equal 85 before you are pensionable. Then, there is another fine print rule which says you must be 55 years of age, and this is what has excluded 96½ per cent of retired servicemen.

I hate to point this out, but this falls hardest on the service for which this government has had so little time for too long, namely the Royal Canadian Navy and its retirees. Their petty officers were not permitted to serve for more than 25 years, so there is no way that a retired petty officer can get that increase before the age of 60. I would point out that one other thing equally distasteful is that compulsory retirement age for corporals in the armed forces if 45. A corporal of that age will presumably have about 25 years of service, but he too will have to wait until the age of 60 to get the increment. However, if you are a lieutenant or captain the age rises to 47; if you are a major it is 49; a lieutenant-colonel, 51; and a colonel 55. If you have served to the age of 55 you have a very good chance of having 30 years service, and you can immediately qualify for pension. This bill as passed is unfair to the people who should be treated most fairly. I ask the President of the Treasury Board to consider bringing in amendments to make this the meaningful bill that parliament thought it would be when it was presented in the first instance.

Mr. Leonard Hopkins (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, I would like to begin by amplifying the answer which the Minister of National Defence gave on December 12 to the hon. member's question No. 3206, as reported in *Hansard* on page 8664.

As the minister stated, there were 40,787 retired members of the Canadian forces in receipt of pensions and of these 1,487 became eligible for increases in their benefits under the amendments to the Supplementary Retirement Benefits Act as a result of the passing of Bill C-220 on September 14, 1973. In addition, some 10,000 other retired members will receive further increases in their pensions in January, 1974 as a result of this amending legislation. In view of the hon. member's remarks this fact should be emphasized.

The original statute, in addition to providing benefits to all widows and children provided increases in the pensions of retired members of the forces, who were disabled or who were over age. Similar provisions covered members of the RCMP, members of parliament and members of the Public Service.

However, when the age at which public service employees could retire was lowered from 60 to 55 if the employees had 30 or more years of pensionable service, an anomaly was created between Public Service employees and these other groups. The recent amendments to the Supplementary Retirement Benefits Act provided for a lowering of the age at which escalation could commence for these groups and to correct this anomaly, the amendment was given retroactive effect to January 1, 1973, and provided new benefits immediately to these 1,487 former members of the Canadian forces, among others.

As was explained at the time Bill C-220 was introduced in the House, the formula for determining the age at which escalation of pensions commences for former members of the armed forces and the RCMP was determined after consultations with representatives of the Canadian forces and the RCMP and reflected the over-all cost considerations. However, as stated when the bill was being discussed in committee we will continue to review the experience in relation to the so-called "85" formula.

As members of the House are aware, the principal effect of the amendments to the Supplementary Retirement Benefits Act will be felt in January when the amount of the increases are directly related to the rises in the consumer

price index. In fact, increases will be payable next month at 6.7 per cent if the retirement year was 1973, 9.3 per cent if it was 1972, and 9.8 per cent if it was 1971, and 11.9 per cent if it was 1970 or earlier, such percentages, applied to the basic pension, plus any increases previously received.

The Acting Speaker (Mr. Boulanger): Order, please. The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at two o'clock p.m.

Motion agreed to and the House adjourned at 10.30 p.m.

APPENDIX "A"

PRIVY COUNCIL

P.C. 1973—4065
18 December, 1973

HIS EXCELLENCY THE GOVERNOR GENERAL IN COUNCIL, on the recommendation of the Treasury Board, is pleased hereby to approve the issue of the annexed guidelines to be observed by public servants concerning conflict of interest situations.

Certified to be a true copy
R. G. Robertson
Clerk of the Privy Council

GUIDELINES TO BE OBSERVED BY PUBLIC SERVANTS CONCERNING CONFLICT OF INTEREST SITUATIONS

SHORT TITLE

1. These guidelines may be cited as the Public Servants Conflict of Interest Guidelines.

GUIDELINES

2. It is by no means sufficient for a person in a position of responsibility in the public service to act within the law. There is an obligation not simply to obey the law but to act in a manner so scrupulous that it will bear the closest public scrutiny. In order that honesty and impartiality may be beyond doubt, public servants should not place themselves in a position where they are under obligation to any person who might benefit from special consideration or favour on their part or seek in any way to gain special treatment from them. Equally, a public servant should not have a pecuniary interest that could conflict in any manner with the discharge of his official duties.

3. No conflict should exist or appear to exist between the private interests of public servants and their official duties. Upon appointment to office, public servants are expected to arrange their private affairs in a manner that will prevent conflicts of interest from arising.

4. Public servants should exercise care in the management of their private affairs so as not to benefit, or appear to benefit, from the use of information acquired during the course of their official duties, which information is not generally available to the public.

5. Public servants should not place themselves in a position where they could derive any direct or indirect benefit or interest from any government contracts over which they can influence decisions.

6. All public servants are expected to disclose to their superiors, in a manner to be notified, all business, commercial or financial interests where such interests might conceivably be construed as being in actual or potential conflict with their official duties.

7. Public servants should hold no outside office or employment that could place on them demands inconsistent with their official duties or call into question their capacity to perform those duties in an objective manner.

8. Public servants should not accord, in the performance of their official duties, preferential treatment to relatives or friends or to organizations in which they or their relatives or friends have an interest, financial or otherwise.

HOUSE OF COMMONS

Wednesday, December 19, 1973

The House met at 2 p.m.

[*English*]

PRIVILEGE

MR. BALDWIN—REFUSAL OF MINISTER TO ALLOW PUBLIC OFFICIAL FREELY TO TESTIFY BEFORE HOUSE COMMITTEE

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I wish to raise a question of privilege which is of the utmost gravity. It involves the rights of members of the Standing Committee on National Resources and Public Works in particular, and of all members in general, to question civil servants and public officials, and the extent to which cabinet ministers may assert executive privilege in restricting and limiting the appearance of such persons as witnesses and the extent of their examination.

The particular issue revolves around the refusal of the Minister of Energy, Mines and Resources (Mr. Macdonald) to allow a particular public official to freely give his testimony save under the control and direction of the minister and his assertion that this is a principle which is applicable in all such cases. The refusal of the minister involved the committee hearings on Bill C-236 which, bluntly, has the effect of giving to the government and the minister more power and authority in peace time than has been the case since Herr Schact was appointed economic Czar under the Third Reich.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Baldwin: The result of the minister's prohibition will prevent hon. members on the committee from securing, probably for the first time, accurate and positive information on the facts upon which the government seeks to justify the passage of this bill, and to learn the extent of the tremendous powers that could be invoked.

In particular, the members of the NDP and Liberal coalition on the committee, in their support of this proposition, make it impossible to have an adequate and essential study of the facts.

I regret, of course, that the transcript of the proceedings of last night is not available, but there are other hon. members here who can testify as to the accuracy of this statement. If, therefore, a prima facie case is made, it would move as follows:

That, saving only questions of policy, this House reaffirm the duty of public officials and civil servants to be called as witnesses before standing and special committees and to give evidence without inhibition or restraint from cabinet ministers or others with regard to relevant facts which the committee is considering, and that, if the Minister of Energy, Mines and Resources persists in interfering with this right, that the committee be authorized to exclude the minister from committee hearings at such time as such witnesses may be examined.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. I do not want to prevent the minister from answering the statement made by the hon. member for Peace River, but the hon. member gave me notice of his intention to raise this matter by way of a question of privilege and I am now prepared to make a ruling. Perhaps it might be preferable to deal with the matter this way rather than revive the difficulties which are apparently taking place in the committee.

The hon. member for Peace River is, of course, referring to a very important principle relating to evidence given in committees or in any other circumstance. Whether the grievance the hon. member for Peace River or other hon. members may have in this respect should be considered by the House by way of a question of privilege is another matter.

I think it is a long established principle, perhaps as important as the one cited by the hon. member for Peace River, that procedural difficulties that come up in a committee, to the extent they are procedural difficulties, ought to be settled there rather than in the House. I am sure the hon. member realizes this and appreciates the difficulty procedurally to which his point has given rise. That is why, rather than suggest that a proceeding which is taking place in the committee be referred to the Standing Committee on Privileges and Elections, he submitted for the consideration of the House what is effectively a substantive proposal. If the hon. member has a substantive proposal, it becomes an ordinary motion which requires 48 hours notice. It cannot be taken up in the House by way of a question of privilege.

I certainly do not want to minimize in any way the importance of the matter raised by the hon. member for Peace River, but I suggest to him it is not possible for the Chair to find there is a prima facie case of privilege which would make it possible for the House to consider a substantive motion at this time. That is certainly not in accordance with long established tradition of the House relative to matters of privilege. Therefore I must find against the hon. member in respect of the very limited procedural question which is before me, namely, whether there is or is not a prima facie case of privilege. The ruling of the Chair must be in the negative.

Mr. Baldwin: Mr. Speaker, I rise on a point of order. I trust Your Honour's ruling is without prejudice to my right to bring in another motion supported by the written transcript of the evidence when it is available if there is persistence in this practice.

Privilege, Mr. Reynolds

MR. REYNOLDS—AVAILABILITY OF FUEL IN UNITED STATES TO CANADIAN AIRCRAFT—MINISTER'S ANSWER TO QUESTION

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, my question of privilege revolves around an answer given yesterday by the Minister of Transport (Mr. Marchand) when I asked him about the differences between Canadian and American airlines in picking up fuel. He answered that he doubted that in fact Canadian airlines are treated any worse in the United States than American airlines are in Canada.

● (1410)

The facts are these. Pacific Western Airlines, which travels to Hawaii, has been given a quota of 75,000 gallons of gasoline a month with no guarantee that this will be increased or decreased in the future. This means the company will be obliged to cancel close to 10,000 passenger trips in the next quarter, which will cost this country money. In the United States Canadian airlines are paying 58 cents a gallon for gasoline, an increase from 14 cents only two months ago. American airlines flying into Canada, which are loading up excessively right now, are paying only 24 cents a gallon for gasoline, less than half of what they are required to pay in their own country.

My question of privilege arises because the Minister of Transport was aware of these facts—I know he has been sent telegrams and letters by these companies. I realize that in the past Your Honour has ruled that this might be a matter of debate, but I wonder how a private member, when a minister misleads the House either as a result of carelessness in his own office or simply because he wishes to mislead hon. members, is able to seek redress. I know the minister's facts were wrong yesterday. I know he was misleading the House and I think there should be some means by which private members can have the subject discussed in the Standing Committee on Privileges and Elections so that ministers will give honest answers and we can solve the problems.

Mr. Speaker: The hon. member has given notice of his intention to raise this matter by way of a question of privilege. The hon. member thinks there should be some way in which disputes arising as to facts can be referred to the Committee on Privileges and Elections. For the protection of hon. members, perhaps it is fortunate that the practice of the House does not make this possible, because if it did we should have to adjourn the House and spend a great deal of time in Committee on Privileges and Elections. The essence of proceedings in this chamber is that hon. members argue and debate about facts and interpretations of facts. I have to refer the hon. member and the House again to citation 113 of Beauchesne's Fourth Edition:

> Members often raise so-called "questions of privilege" on matters which should be dealt with as personal explanations or corrections, either in the debates or the proceedings of the House. A question of privilege ought rarely to come up in parliament... A dispute arising between two members, as to allegations of facts, does not fulfill the conditions of parliamentary privilege.

The hon. member claims that inaccurate information has been given to him in response to a question. That may be so. I assume that the member or the minister who gave the information must believe his facts are correct. This is a dispute as to fact between two members. I have to say there is not a prima facie case of privilege which ought to be investigated by the Standing Committee on Privileges and Elections.

[Mr. Baldwin.]

ROUTINE PROCEEDINGS

RESTRICTIVE TRADE PRACTICES COMMISSION

PROPOSED INVESTIGATION OF OPERATIONS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mrs. Grace MacInnis (Vancouver Kingsway): Mr. Speaker, I rise pursuant to Standing Order 43 on a matter of urgent and pressing necessity. In view of the concern expressed by the Food Prices Review Board in connection with market concentration and restrictive trade practices in the food industry and in view of the fact that for the past two consecutive fiscal years 61 per cent of the operating budget of the Restrictive Trade Practices Commission, the agency responsible for reporting on such matters to the minister, has been allowed to lapse unexpended, I move, seconded by the hon. member for Burnaby-Seymour (Mr. Nelson):

> That this House instruct the Standing Committee on Health, Welfare and Social Affairs to look immediately into the operations of the Restrictive Trade Practices Commission and specifically into its failure to inquire into and report upon restrictive trade practices in the food industry.

Some hon. Members: Hear, hear!

Mr. Speaker: The House has heard the motion proposed by the hon. member. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity.

* * *

LABOUR RELATIONS

ONTARIO BILL RESPECTING SCHOOLTEACHERS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I rise to propose a motion under the terms of Standing Order 43. The matter of urgent and pressing concern in the passage last night through second reading stage in the Ontario legislature of Bill 274. This measure, if it becomes the law of that province, will contravene basic civil liberties established in national and international law throughout the world. I therefore move, seconded by the hon. member for Brant (Mr. Blackburn):

> That this House instruct the Minister of Justice to examine Ontario Bill 274, and upon confirmation of its violation of the principle that a person has the right to leave his present employment, take the appropriate steps leading to federal disallowance of the legislation.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity.

* * *

AGRICULTURE

FARM MACHINERY PRICES—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Elias Nesdoly (Meadow Lake): Mr. Speaker, under the terms of Standing Order 43 I rise on a matter of urgency—it has been a matter of urgency for a number of years—arising from the fact that farm machinery has increased exorbitantly in price, and farm machinery parts and repairs have in many instances doubled or more than doubled in price during the last 12-month period. Therefore I move, seconded by the hon. member for Assiniboia (Mr. Knight):

That selective price controls be placed on the steel and farm machinery industry and that a committee be appointed to study the pricing mechanisms of these industries with the view to recommending price rollbacks if there are unconscionable profits.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity.

* * *

SUPPLY AND SERVICES

STATEMENT ON NEW BID SOLICITATION POLICIES AND GUIDELINES

Hon. Jean-Pierre Goyer (Minister of Supply and Services): Mr. Speaker, I am pleased to announce a system for public opening of bids in the Department of Supply and Services effective immediately. This decision stems from a study which I initiated last December to review our policies, procedures and practices dealing with the solicitation, receipt, handling and opening of suppliers' bids. In my study of this whole matter I discovered that Canadian government policies and practices, which have essentially been in effect since 1941, are in the forefront by international comparison. I have no hesitation in comparing our current policies and practices with any other jurisdiction in Canada or abroad. But there is always room for improvement.

Some hon. Members: Hear, hear!

Mr. Goyer: What I have done in my review is (1) to ensure that the good portions of our existing policies and practices remain in force and are respected; (2) to introduce new ones and to improve others where this could be done; (3) to provide for a uniform approach in our headquarters and field operations; and (4) to provide

greater visibility as to our method of carrying on business. My aim was to accomplish balanced economy, efficiency, and the achievement of national objectives in a way that will provide fair value for the taxpayers' dollar and, at the same time, provide equity of opportunity to all qualified suppliers to compete for government contracts. In this regard, the new policies continue to support Canadian industrial and regional development while at the same time recognizing our international obligations, particularly the defence production sharing program.

Let us now look at what was done specifically. Public tender opening is not an entirely new development in the Department of Supply and Services but, truly, not much in use. Eight years ago the department, after consultation with the Canadian Shipbuilding and Ship Repairing Association, introduced a system of public openings for certain shipbuilding requirements and, more recently, we have had public openings for requirements of the new major postal facility in Toronto.

But even if the use of public tender opening was very limited in the past, information relating to prices of the successful and other tenderers for government requirements has always been available from my department. This information is made available after a full evaluation has been undertaken and the contract has been awarded.

[*Translation*]

What I am now introducing is a generalized system for the public opening of tenders. This decision, along with existing policies and practices dealing with the provision of information on tenders for all our requirements, either in regularly published form or as a result of special requests, provides a degree of visibility regarding Canadian government purchasing operations which, I believe, is as good or better than any system in the world. An important consideration in this regard is the fact that we are charged with the responsibility of operating a large and complex system of procurement. This involves upwards of 275,000 purchase orders per year in an amount which far exceeds a billion dollars. Some sixty thousand firms participate in this program which covers many thousands of different types of commodities and services.

It is within the context of this mass operation that one has to relate our new system for the public opening of tenders. First, the purpose of the public opening of tenders is to ensure tenderers that the prices which they have quoted are the ones which are used in the assessment of tenders. This is essential. But it must always be remembered that price is only one factor in the assessment process. Other factors, of course, include delivery time, the availability of spare parts, the financial, technical and managerial competence of the companies concerned, and the degree to which they meet all the other conditions stated in the tender. It is only after all these factors have been assessed that a decision can be taken as to what supplier will be awarded the contract.

● (1420)

[*English*]

In order to improve the system, I have now decided that effective immediately all written tenders for requirements expected to result in contracts over $10,000 will be opened publicly both in headquarters and in our regional and

district offices. There will be two general exceptions to this rule: (1) confidential requirements particularly in the field of defence, and (2) cases where the tenders cover a multiplicity of items and destinations. Let me explain the latter exception, the intent of which is to avoid possible misinformation rather than to avoid public disclosure. Certain of our requirements are for multi-items going to multi-destinations; for example, 250 different types of spares to be delivered to 14 different locations. Tenderers are permitted to quote on portions of these requirements either in terms of numbers of items and/or numbers of locations. The simple reading out of a single figure at the end of a column in my judgment would do more to confuse than enlighten a tenderer. In addition, the reading out of all possibilities would be, to put it mildly, exceedingly time consuming and therefore costly for all concerned. I am exploring this particular area further to determine the means by which this kind of information could be made available at the same time of tender opening.

The threshold of $10,000 for public opening, which, by the way, compares favourably with other jurisdictions, has been chosen because it was felt that this amount was sufficient to interest suppliers in travelling to the tender opening location. In any event, for tenders whose anticipated value is likely to be under $10,000, the present highly secure system which has stood the test of time for upwards of 30 years will continue with as many improvements as we can make to it. Further, hon. members should know that the introduction of a generalized system for public openings will increase government costs due to the need for additional personnel and facilities to perform this new task. The amount of this increase depends directly on the threshold selected and therefore the number of tenders falling within this new policy. We have, therefore, tried to select a figure which in my judgment takes economy and efficiency as well as increased visibility into consideration.

I want to assure hon. members that I will be constantly reviewing this matter to determine whether this figure and our new practices should be modified in the light of experience.

I have a brief outline of the procedures which we will use regarding the receipt, handling and opening of tenders, and I would ask for the unanimous consent of the House to table this document.

Mr. Speaker: Is it agreed?

Some hon. Members: Agreed.

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, the minister was good enough to supply me with a copy of the statement he has made today. As I ran through my copy I made a mental note to underline the final sentence of the first paragraph which states: "But there is always room for improvement". Having listened to the minister and having examined the statement I think I can conclude that the keynote of my response this afternoon must be that there is much room for improvement.

The Department of Supply and Services was established some four years ago. It was brought into being by the Government Organization Act of 1969. It was a response to one of the recommendations of the Glassco Royal Commission. The main purpose of the department was to bring about efficiency, economy and decentralization in government purchasing. I think it is fair for those of us who have been following the department closely over the past few months to conclude that the department has failed to achieve any of these objectives. This is demonstrated by an examination of the figures of the annual departmental budget. Its efficiency is still to be proven. Administrative costs, as is the case with all government departments, are still going onward and upward. Indeed, the minister in his statement today indicated that the introduction of public opening of tenders will require more public servants in his department. Certainly little has been done to disperse government purchases across the country.

We in the opposition have pursued this subject for some months now both in committee and in the House of Commons. The hon. member for York-Simcoe (Mr. Stevens) has been diligent in his questioning of the minister on the subject. In response to a question last May the minister declared it was his belief that the opening of tenders other than in public was illegal on the part of the government. It has required all these months to persuade the government to come to a legal position in its handling of the vast expenditures of public funds which now amount to more than $1.2 billion annually.

I should like to refer to the exceptions outlined by the minister in his statement. He points out that price is not necessarily the only criterion. In this regard I remind him I am fully aware of what has taken place with regard to the awarding of contracts in the very sophisticated area of the provision of machinery for mechanization of the postal service. I have been pursuing questions on this subject. It is obvious that price is not the sole criterion there. We will be continuing our interest in that subject in the days that lie ahead.

There is also reference to defence requirements as an exception to the principle of public opening of tenders. I remind the minister and members of the government it is in this area that the biggest scandals have arisen in government purchasing and contracting. There have been too many Come-By-Chance *Bonaventure* episodes. We will have to leave this subject in the capable hands of the members of the Public Accounts Committee and its chairman, the hon. member for Wellington (Mr. Hales).

I notice that the threshold price has been set at $10,000. In view of the minister's declaration that the non-public opening of tenders is an illegal act, I wonder why it is legal below $10,000 and not legal above $10,000. Perhaps this is a subject we can pursue at a later date as well.

• (1430)

The minister did not indicate whether public relations contracts with public relations firms would be awarded at a public opening of tenders, nor did he indicate whether architects' fees would be covered by this principle. Indeed, the principle the minister has enunciated of giving greater visibility to the department's methods of carrying on business I am afraid will not be achieved by what we have heard in the minister's statement today. It is more like the iceberg approach to the problem. I can assure him that all hon. members on this side of the House will be following his admonition that the practices of this department will

have to be modified and kept under very close scrutiny and review.

Mr. Bill Knight (Assiniboia): Mr. Speaker, in listening to the minister I wondered whether the handling of public tenders involving amounts over $10,000 will be similar to the department's handling of cost claims by contractors under assistance contracts to the tune of $269,000 that his department never bothered to verify, as pointed out in the Auditor General's report tabled yesterday. I certainly hope that the handling of public tenders over $10,000 will be done in a much more judicious way than was the case with the assistance contracts where moneys were paid by the department, according to the Auditor General, without having been verified.

The principle of awarding tenders publicly for contracts over $10,000 outside the public sector is not a principle that should be adopted only in the operations of the Department of Supply and Services but one that should be extended to every department of the government. The reason this kind of change has come about in the Department of Supply and Services is related to the fact that the Auditor General has pointed out to members of the House that, for example, in the handling of the repair of aircraft engines for the Department of Transport, the very department which the minister represents, in 1971 allowed contractors to be awarded a contract for the repair of aircraft engines with no public tender. This was again carried out with the same contractor in 1972-73 and the total cost of this one item was $290,000. Therefore the principle of awarding tenders publicly for contracts over $10,000 is a good one but it should be extended to every department.

May I give one simple example of the glaring lack of the use of public tenders by another department, which justifies my position that the awarding of tenders publicly should be applied to all departments. I refer to the Post Office Department. The Auditor General states in his report that 37 contracts were awarded by the Post Office to contractors across the country without any kind of approval from Treasury Board. They amounted to some $1.6 million. Also, the Olympic coin contract was awarded without any kind of public tender.

An hon. Member: Patronage.

Mr. Knight: Let me give one final example of the ludicrous expenditure of public money by the government without the use of public tenders. Last fall the Post Office printed a calendar. The basic postal information on that calendar took a great deal of time to ascertain. The department had a private firm print one million calendars of 28 pages each. The printing cost was $174,000. There was no contract. In November that arrangement with the private company had to be scrapped because the calendar was full of errors. The calendar was then revised and cut down to 24 pages as it was going to the printing press because further errors were found in the information it contained. Because of no public tenders and the lack of guidelines regarding the expenditure by the Post Office Department in this regard, the $174,000 contained in the original agreement to print the calendar was included in the final bill given to the Post Office by the private contractor. The Auditor General has made this statement with regard to such arrangement and the importance of the principle of public tenders:

> It seems apparent that the difficulties encountered by the Post Office in administering the arrangement and controlling its cost stemmed from undertaking the project at such a late date and failure to set out in a formal manner what was required.

I believe that statement supports extention of the principle of calling for public tenders.

The final point I wish to make is that in the minister's enunciation of his position relating to public tenders for contracts over $10,000 it is glaringly apparent that one department is exempt from the requirement of calling public tenders, and I believe that this department is probably the one where there is the greatest amount of ineptitude and inefficiency in the spending of public moneys. I refer to the Department of National Defence. The Auditor General pointed out that in the agreement which the Department of National Defence has with the United States and the United Kingdom through the Department of Supply and Services in terms of the various cost-sharing contract there is no internal control within this government of these expenditures. Advances to the United States amount to $2,300,000 more than the amount reported by any department of the government, as pointed out by the Auditor General. I believe that the exemption of the Department of National Defence is merely a means of covering up the waste and ineptitude that is taking place in the operations of that department.

I hope to hear some justification from the minister with regard to the figure of $10,000 for public tenders. I should also like to see a requirement that all government departments call for public tenders relating to advertising contracts or any other aspect of business involving the private sector.

The Minister of Supply and Services has spoken about the principle of ensuring that certain supplies are purchased across the country from different regions instead of being centralized in one area. I wonder, in terms of what has been enunciated by the minister today, whether that principle will be carried out. I hope that in the coming months we will have verification that this principle is being extended and in fact carried out.

● (1440)

[*Translation*]

Mr. Gilles Caouette (Charlevoix): Mr. Speaker, we were very happy to receive, before today's proceedings, a French copy of the minister's statement, and I am glad to mention this as the government very rarely provides the French copy at the same time as the English version.

We are also happy to note the minister's position about calling public tenders but we are somewhat surprised to see his satisfaction since he said before that our procedures since 1941 were the best possible, and he now is the first one to suggest the corrective action required, which has been requested for many years.

By taking this attitude, the minister is providing much greater opportunity for Canadians in general or the Canadian economy and alternatives which probably did not exist before for different companies. Unfortunately the minister admits that even if procedures existed before the policy statement which he must made, they were not

always followed. We certainly hope that henceforth the minister will follow the procedures that he set down today for these new public tender calls and that he will truly practice what he says.

However, even though he admits that we shall now be able to ask questions on such or such a tender call, we have noted in the past that when members of the opposition have asked questions, the departments or ministers have often refused to give specific answers, arguing that it was not in the interest of the Canadian public as a whole to obtain such and such information concerning a corporation.

In spite of the minister's intention to make tender calls universally open to the public, it is clear from his statement that he reserves the same rights as previously, namely that other deciding factors in addition to price will be taken into account when the time comes to award a contract, which is understandable.

The minister indicated that these other factors are ability to deliver, availability of parts, solvency as well as technical and administrative competence of the various corporations. I suggest that one may very well wonder if, in the future, this competence will be, as was the case in the past, that of Liberal organizations or companies.

If this fondness for Liberal business heads continues, the problem is not solved but it does enable the minister to justify himself to the House.

In another paragraph, the minister speaks of the possibility of ignoring the procedure he detailed today, this with regard to two spheres that are even more important, namely that of defence and the most significant contracts for distribution of goods in various areas. Once again, it is understood that the minister retains the authority to select the company of his own choosing, without giving out any details, while contenting himself with a statement that those purchases have been made for distribution to various regional offices.

Finally, I consider the overall statement quite good; however, the details give the minister or the government the right to continue doing what they did in the past: showing favoritism towards some industries. This time, the right to do so is more explicit. I somewhat regret those last paragraphs but, all in all, I trust the hopes expressed at the opening of the minister's statement will become reality because they are required for a better administration of public assets.

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

[Mr. Caouette (Charlevoix).]

[*Text*]

TOTAL COST OF RENOVATIONS AT THE PRIME MINISTER'S SUMMER RESIDENCE

Question No. 1,837—**Mr. Coates:**

What was the total cost, in dollars, of the repairs, alterations and refurnishing, carried out at the Prime Minister's summer home at Harrington Lake, for each of the fiscal years from 1964-65 to the present?

Hon. Jean-Eudes Dubé (Minister of Public Works):

	Repairs $	Alterations $	Refurnishings $	Total $
1964-65	4,573	—	—	4,573
1965-66	10,944	—	3,324	14,268
1966-67	9,463	—	1,939	11,402
1967-68	9,756	—	—	9,756
1968-69	4,075	—	3,105	7,180
1969-70	5,784	—	271	6,055
1970-71	13,006	—	—	13,006
1971-72	16,710	—	369	17,079
1972-73	11,005	—	709	11,714

NOTE: Totals by fiscal year for years 1968-69 to 1972-73 included in totals given in reply to Question No. 2,600.

CANADIAN WHEAT BOARD—DEMURRAGE CHARGES

Question No. 2,449— **Mr. Neil (Moose Jaw):**

For each of the crop years 1968-69 to 1971-72 inclusive (a) what was the total amount paid by the Canadian Wheat Board and charged as a marketing expense and paid out of the Canadian Wheat Board Pool account for demurrage for ships which were held up on the Vancouver Harbour awaiting wheat cargoes (b) was there a deficit in the Canadian Wheat Board Pool account in any of the said crop years and, if so, what was the amount paid in the deficit years by the government for demurrage for ships which were held up on the Vancouver Harbour awaiting wheat cargoes (c) what were the corresponding figures for barley?

Hon. Otto E. Lang (Minister of Justice):

(a) Wheat

Crop Year	West Coast $	East $	Total $
1968-69	1,600,915	21,864	1,622,779
1969-70	516,903	—	516,903
1970-71	121,354	12,163	133,517
1971-72	1,255,650	32,003	1,287,653

(b) There was a deficit on operations of the board on the 1968-69 Pool Account, wheat. Included in the expenses charged to that account was $1,600,915 in demurrage charges incurred at the West Coast.

(c) Barley

Crop Year	West Coast $	East $	Total $
1968-69	12,406	—	12,406
1969-70	26,275	—	26,275
1970-71	70,645	—	70,645
1971-72	579,118	4,293	583,411

There was a deficit on operations of the board on the Pool Account, barley in each of the crop years shown except 1969-70. Included in the expenses charged to these deficit accounts were, respectively, $12,406, $70,645 and $579,118 in demurrage charges incurred at the west coast.

PRIME MINISTER'S SUMMER RESIDENCE—GOVERNMENT EXPENDITURES ON CONTENTS

Question No. 2,598—**Mr. Cossitt:**

Were any sums of money spent by the government on furniture, fittings, fixtures or contents of any kind whatsoever since April 30, 1968 at the Prime Minister's summer residence at Harrington Lake and, if so (a) what are the individual items involved (b) what was the cost in each case?

Hon. Jean-Eudes Dubé (Minister of Public Works):

	(a)	(b) $
1968-1969	Supply and install rugs	2,699.00
	Mattress, box spring and bedspread	406.26
		3,105.26
1969-1970	Supply and install rugs	181.50
	Extermalite number 455	89.50
		271.00
1970-1971		Nil
1971-1972	Roller Blinds	218.11
	Venetian blinds and roller blinds	150.56
		368.67
1972-1973	Traverse rods	93.78
	Venetian blind sunflex	13.95
	Three-seater chesterfield	260.00
	Bytown side table	42.00
	Telephone table	45.00
	Student's desk	80.00
	Round coffee table	70.00
	Bytown side chair	29.00
	Library table	75.00
	White Chateauneuf drapes	69.93
	17 Exlite roller blinds	148.18
	4 Sunflex venetian blinds	123.42
	4 Dalite roller blinds	27.14
	1 Nordland rug	94.50
		1,171.90
1973-1974	3 water pressure extinguishers	59.85

NOTE: Above expenditure included in reply to Question No. 2,600.

Order Paper Questions

NATIONAL DEFENCE—ROUND-THE-WORLD TRIP, AUGUST, 1973

Question No. 2,605—**Mr. McKinnon:**

1. How many passenger seats are in the normal configuration of the DND Boeing 707 that completed a round the world trip in August 1973, with the Minister of National Defence as a passenger?

2. How many passengers were carried between each of the stops on the trip?

3. How much is the estimated cost to the taxpayer for the recently completed flight?

Hon. James Richardson (Minister of National Defence): 1. The normal configuration of the DND Boeing 707 for this type of trip is 120 seats.

2 and 3. These questions were answered in reply to Question No. 2,596 on December 3, 1973.

OFY ADVISORY BOARD—ROBERVAL CONSTITUENCY

Question No. 2,705—**Mr. Gauthier (Roberval):**

1. What are the names and addresses of the members of the advisory board for the Opportunities for Youth Program in the constituency of Roberval for 1973?

2. How many meetings did the board hold?

Hon. James Hugh Faulkner (Secretary of State): 1. There was no advisory board for the Opportunities for Youth Program in the constituency of Roberval in 1973. Because of difficulties encountered in establishing an advisory board in the Lac St-Jean region, which includes the constituency of Roberval, and in order to avoid delays in the implementation of the 1973 Opportunities for Youth Program in the region, an ad hoc committee was set up, consisting of four members and two resource persons. The members were all federal or provincial public servants, whose area of work and interest lies in eastern Quebec. The resource persons were Opportunities for Youth project officers in the Lac St-Jean region.

2. The ad hoc committee met twice.

U.S. STRATEGIC AIR COMMAND BASE, LORING, MAINE

Question No. 2,739—**Mr. Corbin:**

1. Since the establishment of the U.S. Strategic Air Command base at Loring, Maine, near Grand-Sault, at the Canada-United States border, how many aircraft from the base (a) crashed in or exploded over New Brunswick and at what community (b) how many lives were lost?

2. Were there any nuclear armaments on board and were all explosive devices which fell on Canadian territory recovered?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): 1. (a) None. (b) Not applicable.

2. Not applicable.

COMPANY OF YOUNG CANADIANS—PUBLICITY EXPENDITURES

Question No. 2,855—**Mr. Nystrom:**

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

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

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

Hon. James Hugh Faulkner (Secretary of State): I am informed by the Company of Young Canadians as follows: 1 and 2. 1972-73: Campbell Printing, 880 Wellington St., Ottawa, Ontario, $3,175.20; 1973-74: Ross-Ellis Limited, 300 Ann St., Montreal, Province of Quebec, $3,800.44; Purpose of contracts: Annual Report.

3. Not applicable.

DEPARTMENT OF VETERANS AFFAIRS—PUBLICITY EXPENDITURES

Question No. 2,892—**Mr. Nystrom:**

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

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

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

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): 1. 1972/73, $94,620; 1973/74, $95,568.

2. 1972/73, John Doherty & Co. Ltd., Ottawa, Ontario, $2,864; 1973/74, John Doherty & Co. Ltd., Ottawa, Ontario, $7,615. To enable Public Relations to cope with peak work load for which it would be uneconomical to provide continuing positions; to provide services such as arranging speaking engagements for minister and Veterans Affairs senior management.

3.

1972/73 $	1973/74 $	
5,465	52,976	Advertising
30,804	9,013	Artists and Technicians Fees
16,696	9,048	Books of Remembrance
10,104	1,768	Photography
3,875	390	Hospitality
18,540	10,459	Printing and Publishing
6,272	4,299	Travel

CANADIAN ARMED FORCES—UNIVERSITY DEGREES EARNED BY OFFICERS

Question No. 3,122—**Mr. Forrestall:**

1. How many officers commissioned from the ranks for each rank Lieutenant or above, have earned degrees from universities in the past three years?

2. How many of these officers have been promoted subsequent to earning these degrees expressed in an absolute and in a percentage of those who had received them?

[Mr. Nystrom.]

3. How many officers, having entered the regular forces on a full-time basis as Lieutenant or above, had degrees either at the time of entry or earned them within the past three years?

4. How many of these officers have been promoted once having earned such university degrees expressed in absolute terms and in a percentage of those who had received them?

Hon. James Richardson (Minister of National Defence): 1. Lieutenant-Colonel, 1; Major, 9; Captain, 12; Lieutenant, 5.

2. Five officers have been promoted representing 18.4 per cent of those who received degrees.

3. Three hundred seventy-three officers.

4. Seven officers have been promoted representing 1.87 per cent of those who received degrees.

WIDOWS OF FORMER PUBLIC SERVANTS IN RECEIPT OF PENSIONS

Question No. 3,127—**Mr. Leggatt:**

How many widows of retired federal employees receive a pension of less than $100 per month?

Hon. C. M. Drury (President of the Treasury Board): 1. 13,402 widows of former public servants are receiving pensions of less than $100 per month. This figure includes widows of retired public servants as well as of those who died prior to retirement.

CANADIAN ARMED FORCES NADEN BAND

Question No. 3,131—**Mr. McKinnon:**

1. Were several members of the Canadian Forces Naden Band flown to the Hawaiian Islands on September 23, 1973, by service aircraft, returning by commercial aircraft on September 26?

2. (a) How many engagements did they play while in Hawaii and what were they (b) what was the type of aircraft that they flew out on (c) what is the cost per mile of flying such an aircraft (d) what was the cost of the return flight?

Hon. James Richardson (Minister of National Defence): 1. From the Canadian Forces Naden Band, 18 members were flown to the Hawaiian Islands on September 23, 1973, by service aircraft. This aircraft was a scheduled flight to return from Hawaii support personnel who had participated in a major Australia/Canada/U.S. exercise. The flight was not scheduled for the purpose of flying the band to Hawaii. Fifteen members returned to Victoria by commercial air on September 25, 1973, in order to join up with the remainder of the Naden band to begin a band tour scheduled for September 27, 1973. The other three members returned later by service aircraft.

2. (a) The Naden Band contingent played three engagements: September 23, 1973, A special concert; September 23, 1973, A dance for personnel from the three participating countries; September 24, 1973, A Canadian reception; (b) Boeing 707. (c) The fuel cost per mile varies considerably depending upon speed and over-all aircraft weight including fuel. The cost per mile of the Boeing 707 at current fuel price varies between 65 cents and 73 cents per mile. (d) $2,448 for the 15 members.

NATIONAL DEFENCE—AVIATION FUEL REQUIREMENTS TO FERRY CANADIAN TROOPS TO CAIRO

Question No. 3,152—**Mr. Dick:**

1. How many millions of gallons of gas will be required to ferry Canadian troops by air to Cairo and from what source is this petroleum to come?

2. How many millions is it estimated will be required to keep our troops supplied while there and from what source is this petroleum to come?

Hon. James Richardson (Minister of National Defence): 1. (a) the amount of aviation fuel required to ferry the Canadian contingent to Cairo in support of the UNEF Middle East was approximately 3,230,000 gallons. (b) The sources of the fuel were as follows: Canada, approximately 880,000 gallons; Canadian Forces Europe (Lahr, Germany), approximately 1,220,000 gallons. Refueling stops at the following airports: Reykjavik, Iceland; Prestwick, Scotland; Gatwick, England; Shannon, Ireland; Nicosia, Cyprus; Cairo, Egypt. Approximately 1,130,000 gallons.

———

NOTE: The gallonage supplied at each of the above airports has not yet been determined.

2. It is not possible at this time to estimate fuel requirements since the final definition of activity and duration of Canadian troop commitment has as yet not been established.

TERMS OF AGREEMENT BETWEEN SPORT CANADA AND KELLOGG COMPANY OF CANADA LIMITED

Question No. 3,170—**Mrs. MacInnis (Vancouver Kingsway):**

1. What are the terms of the agreement reached between Sport Canada of the Department of National Health and Welfare and the Kellogg Company of Canada Limited?

2. Do these terms include the expenditure of money by the government and/or the Kellogg Company of Canada Limited and, if so, how much by each?

3. What is the term of this agreement?

4. Are any other commercial products being sponsored by the Department of National Health and Welfare?

5. What are the names of the firms involved?

Hon. Marc Lalonde (Minister of National Health and Welfare): 1. The terms of agreement reached between the Department of National Health and Welfare and the Kellogg Company of Canada Limited, are as follows: (a) Kellogg's will procure and during the period June 1 to October 31, 1973 will distribute free of charge in every 12-16 and 24 ounce package of its corn flakes sold in Canada one "Sport Canada Sportpatches" decal. (b) At least ten million decals will be distributed in this way.

2. The Crown paid jointly to Creative House Ltd. and Canada Decalomania $100,400 for the cost of six million decals. Kellogg's is responsible for the cost of all remaining decals. It is estimated that Kellogg's will expend over $500,000 on this program.

3. See 1(a) above.

4. No; the Department of National Health and Welfare does not sponsor commercial products.

5. (a) Canadian Decalomania; (b) Creative House Ltd.; (c) McClelland and Steward Ltd.

CANADA PENSION PLAN—STATEMENTS OF EARNINGS

Question No. 3,172—**Mr. Macquarrie:**

1. By year since its inception, how many requests for statements of earnings for the Canada Pension Plan were received?

2. How many disputes involving differences between contributors' records and CPP records occurred in the same period?

3. How many such disputes were refused investigation by officials of CPP for reason of expiry of the four-year deadline for corrections to such statements?

4. In how many instances were changes made to contributors' records as a result of action initiated by contributors?

5. What percentage of these disputes involved the Quebec Pension Plan records and the CPP records?

6. How much was spent by year since the inception of CPP on informing Canadians of the existence of the four-year deadline period?

7. How much money has been allocated for the 1973-74 fiscal period in order to make this policy known to the public?

Hon. Marc Lalonde (Minister of National Health and Welfare): 1. 1971 and prior, approximately 6,000; 1972, 9,453; 1973, January 1, 1973 to October 31, 1973, 10,190.

2. Statistics are not maintained in this respect. However, should such a difference arise, it is resolved in his favour, if the contributor is in a position to provide the Canada Pension Plan with acceptable evidence of valid contributory earnings and contributions under the Plan.

3. No records are kept in this regard. However, we have not refused to review any case where such a request has been forthcoming with suitable documentation indicating that there could be a possible discrepancy.

4. Statistics of these changes are not kept. However, if satisfactory evidence of valid contributory earnings and contributions are submitted or revealed in a case review to the Canada Pension Plan, the necessary changes are made to the Record of Earnings.

5. Statistics showing this breakdown are not maintained. If it is determined that the person making the inquiry also made contributions to the Quebec Pension Plan, steps are taken to ensure that the applicable changes are made. There is a close working relationship between the two jurisdictions to resolve problems of this nature.

6. It is virtually impossible to separate the cost of services that could be attributed just to information concerning the four-year deadline, from general informational services provided by the Canada Pension Plan program.

7. No specific allocation of funds has been made in this regard. The areas of general information will, of course, be maintained; the extensive network of district and local offices; the dissemination of booklets and pamphlets; the availability of staff members to explain all facets of the Canada Pension Plan legislation when further interpretation is required by individuals, groups and employers.

Order Paper Questions

STATUS OF GOVERNMENT'S CONSIDERATION TOWARDS EQUALIZING CONTRIBUTIONS AND BENEFITS UNDER PSSA

Question No. 3,178—**Mr. Forrestall:**

1. What is the status of the government's consideration towards equalizing the contributions and benefits receivable and payable under the Public Service Superannuation Act and eliminating the differences based on the sex of the employee?

2. On what date does the government expect to introduce legislation to this end as recommended by the Royal Commission on the Status of Women?

Hon. C. M. Drury (President of the Treasury Board): 1. The government has fully considered the recommendations of the Royal Commission on the Status of Women concerning equality of treatment of male and female employees under the Public Service Superannuation Act and legislative amendments are being prepared.

2. The government intends to introduce this legislation early in 1974.

NATIONAL DEFENCE—TRANSFER OF DND PROPERTY AT ROCKCLIFFE

Question No. 3,182—**Mr. Forrestall:**

Is it the intention of the Minister of National Defence to recommend that the Privy Council approve the transfer of that DND property located to the south-east of the present Rockcliffe STOL administration buildings now under construction so that planners for the National Museum of Science and Technology may proceed with plans to erect new buildings to replace the present ones which are in need of repair and replacement and, if so, on what date?

Hon. James Richardson (Minister of National Defence): No requests have been received for the transfer of property from DND for the utilization by the National Museum of Science and Technology other than three hangars at Rockcliffe Airport which were made available in May 1968 by DND to DPW for use of the National Museum of Science and Technology.

RIDING MOUNTAIN NATIONAL PARK—STUDENT SUMMER EMPLOYMENT

Question No. 3,207—**Mr. Stewart (Marquette):**

1. How many students were employed in Riding Mountain National Park during the summer of 1973 (a) how were they hired and were the positions advertised (b) how many of these students were from the Province of Manitoba (c) how many of these students came from each of the other provinces?

2. How many of these positions were processed by (a) the Office of the Minister of Indian Affairs and Northern Development (b) the Public Service Commission (c) Manpower?

Hon. James Hugh Faulkner (Secretary of State): I have been given the following information by the Public Service Commission. 1. There were 26 students employed in Riding Mountain National Park during the summer of 1973. (a) The students were hired in two ways: 11 of them were recruited on university campuses via a poster-advertised competition, and 15 were recruited from Canada Manpower Centres. (b) Of these 26 students, 21 were recruited from the province of Manitoba. (c) Insofar as students from other provinces are concerned, two were from Alberta and three were from Quebec.

[Mr. Lalonde.]

2. (a) None of these positions were processed by the office of the Minister of Indian Affairs and Northern Development. That department, however, processed eight positions advertised by poster on campuses. (b) The Public Service Commission processed three of these 26 positions as part of its Career Oriented Summer Employment program. The three students were recruited on university campuses via a poster-advertised competition. (c) Canada Manpower Centres processed 15 positions.

RIDING MOUNTAIN NATIONAL PARK—PERSONNEL

Question No. 3,208—**Mr. Stewart (Marquette):**

1. How many people other than students were employed for summer positions in Riding Mountain National Park in 1973 (a) how were they hired and were these positions advertised (b) how many of these employees were from the Province of Manitoba (c) how many of these employees came from each of the other provinces?

2. How many of these positions were processed by (a) the Office of the Minister of Indian Affairs and Northern Development (b) the Public Service Commission (c) Manpower?

Hon. James Hugh Faulkner (Secretary of State): I have been given the following information by the Public Service Commission. 1. Other than students, 82 people were employed in summer positions in Riding Mountain National Park. (a) Twenty-one people were hired for the summer of 1973. The other 61 were "seasonal" employees who return each summer. (b) All of these employees, 82, were from the province of Manitoba. (c) None of these employees came from the other provinces.

2. (a) None of these positions were processed by the office of the Minister of Indian Affairs and Northern Development. That department, however, processed 61 positions. (b) None of these positions were processed by the Public Service Commission. (c) Manpower processed 21 of these positions.

PURPOSES OF TRIPS MADE BY T. CHASE-CASGRAIN, VICE-PRESIDENT OF EXPORT DEVELOPMENT CORPORATION, 1971-72

Question No. 3,212—**Mr. Knight:**

1. In the fiscal year 1971-72, what were the purposes of the trips made by T. Chase-Casgrain, Vice-President of Export Development Corporation (salary range: $26,000-$32,500), to (a) Washington ($642) (b) Vienna, Munich, Lisbon, Amsterdam ($1,478)?

2. In what months of the year were these trips made?

Mr. Herb Breau (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Export Development Corporation states that: 1. The purposes of the trips made by T. Chase-Casgrain, Vice-President, for which he submitted travel expenses in the fiscal year 1971-72, were: (a) Washington, to attend the Annual General Meeting of the Union d'Assureurs des Crédits Internationaux, and meetings with the Export-Import Bank of the United States; and (b) first, Vienna, via Munich, to attend meetings with the Osterreichische Kontrollbank and with the Trade Commissioner in Vienna, and second, Lisbon, via Amsterdam, to attend the Extraordinary General Meeting of the Union d'Assureurs des Crédits Internationaux; the stop at Munich was to meet a connecting flight to Vienna, and the

stop at Amsterdam, a forced one due to airline strikes, was to meet a connecting flight to Montreal.

2. The trip mentioned in (a) above was made in May 1971, and that mentioned in (b) was made during the previous fiscal year, in the month of January 1971, but expenses were submitted during the fiscal year in question.

PURPOSES OF TRIPS MADE BY V. L. CHAPIN, VICE-PRESIDENT OF EXPORT DEVELOPMENT CORPORATION, 1971-72

Question No. 3,213—**Mr. Knight:**

1. In the fiscal year 1971-72, what were the purposes of the trips made by V. L. Chapin, Vice-President of Export Development Corporation (salary range: $26,000-$32,500), to (a) Royan, Paris ($1,076) (b) Washington ($575) (c) Paris, Rome, Athens, U.K. ($1,560) (d) New York ($245) (e) Mexico ($700) (f) Paris ($1,493) (g) London, Madrid, Athens, Rabat ($1,501) (h) London, Tel Aviv ($1,902)?

2. In what months of the year were these trips made?

Mr. Herb Breau (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Export Development Corporation states that: 1. In the fiscal year 1971-72, V. L. Chapin, Vice President, made trips to (a) Royan, via Paris, to attend a course of French language; (b) Washington, as Canadian delegate to the Annual Meeting of the International Bank for Reconstruction and Development and the International Monetary Fund; (c) Paris, for financing negotiations regarding a sale of ships to France, and the United Kingdom, for international banking discussions; he did not travel to Rome and Athens on this occasion, although he had planned to do so and received a refundable travel advance for the purpose; thus a reference to Rome and Athens in the answer to question 928 was erroneous; (d) New York, for discussions with banks and investment houses; (e) Mexico, for negotiations with the Comision Federal de Electricidad, Nacional Financiera and private banks in Mexico regarding EDC loans; (f) Paris, as head of the Canadian delegation to the "Paris Club" meetings in connection with the Chilean debt rescheduling; (g) London, Madrid, Athens and Rabat, for discussions on financing related to the export of Canadian capital goods; and (h) London and Tel Aviv, to join the Minister of Trade and Commerce for financing talks with the government of Israel.

2. The trips mentioned in (a), (b), (c), (d) and (g) above were made in July/August, September, May, May and December, 1971, respectively; and those mentioned in (e), (f) and (h) were made in January, February and January, 1972, respectively.

PURPOSE OF TRIP MADE BY L. ROWEBOTTOM OF STATISTICS CANADA, 1971-72

Question No. 3,215—**Mr. Knight:**

1. In the fiscal year 1971-72, what was the purpose of the trip made by L. Rowebottom of Statistics Canada (salary range: $25,000-$31,000), to Denver, Frankfurt, Addis Ababa, New York, Washington ($2,003)?

2. In what month of the year was this trip made?

Mr. Herb Breau (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Statistics Canada reports that: 1 and 2. The following table shows the destination, the month of the trip, and the reason for the trip, for each trip made by L. Rowebottom during the fiscal year 1971-72.

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NOTE: These were several trips made over the year, not one continuous trip as indicated in the question.

Denver, August, To attend American Statistical Association Conference in Fort Collins; Frankfurt, February, Change planes on way to Addis Ababa; Addis Ababa, February, To represent Canada on Economic Commission of Africa meeting on Censuses; New York, November, To hold discussions with members of the Population Council; Washington, November, To discuss vital statistics problems with officials of the Bureau of the Census and the Center for Health Statistics.

PURPOSE OF TRIP MADE BY S. GOLDBERG, STATISTICS CANADA, 1971-72

Question No. 3,216—**Mr. Knight:**

1. In the fiscal year 1971-72, what was the purpose of the trip made by S. Goldberg of Statistics Canada (salary range: $28,000-$35,000), to Washington, Princeton, New York, Sweden, Denmark ($2,159)?

2. In what month of the year was this trip made?

Mr. Herb Breau (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Statistics Canada reports that: 1 and 2. The following table shows the destination, the month of the trip, and the reason for the trip, for each trip made by S. A. Goldberg during the fiscal year 1971-72.

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NOTE: These were several trips made over the year, not one continuous trip as indicated in the question.

Washington, August, To attend 38th Session of the International Statistical Institute; Princeton, November, To attend Conference on Research in Income and Wealth; New York, December, Meet with officials of the United Nations; one trip Sweden and Denmark, Aug./Sept., To attend IARIW Conference Ronneby and to visit statistical office of Sweden; August, To visit Statistical Office of Denmark.

PURPOSE OF TRIP MADE BY W. E. DUFFETT, STATISTICS CANADA, 1971-72

Question No. 3,217—**Mr. Knight:**

1. In the fiscal year 1971-72, what was the purpose of the trip made by W. E. Duffett of Statistics Canada (salary range: $33,000-$35,000), to Washington, New Orleans, Denver, Geneva ($2,365)?

2. In what month of the year was this trip made?

Mr. Herb Breau (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Statistics Canada reports that: 1 and 2. The following table shows the destination, the month of the trip, and the reason for the trip, for each trip made by W. E. Duffett during the fiscal year 1971-72.

Order Paper Questions

NOTE: These were several trips made over the year, not one continuous trip as indicated in the question.

Washington, August and December, To attend 38th Session, International Statistical Institute; New Orleans, December, To attend meeting of American Economic Association; Denver, August, To attend American Statistical Association meeting, Fort Collins; Geneva, June, To attend Conference of European Statisticians.

PURPOSES OF TRIPS MADE BY T. M. BURNS, ASSISTANT DEPUTY MINISTER OF INDUSTRY, TRADE AND COMMERCE, 1971-72

Question No. 3,218—**Mr. Knight:**

1. In the fiscal year 1971-72, what were the purposes of the trips made by T. M. Burns, Assistant Deputy Minister of Industry, Trade and Commerce (Salary range: $28,000-$35,000), to (a) Hong Kong, Peking, Tokyo, Singapore, Canberra, Djakarta, Kuala Lumpur, London, Germany ($3,774) (b) Sweden ($1,351) (c) Williamsburg ($270) (d) Paris ($1,008) (e) Washington ($155)?

2. In what months of the year were these trips made?

Mr. Herb Breau (Parliamentary Secretary to Minister of Industry, Trade and Commerce):

Destination	Amounts	Purpose of Trip	Months of Trip
(a) Hong Kong Peking Tokyo Singapore Canberra Djakarta Kuala Lumpur	$3,774	Liaison visits to Trade Commissioner Posts and to attend Heads of Mission conference in Canberra	January and February 1972
(b) London Germany Sweden	$1,351	For consultation with German and U.K. government officials and to lead a mission of Canadian Industrialists to Sweden.	May 1971
(c) Williamsburg, Virginia	$270	To address a meeting of the Associated Merchandising Managers of Allied Merchandising Corporation.	June 1971
(d) Paris	$1,008	To attend Paris Air Show	June 1971
(e) Washington	$155	Meeting with U.S. officials	May 1971

PURPOSES OF TRIPS MADE BY A. G. KNIEWASSER, ASSISTANT DEPUTY MINISTER OF INDUSTRY, TRADE AND COMMERCE, 1971-72

Question No. 3,219—**Mr. Knight:**

1. In the fiscal year 1971-72, what were the purposes of the trips made by A. G. Kniewasser, Assistant Deputy Minister of Industry, Trade and Commerce (salary range: $12,448-$14,145), to (a) Tokyo ($1,168) (b) Algiers ($1,627) (c) Cologne, Bonn, Frankfurt ($1,262) (d) Cologne, Bonn, Frankfurt ($2,048)?

2. In what months of the year were these trips made?

Mr. Herb Breau (Parliamentary Secretary to Minister of Industry, Trade and Commerce):

[Mr. Breau.]

Destination	Purpose of Trip	Month of Trip
(a) Tokyo	Ministerial Mission	January 1972
(b) Algiers	Ministerial Mission	November 1971
(c) Cologne Bonn Frankfurt	Ministerial Mission	April 1971
(d) Cologne Bonn Frankfurt	Heading Scientific Mission	March 1971

PURPOSES OF TRIPS MADE BY M. SCHWARSMANN, ASSISTANT DEPUTY MINISTER OF INDUSTRY, TRADE AND COMMERCE, 1971-72

Question No. 3,220—**Mr. Knight:**

1. In the fiscal year 1971-72, what were the purposes of the trips made by M. Schwarsmann, Assistant Deputy Minister of Industry, Trade and Commerce (salary range: $25,000-$31,000), to (a) Paris ($1,470) (b) Paris ($1,475) (c) Paris ($1,906) (d) Tokyo ($5,056) (e) Mexico ($557) (f) Washington ($211) (g) Sydney, Canberra ($2,802)?

2. In what months of the year were these trips made?

Mr. Herb Breau (Parliamentary Secretary to Minister of Industry, Trade and Commerce):

Destination	Purpose of Trip	Month of Trip
(a) Paris	Attending OECD meetings	February 1972
(b) Paris	OECD Special Trade Group meeting	January 1972
(c) Paris	Same as above	November 1971
(d) Tokyo	Head of Textile negotiations	June 1971
(e) Mexico	Cotton Yarn negotiations	August 1971
(f) Washington	Consultations with U.S. government re Auto Agreement	July 1971
(g) Sydney Canberra	To accompany the Hon. J. J. Green on a mission	April and May 1971

PURPOSES OF TRIPS MADE BY J. H. WARREN, DEPUTY MINISTER OF INDUSTRY, TRADE AND COMMERCE, 1971-72

Question No. 3,221—**Mr. Knight:**

1. In the fiscal year 1971-72, what were the purposes of the trips made by J. H. Warren, Deputy Minister of Industry, Trade and Commerce (salary range: $34,000-$40,000), to (a) Washington ($95) (b) Hong Kong ($2,096) (c) USSR ($110)?

2. In what months of the year were these trips made?

Mr. Herb Breau (Parliamentary Secretary to Minister of Industry, Trade and Commerce):

Destination	Purpose of Trip	Month of Trip
(a) Washington	Accompany Hon. Messrs. Benson and Pepin	August 1971
(b) Hong Kong	To accompany Minister, IT & C on Economic Mission	June and July 1971
(c) U.S.S.R.	To accompany Prime Minister on official visit	May 1971

PURPOSE OF TRIP MADE BY DEMONTIGNY MARCHAND, ASSISTANT DEPUTY MINISTER OF COMMUNICATIONS, 1971-72

Question No. 3,237—**Mr. Knight:**

1. In the fiscal year 1971-72, what was the purpose of the trip made by deMontigny Marchand, Assistant Deputy Minister of Communications (salary range: $28,000-$35,000) to Washington ($481)?

2. In what month of the year was this trip made?

Hon. Gérard Pelletier (Minister of Communications): 1. To attend the third Plenary Conference of Intelsat.

2. May, 1971.

PURPOSES OF TRIPS MADE BY A. E. GOTLIEB, DEPUTY MINISTER OF COMMUNICATIONS, 1971-72

Question No. 3,239—**Mr. Knight:**

1. In the fiscal year 1971-72, what were the purposes of the trips made by A. E. Gotlieb, Deputy Minister of Communications (salary range: $34,000-$40,000) to (a) Geneva ($1,598.23) (b) Washington ($206) (c) Paris ($1,394) (d) Washington ($84)?

2. In what months of the year were these trips made?

Hon. Gérard Pelletier (Minister of Communications): 1. (a) To attend Space World Administrative Radio Communications meeting in Geneva. (b) Signing of Intelsat Agreement, Washington. (c) To attend UNESCO Conference in Paris and official visits in London. (d) To meet U.S. officials to discuss U.S./Canada communications.

2. (a) June, 1971. (b) August, 1971. (c) October 30-November 7, 1971. (d) November 22-24, 1971.

PURPOSES OF TRIPS MADE BY R. P. POIRIER, ASSISTANT DEPUTY MINISTER OF AGRICULTURE, 1971-72

Question No. 3,240—**Mr. Knight:**

1. In the fiscal year 1971-72, what were the purposes of the trips made by R. P. Poirier, Assistant Deputy Minister of Agriculture (salary range $28,000-$35,000) to (a) Moscow ($65.04) (b) Paris ($255.94) (c) Paris ($360.06) (d) Tunisia ($358.97) (e) Rome ($324.87)?

2. In what months of the year were these trips made?

Hon. E. F. Whelan (Minister of Agriculture): 1. The purposes of the trips made by R. P. Poirier, Assistant Deputy Minister of Agriculture, are as follows: (a) To attend as a delegate, the Canadian Mission on Agriculture to Moscow. (b) To attend the Agricultural Committee of the Organization for the Economic Cooperation and Development Meeting, in Paris. The cost includes a trip to Geneva to attend the International Wheat Conference. (c) To attend the Agricultural Committee of the Organization for Economic Cooperation and Development Meeting in Paris. (d) To conduct a study of the Agricultural Assistance Projects in Tunisia. (e) To attend, as a delegate, the Food and Agriculture Organization Meeting in Rome.

2. (a) December 1971. (b) January 1971 (1970-71 fiscal year). (c) May 1971. (d) October, November 1971. (e) November 1971.

PURPOSES OF TRIPS MADE BY MR. S. B. WILLIAMS, DEPUTY MINISTER OF AGRICULTURE, 1971-72

Question No. 3,241—**Mr. Knight:**

1. In the fiscal year 1971-72, what were the purposes of the trips made by Mr. S. B. Williams, Deputy Minister of Agriculture (salary range: $37,500-$42,000), to (a) Washington ($53.40) (b) China ($95.50) (c) Paris, Rome, Israel ($617.24)?

2. In what months of the year were these trips made?

Hon. E. F. Whelan (Minister of Agriculture): 1. The purposes of the trips made by Mr. S. B. Williams, Deputy Minister of Agriculture are as follows: (a) To accompany the minister, for discussions with the Secretary of Agriculture and other United States Department of Agriculture officials in Washington. (b) Economic Mission to China. (c) Paris; to attend the High Level meeting of the Organization for Economic Cooperation and Development. Rome; to attend the Food and Agriculture Committee Meetings. Israel; to accompany the minister to inspect agricultural practices, including irrigation, on the invitation of the Israeli government, including discussions on matters of mutual interest between the Israeli Minister of Agriculture and department officials.

2. (a) June, July 1971. (b) August 1971. (c) November 1971.

PURPOSE OF TRIP MADE BY W. E. JARVIS, ASSISTANT DEPUTY MINISTER OF AGRICULTURE, 1971-72

Question No. 3,242—**Mr. Knight:**

1. In the fiscal year 1971-72, what was the purpose of the trip made by W. E. Jarvis, Assistant Deputy Minister of Agriculture (salary range: $28,000-$35,000), to Paris ($583.20)?

2. In what month of the year was this trip made?

Hon. E. F. Whelan (Minister of Agriculture): 1. The purpose of the trip made by W. E. Jarvis, Assistant Deputy Minister of Agriculture was to attend the Centre National Des Exposition et Concours Agricole International Symposium, in Paris. The cost includes a trip to Geneva to attend the Agriculture Committee of the General Agreement on Tariff and Trade.

2. February, March, 1972.

PURPOSES OF TRIPS MADE BY A. FORTIER, ASSISTANT UNDER SECRETARY OF STATE, 1971-72

Question No. 3,276—**Mr. Knight:**

1. In the fiscal year 1971-72, what were the purposes of the trips made by A. Fortier, Assistant Under Secretary of State (salary range: $28,000-$35,000), to (a) Paris ($1,149) (b) New York ($163)?

2. In what months of the year were these trips made?

Order Paper Questions

Hon. James Hugh Faulkner (Secretary of State): Trips made by A. Fortier when he was Assistant Under Secretary of State: (a) Paris ($1,149)—To attend meetings of the International Council of the French Language and of the Joint Commission, and to meet people involved in cultural fields, September and October, 1971; (b) New York ($163)—Meeting with Lou Harris & Associates—to develop a research program for the arts, March, 1972.

PURPOSES OF TRIPS MADE BY E. A. CÔTÉ, DEPUTY SOLICITOR GENERAL, 1971-72

Question No. 3,279—**Mr. Knight:**

1. In the fiscal year 1971-72, what were the purposes of the trips made by E. A. Côté, Deputy Solicitor General (salary range: $37,500-$40,000), to (a) Washington ($154) (b) Mexico ($414) (c) Ivory Coast ($1,545)?

2. In what months of the year were these trips made?

Hon. Warren Allmand (Solicitor General): 1. (a) To attend Tripartite Conference on Narcotic Control; Canada-Mexico-U.S.A. (b) To attend Tripartite Conference on Narcotic Control; Canada-Mexico-U.S.A. (c) To attend a Seminar on the Scientific Methods Used in the Search for Truth, in Abidjan, January 10-16, 1972.

2. (a) October 1971, (b) March 1972, (c) January 1972.

PUBLIC SERVICE SUPPLEMENTARY RETIREMENT BENEFIT ACT

Question No. 3,300—**Mr. Forrestall:**

1. What percentage of persons in receipt of Public Service Superannuation are eligible for benefit under the Public Service Supplementary Retirement Benefit Act as of November 30, 1973 (a) including those affected by recent changes in relevant legislation (b) excluding those newly brought under the legislation?

2. What are the absolute figures for the above?

Hon. C. M. Drury (President of the Treasury Board): 1. All persons in receipt of pensions under the Public Service Superannuation Act are eligible for benefits under the Supplementary Retirement Benefits Act. Payment of these benefits begins on the January 1 following the year of retirement or, in the case of death before retirement, payment of widows' and children's benefits begins on the January 1 following the year of death. The recent amendments to the Supplementary Retirement Benefits Act did not change the eligibility of such persons but will increase the size of their benefits effective January 1, 1974.

2. Not applicable.

OVERPAYMENTS OF WELFARE ALLOWANCES

Question No. 3,333—**Mr. Godin:**

Since the government pays half of all welfare allowances, what is its share when provincial governments recover overpayments due to fraud or error?

Hon. Marc Lalonde (Minister of National Health and Welfare): When the provincial governments recover overpayments caused by fraud or administrative error, 50 per cent of such recoveries are credited to Canada by means of a credit entry in the next monthly claim statement.

[Mr. Knight.]

CBC—FREE-TIME MINISTERIAL ANNOUNCEMENTS WITH RIGHT OF REPLY BY THE OPPOSITION

Question No. 3,337—**Mr. Clark (Rocky Mountain):**

For what reason or reasons does the government not intend to take any action to apply in Canada the rules applied to the BBC and independent television in Great Britain establishing a category of free-time ministerial announcements to which there is a formal right of reply by the opposition?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): In so far as the Department of Communications is concerned: The Broadcasting Act requires that the programming of the Canadian broadcasting system should, amongst other things, provide reasonable balanced opportunity for the expression of differing views on matters of public concern. Generally, broadcasters seem to adhere in their programming to this general requirement of the act. A specific rule such as that referred to did not appear to be required when the Broadcasting Act was passed in 1968. In so far as the Department of the Secretary of State is concerned: Broadcasting policy for Canada as set out in Part I of the Broadcasting Act requires that programming provided by the Canadian broadcasting system should provide reasonable balanced opportunity for the expression of differing views on matters of public concern. For example, it is the practice of the CBC, the national broadcasting service, to provide access for matters of urgent importance to the Prime Minister and the premiers of the provinces. Should these broadcasts be viewed as not non-partisan, the CBC reserves the right to offer the combined opposition the right of reply. Opposition parties have the right to demand this free time of the CBC should it, for some reason, not be offered. The government, therefore, does not see any need to impose specific rules such as those referred to in the question.

ORDER PAPER QUESTIONS Nos. 2,316, 2,598, 2,599, 2,600, 2,601

Question No. 3,364—**Mr. Cossitt:**

With reference to Questions Nos. 2,316, 2,598, 2,599, 2,600 and 2,601, on what exact date and time were these received by the Privy Council Office, who received them, what are the names and job designations of those to whom they were assigned for the purpose of compiling answers, has the Privy Council Office at any time attempted to expedite the answers and, if so, on what specific dates?

Right Hon. P. E. Trudeau (Prime Minister): See reply to Question No. 3,366 relative to the Parliamentary Enquiries and Co-ordination Division of the P.C.O. Question No. 2,316 was referred to the appropriate official in the P.C.O. by the Parliamentary Enquiries and Co-ordination Division on June 21, 1973. The time frame in which questions are answered varies depending on workload, time involved in compiling statistics, research, etc. In each instance an endeavour is made to answer questions as expeditiously as possible. However, one must bear in mind that questions are an addition to the usual workload of divisions and sections and there are times when other duties devolving on officers responsible take priority. Questions Nos. 2,598, 2,599 and 2,600 required statistical information from D.P.W. and/or N.C.C. Question No. 2,601 required information from D.P.W., N.C.C. and P.C.O.

BREAKDOWN OF MEMBERS OF CANADIAN PENSION COMMISSION BY PROVINCE

Question No. 3,365—**Mr. Marshall:**

1. What is the breakdown of Members of the Canadian Pension Commission by regions represented by province?

2. Is there a Member of the Canadian Pension Commission representing any of the Atlantic Provinces and, if not, what is the reason for such discrimination?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): 1. Members of the Canadian Pension Commission are not appointed to represent particular regions or provinces. At the time of appointment, the domicile of commissioners and ad hoc commissioners was as shown below: Nova Scotia, 2; New Brunswick, 1; Quebec, 4; Ontario, 12; Manitoba, 1; Alberta, 1; British Columbia, 2. There is one vacancy at the present time.

2. There are three members of the Canadian Pension Commission who were domiciled in the Atlantic provinces at the time of their appointment.

COMPANY OF YOUNG CANADIANS, 1973

Question No. 3,367—**Mr. Godin:**

1. What is the budget allotted by the government to the Company of Young Canadians for 1973?

2. Among how many employees is this amount allocated (a) throughout the country (b) in the Province of Quebec?

3. Where is the headquarters of the Company located?

4. In what cities does it operate?

5. In each location, what work has been accomplished by such employees?

Hon. James Hugh Faulkner (Secretary of State): I am informed by the Company of Young Canadians as follows:
1. $2,803,000.

2. (a) 209; (b) 103.

3. 323 Chapel Street, Ottawa, Ontario K1N 7Z2.

4 and 5. This information is contained in the CYC report entitled "Strategies".

ELIGIBILITY OF A FEMALE VETERAN TO MARRIED RATE OF WAR VETERANS ALLOWANCE

Question No. 3,383—**Mr. Marshall:**

Under the War Veterans Allowances Act and Civilian War Allowances Act whereby a male veteran if married can qualify for the married rate of allowance, even though the wife is not a veteran, can a female veteran if married and where the husband is not a veteran qualify for the married rate and, if not, for what reason is this practice allowed to prevail?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Under the provisions of the War Veterans Allowance Act, a female veteran if married, even where her husband is not a veteran may qualify for the married rate of War Veterans Allowances.

Order Paper Questions

QUESTIONS PASSED AS ORDERS FOR RETURNS

MINISTERIAL TRAVELLING EXPENSES

Question No. 420—**Mr. Stackhouse:**

1. How much money was expended in 1972 (a) by ministers (b) by each minister of the government for travelling while on official business?

2. How much money was expended during September and October, 1972 (a) by ministers (b) by each minister of the government for travelling while on official business?

Return tabled.

COST TO CANADIAN TAXPAYER OF TRIPS MADE BY THE PRIME MINISTER, CABINET MINISTERS AND THEIR AIDES

Question No. 525—**Mr. Masniuk:**

What was the total cost to the Canadian taxpayer for trips made inside and outside of Canada by (a) the Prime Minister and his aides (b) all Cabinet Ministers and their aides, by each department, during the period September 1 to October 30, 1972?

Return tabled.

TRAVEL EXPENSES OF EMPLOYEES ON MINISTERIAL STAFF, 1971-72

Question No. 931—**Mr. Knight:**

1. What were the names of employees on the ministerial staff (including the Office of the Prime Minister) who, in the fiscal year 1971-72, submitted travel expenses?

2. In each case, what were the amounts of travel expenses, what were the destinations, and what were the salary ranges of these employees?

Return tabled.

TRAJECTOIRE 73, PARIS, FRANCE—CANADIAN ART

Question No. 2,420—**Mr. Schumacher:**

1. How were the pieces of art chosen for exhibit at Trajectoire 73 in Paris, France?

2. What were the (a) names (b) addresses (c) positions held by the selection committee?

3. In each case, what was the cost involved for such selection committee for (a) transportation (b) accommodation (c) meals (d) per diem expenses (e) other expenses?

4. Who bore the cost of these expenses?

5. How many pieces of art were chosen and from what locations in Canada?

6. Did the selection committee visit each province of Canada?

7. Did the selection committee (a) buy (b) lease (c) financially compensate any individual artist or any agency in respect of the art work chosen and, if so, in what amount in each case?

8. Was Canada officially invited to participate in Trajectoire 73 and, if so (a) by whom (b) on what terms and conditions (c) on what date?

Return tabled.

TRAJECTOIRE 73—NAMES OF CANADA COUNCIL OFFICIALS AND ARTISTS ATTENDING

Question No. 2,421—**Mr. Schumacher:**

1. How many officials of the Canada Council (a) went (b) are going to Paris for Trajectoire 73?

2. What are the (a) names (b) present positions held (c) salaries of each official either attending or planning to attend?

3. What, in each case, is the cost involved for (a) transportation (b) accommodation (c) meals (d) per diem expenses?

4. Are the spouses and/or families of each of those officials accompanying them in Paris and, if so, at what cost in each case?

5. How many pieces of art (a) went (b) are going to Paris at government expense for Trajectoire 73?

6. What was the cost involved for (a) gathering (b) handling (c) shipping (d) storage (e) insurance for Canadian exhibits at Trajectoire 73?

7. How many artists (a) went (b) are going to Paris for Trajectoire 73 at government expense?

8. What are the (a) names (b) addresses (c) work exhibited of each artist attending Trajectoire 73 at government expense?

9. What, in each case, is the cost involved for (a) transportation (b) accommodation (c) meals (d) per diem expenses?

10. Are the spouses and/or families of such artists accompanying them in Paris and, if so, at what cost in each case?

11. What government departments or agencies are bearing the costs involved and in what amount in each case?

Return tabled.

*RENOVATION OF PRIME MINISTER'S CENTRE BLOCK OFFICES

Question No. 2,584—**Mr. Coates:**

1. On what date were the present renovations of the Prime Minister's Centre Block suite of offices undertaken and under what authority and what department's responsibility?

2. Were outside interior decorators involved in the planned renovations and redecoration of the suite of offices and, if so (a) what was the name of the individual or firm involved (b) how was it selected (c) what was the payment for the plan in question (d) were any other costs involved in the plan, other than those monies already paid for services rendered?

3. What was the total yardage of carpeting involved in the redecoration, what was the type, color and cost of such carpeting and was it secured through public tenders and (a) if so, what were the names of the firms submitting bids, the quotations of each and was the lowest bid accepted (b) if not, for what reason?

4. (a) What is the material covering the chesterfields that are situated in the hallway surrounding the Prime Minister's office (b) what was the cost of the chesterfields (c) how many are there and were tenders called for the supply of the chesterfields and, if so, what were the names of all of the firms submitting bids, the quotations and was the lowest tender accepted?

5. (a) What are the other items of furniture that are located with the furniture in the hallway surrounding the Prime Minister's suite of offices, by item (b) the cost of each item, whether it be an ash tray or an Eskimo art carving (c) how were these items secured, was tendering involved and, if so, what was the cost of each item and the name of the firm supplying same?

6. Has the interior of all the Prime Minister's offices been redecorated and, if so, what portion of the total cost of the redecoration is apportioned to the offices as compared with that portion which is located in the hallway?

7. What new furnishings have been provided for the offices, by item and what has been done with the furniture that was formerly located in these offices?

Return tabled.

LIVESTOCK IMPORT PERMITS

Question No. 2,592—**Mr. Clark (Rocky Mountain):**

1. What was (a) the name (b) the regular occupation of each individual or company granted an import permit for the importation of livestock from continental Europe in each of the past four years?

[Mr. Schumacher.]

2. In the case of each such individual or company how many permits were (a) requested (b) granted?

3. What was (a) the name (b) the regular occupation of each individual or company which has unsuccessfully requested import permits for the importation of livestock from continental Europe in each of the past four years?

Return tabled.

EXPENDITURES BY GOVERNMENT ON CONTENTS AT PRIME MINISTER'S OFFICIAL RESIDENCE

Question No. 2,599—**Mr. Cossitt:**

Were any sums of money spent by the government on furniture, fittings, fixtures or contents of any kind whatsoever since April 30, 1968 at the Prime Minister's official residence in Ottawa and, if so (a) what are the individual items involved (b) what was the cost in each case?

Return tabled.

COST TO GOVERNMENT OF PRIME MINISTER'S SUMMER RESIDENCE AT HARRINGTON LAKE

Question No. 2,600—**Mr. Cossitt:**

What has been the total cost to the government for all aspects of the Prime Minister's summer residence at Harrington Lake for each fiscal year since March 31, 1968?

Return tabled.

TOTAL COST OF ALL ASPECTS OF THE PRIME MINISTER'S OFFICIAL RESIDENCE SINCE MARCH 31, 1968

Question No. 2,601—**Mr. Cossitt:**

What has been the total cost to the government for all aspects of the Prime Minister's official residence in Ottawa for each fiscal year since March 31, 1968?

Return tabled.

SEARCH AND RESCUE OPERATIONS

Question No. 2,779—**Mr. Clark (Rocky Mountain):**

1. How many Search and Rescue operations were conducted in each year 1964, 1966, 1968, 1970, 1971 and 1972 (a) south (b) north of the 60th parallel?

2. What are the points of origin of Search and Rescue operations into areas north of the 60th parallel?

3. If there is not a Search and Rescue unit located permanently in a location north of the 60th parallel, for what reason?

Return tabled.

STATISTICS CANADA—PUBLICITY EXPENDITURES

Question No. 2,884—**Mr. Nystrom:**

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

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

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

Returns tabled.

CANADIAN TRANSPORT COMMISSION—RESEARCH EXPENDITURES

Question No. 2,900—**Mr. Nystrom:**

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

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

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

Return tabled.

PERSONNEL OF PRIME MINISTER'S OFFICE

Question No. 3,072—**Mr. Cossitt:**

1. What are the names of all persons employed by, attached to, on loan to, or in any way associated with, the Prime Minister's Office as of this date?

2. In each case, what is their specific function, on what date were they hired, what is their annual salary and what previous positions, if any, did they hold in government service?

3. Are there any plans to enlarge the size of the staff of the Prime Minister's Office during the next year and, if so, in the opinion of the government, what are the reasons that make such a step necessary?

Return tabled.

PUBLIC WORKS PROJECTS IN CONSTITUENCY OF ABITIBI, 1972-73

Question No. 3,082—**Mr. Laprise:**

1. What works were performed by the Department of Public Works in the constituency of Abitibi in 1972-73?

2. What works does the Department intend to undertake in that constituency during the fiscal year 1973-74?

Return tabled.

CANADA COUNCIL GRANTS

Question No. 3,146—**Mr. Gleave:**

1. What was the total amount of money available in Canada for Canada Council grants?

2. How much money was made available to (a) Manitoba (b) Saskatchewan (c) Alberta?

3. How many applications were received from (a) Manitoba (b) Saskatchewan (c) Alberta?

4. How much was made available to each constituency (a) Assiniboia (b) Battleford-Kindersley (c) Mackenzie (d) Meadow Lake (e) Moose Jaw (f) Prince Albert (g) Qu'Appelle-Moose Mountain (h) Regina East (i) Regina-Lake Centre (j) Saskatoon-Biggar (k) Saskatoon-Humboldt (l) Swift Current-Maple Creek (m) Yorkton-Melville?

Return tabled.

PURPOSE OF TRIP MADE BY H. T. AIKEN, PRESIDENT OF EXPORT DEVELOPMENT CORPORATION, 1971-72

Question No. 3,214—**Mr. Knight:**

1. In the fiscal year 1971-72, what was the purpose of the trip made by H. T. Aiken, President of Export Development Corporation (salary range: $31,500-$37,500), to New York, Washington, U.K., Monaco, Algeria ($4,849)?

2. In what month of the year was this trip made?

Return tabled.

MOTIONS FOR PAPERS

[*English*]

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, notice of motion for the production of papers No. 266 is acceptable to the government.

COPY OF CONTRACTUAL ARRANGEMENT BY GOVERNMENT AND EVERGREEN DEVELOPMENT LTD., WINNIPEG

Motion No. 266—**Mr. Rowland:**

That an Order of the House do issue for a copy of the contractual arrangements between Evergreen Development Ltd., Winnipeg, Manitoba and the government or any of its departments or agencies.

Motion agreed to.

COPY OF ENGINEERS' REPORTS RELATING TO REHABILITATION AND/OR RECONSTRUCTION OF CAVE AND BASIN, BANFF

Motion No. 260—**Mr. Clark (Rocky Mountain):**

That an Order of the House do issue for a copy of all engineers' reports concerning the costs of, and need for, rehabilitation and/or reconstruction of the Cave and Basin at Banff.

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, notice of motion for the production of papers No. 260 is acceptable to the government subject to the usual reservations concerning confidential documents.

[*Translation*]

Mr. Speaker: Under the conditions and reservations mentioned by the parliamentary secretary, is it the pleasure of the House that motion No. 260 be deemed to be made an order for return?

Some hon. Members: Agreed.

[*English*]

COPY OF CORRESPONDENCE OVER LAST THREE YEARS RELATING TO DRUG ADVERTISING

Motion No. 239—**Mr. Orlikow:**

That an Order of the House to issue for a copy of all correspondence between individual doctors and/or provincial or federal medical organizations and the Minister of National Health and Welfare and/or officials of his Department, related to drug advertising in the past three years.

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, this motion is not acceptable to the government in that the material requested is of a voluminous character and would require an inordinate cost and length of time to prepare. I would therefore ask the hon. member to withdraw his motion.

Mr. Speaker: Is the motion dropped? Dropped.

Order discharged and motion withdrawn.

Mr. Speaker: Shall the remaining notices of motions stand?

Some hon. Members: Agreed.

● (1450)

ORAL QUESTION PERIOD

[*English*]

ENERGY

INQUIRY WHETHER NATIONAL EMERGENCY EXISTS WITHIN TERMS OF BILL C-236

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, may I direct a question to the Minister of Energy, Mines and Resources. Is it the position of the minister that there now exists a national emergency within the meaning of clause 11 of Bill C-236, relating to the mandatory allocation of oil supplies in Canada?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I do not know if I can comment on a bill which is now before a committee.

Some hon. Members: Oh, oh!

Mr. Macdonald (Rosedale): As I indicated to the committee, we anticipate that there is a possibility of an emergency occurring during the course of the current winter.

Mr. Stanfield: Mr. Speaker, may I ask the minister to answer my question whether it is the position of the minister that a national emergency now exists within the meaning of that section?

Mr. Macdonald (Rosedale): Mr. Speaker, certainly grievous difficulty is being caused in many parts of the country by the shortage of supplies which, in the absence of this legislation, the government is not in a position to correct.

[Mr. Speaker.]

Mr. Stanfield: As the bill provides powers to the government for mandatory allocation only in the event of a national emergency, and since the minister is not prepared to say there is a national emergency, how does he propose to deal with these particular cases of shortage, for example, of bunker fuel in the instance of British Columbia, since there is nothing in this bill anyway which would give the minister power, short of a declaration of an emergency which the minister is not prepared to say exists?

Mr. Macdonald (Rosedale): Mr. Speaker, I appreciate the recognition, however belated, of the Leader of the Opposition that the procrastination of himself and his colleagues has been causing serious harm to various parts of Canada, particularly the lower mainland of British Columbia.

Mr. Stanfield: Mr. Speaker, I rise on a point of order. The minister chose to level an accusation at me instead of answering my question.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. May we have order, please.

Mr. Stanfield: Mr. Speaker, on a point of order, I assert that the minister is not prepared to say that there is a state of national emergency within the meaning of the bill, that there are no powers within the bill short of a declaration of such emergency, and I want to know, sir, how in those circumstances the minister proposes to deal with these important but local difficulties when the minister is not prepared to say that conditions exist which will enable him to invoke these powers.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Macdonald (Rosedale): Mr. Speaker, I see a guilty conscience showing there. The bill provides for the creation of an energy supplies allocation board which will have the specific responsibility of examining the situation as it exists in the country and advising the government. My first step, once given the authority, would be to constitute the board and ask it to make an up to date report on all complaints received from hon. members opposite, including the hon. member for Kent-Essex and the hon. member for Carleton-Charlotte, to see whether in fact such a declaration should be made.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. The Chair will recognize the Leader of the Opposition, then try to complete the first round of questioning, and then return to this important and interesting subject for supplementaries.

Mr. Stanfield: Mr. Speaker, I just want to say—

Some hon. Members: Question!

Mr. Speaker: May we have order, please!

Mr. Hees: Quiet, you barbarians!

Mr. Stanfield: Mr. Speaker, I have ascertained what I wish to know. I have confirmed that there are no powers until an emergency is declared, and the minister is not prepared to say that this state exists today.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. The hon. member for Brant. May we have order, please. These exchanges across the floor make it very difficult for the hon. member who has the floor to put his question and for others to hear him.

* * *

LABOUR RELATIONS

ONTARIO BILL RESPECTING SCHOOLTEACHERS—FEDERAL GOVERNMENT POSITION

Mr. Derek Blackburn (Brant): Mr. Speaker, my question relates to the question I asked the Minister of Justice on Monday. As Bill 274 has now passed second reading in the Ontario legislature and as sections of the bill are contrary to civil liberties, to be precise, forced labour, is the minister now in a position to recommend the disallowance of this provincial legislation?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, the question is clearly in its terms hypothetical since disallowance can hardly apply at this stage. It is the general position of the government that the power of disallowance is a rather extraordinary one to be used in special circumstances. The ordinary remedy for dealing with laws of the provinces lies in the political processes in the provinces.

Mr. Blackburn: Has the minister been in contact with his provincial counterpart with respect to the legality of Bill 274?

Mr. Lang: No, Mr. Speaker.

* * *

[*Translation*]

ADMINISTRATION OF JUSTICE

INQUIRY AS TO CLAIM BY ONTARIO FOR REIMBURSEMENT BASED ON USE OF ITS OWN POLICE RATHER THAN RCMP

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I would like to put a question to the Solicitor General of Canada.

Can he tell us if the Ontario government made him a request like the one from the Quebec government concerning the reimbursement of part of the funds used by the RCMP, since Quebec and Ontario have their own police force?

[*English*]

Hon. Warren Allmand (Solicitor General): No, they have not, Mr. Speaker.

[*Translation*]

Mr. Caouette (Témiscamingue): Mr. Speaker, I would like to ask a supplementary question.

Has the minister advised the Quebec Minister of Justice to integrate the Quebec Police Force into the Royal Canadian Mounted Police, thus allowing the province to get back the $362 million requested from the federal government?

[*English*]

Mr. Allmand: No, I did not, Mr. Speaker.

* * *

ENERGY

OIL—SUGGESTED INVOKING OF CERTAIN STATUTES TO MAKE ALLOCATIONS IN CASES OF SHORT SUPPLY

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce supplementary to that asked by my leader. I would ask the minister why he and the government have not invoked the provisions of the Export and Import Permits Act, the National Energy Board Act and the authority of the Calafoil case which was decided by the Federal Court of Canada, to distribute and allocate in cases of shortages of particular commodities, which these acts and that litigation give the government the authority to do?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, the hon. gentleman will find—

Some hon. Members: Gillespie, Gillespie!

Mr. Fairweather: We want the other minister to answer.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please.

Mr. Macdonald (Rosedale): Mr. Speaker, the hon. gentleman will find that there is no such authority in the Export and Import Permits Act.

● (1500)

Mr. Baldwin: Will the minister improve his very scanty knowledge of law by consulting his legal advisers? Under the authority of the Calafoil case there is such authority but this government does not have the guts to act on it.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

OIL—NATIONAL SURVEY TO DETERMINE WHERE SHORTAGES EXIST—MAGNITUDE OF SHORTFALL

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. Has the minister undertaken a national survey to determine where local energy supply problems exist and what the magnitude of these regional supply difficulties is? If so, can he give the details of his findings?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, the National Energy Board, in conjunction with the technical advisory committee on petroleum supply, has been examining the situation very closely. The hon. member will recall I gave a number of details in committee last night. I would be glad to expand on that.

Mr. Ritchie: What immediate specific steps has the government taken, and what action has the National Energy Board taken to use its considerable persuasive powers to solve local problems?

Mr. Macdonald (Rosedale): Mr. Speaker, I have given a number of examples of this, for example, in response to the hon. member for Témiscamingue. However, in a fair number of instances persuasion is not enough for private parties which, subject to a change in the law, have no obligation to do what the board requests.

ASSESSMENT OF RESERVES OF CRUDE PETROLEUM—SUFFICIENCY TO MEET DOMESTIC NEEDS AND EXPORT COMMITMENTS

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I have a supplementary arising out of the minister's recent answer. Has the federal government or the National Energy Board assessed our present reserves of crude petroleum in Canada, and have we enough for Canada's total needs and to fulfil any export commitments we have made to date?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, the board has specifically delivered decisions in this regard, which were discussed very thoroughly in the standing committee. Of course, any export of petroleum which takes place on a month to month basis can only be made if the board is satisfied there is a surplus to Canadian requirements.

Mr. Woolliams: Mr. Speaker, I hope the minister will be forthright in this respect and tell us now whether, from reports of the National Energy Board, there is a sufficient supply and surplus of crude petroleum not only to supply Canada's needs—that is, our total needs everywhere—provided there is transportation but to fulfil any export commitments at this time. Surely that question is clear and we can have a yes or no answer.

Mr. Macdonald (Rosedale): Mr. Speaker, surely the answer is perfectly clear. There would have been no exports this month if the board had not been satisfied in that regard.

[*Translation*]

Mr. Speaker: Does the hon. member for Portneuf wish to ask a supplementary question?

Mr. Godin: No, Mr. Speaker.

Mr. Speaker: I will see him in a few moments, after having heard some other supplementary questions.

[Mr. Ritchie.]

[*English*]

ACTION TO ENSURE SAVINGS ON WESTERN OIL USED IN EASTERN CANADA PASSED ON TO CONSUMERS

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, my question is to the Minister of Energy, Mines and Resources. In view of the minister's statement in committee last night that five million barrels of western Canadian crude oil have already been shipped to eastern Canada and that another seven million barrels will have been shipped via the Panama Canal by the end of the first quarter of 1974, what policing mechanism has the government instituted to ensure that the savings of over $25 million in lower priced Canadian crude used by eastern refineries will be passed on to the consumer?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, with regard to shipments made through the seaway there is the possibility of lower cost. This would be taken into account in any cost increases the companies sought to pass on. With regard to shipments through the Panama Canal, the estimated average freight per barrel is around $3 which at the present time would not indicate very much advantage in terms of cost savings.

REQUEST FOR GUARANTEE OIL PRODUCT PRICES IN EASTERN CANADA WILL NOT RISE THIS WINTER

Mr. Cyril Symes (Sault Ste. Marie): In view of the announcement by OPEC that oil prices will go up on January 1, will the minister guarantee that prices of oil products will not rise in eastern Canada during the winter season?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I am sorry but I did not hear the first part of the hon. member's question. I cannot guarantee, if there are substantial cost increases in the eastern part of the market, that prices will not go up.

Mr. Speaker: Order, please. The Chair will recognize the hon. member for Calgary South and then the hon. member for Portneuf.

OIL—WILLINGNESS OF CANADA TO SHARE IN SHORTAGES IN OECD COUNTRIES

Mr. Peter C. Bawden (Calgary South): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. Can the minister indicate to the House if the chairman of the National Energy Board is visiting Paris as the head of the Canadian delegation to the OECD oil committee and, if so, what mandate has the government given to the chairman for this visit? Will the minister say specifically whether Canada will indicate a willingness to share in OECD shortages and to what extent?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, the chairman will be participating as a member of the Canadian delegation there. It is very possible that in conjunction with the discussion of the current situation there may be discussion of the possible allocation of supplies to other members of OECD

who may be in short supply. Canada, of course, would be as co-operative as our situation would permit in those circumstances.

Mr. Bawden: Is the minister prepared to seek parliamentary approval for any shortfall Canada may be asked to share by the OECD before Canada makes such a commitment?

Mr. Macdonald (Rosedale): Mr. Speaker, I would have to take that into consideration. However, it seems to me that kind of co-operative action is something that would remain within the prerogative of the government.

* * *

[*Translation*]

AIRPORTS

QUEBEC CITY—MANNER IN WHICH SNOW REMOVAL CONTRACT AWARDED

Mr. Roland Godin (Portneuf): Mr. Speaker, I should like to put a question to the Minister of Transport concerning the recent contract for snow removal at the Quebec City airport.

Is the minister aware that officials of his department have called for two kinds of tenders, that is public tenders through newspapers and private ones by telephone? If so, can he explain how the highest bidder managed to obtain the contract.

An hon. Member: By telephone!

Mr. Speaker: Order. I feel that this question should be put on the order paper or considered on the adjournment motion tomorrow night.

* * *

[*English*]

ENERGY

OIL—AMOUNT OF POSSIBLE SHORTFALL THIS WINTER

Mr. Reg Stackhouse (Scarborough East): Mr. Speaker, my question is to the Minister of Energy, Mines and Resources. In light of the answer the minister gave to the last question on this subject, has he reassessed the projected shortfall of oil this winter which he indicated previously to the House might amount to some 200,000 barrels a day? If so, has this figure been raised upward or downward?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I referred at some length to this question in the committee last night.

Mr. Speaker: Order, please. The hon. member will be allowed a supplementary following which the Chair will recognize the hon. member for Wellington-Grey-Dufferin-Waterloo.

Mr. Stackhouse: In view of the minister's generosity to the committee, is he now prepared to inform the House whether he has asked the government's technical advisory committee on petroleum supply and demand to reassess the projected 200,000 barrels per day shortfall having regard to the fact that 65,000 barrels per day are now coming into eastern Canada from the Trans Mountain Pipe Line and having further regard to the fact that 50,000 barrels per day are expected from the Shaheen refinery?

Mr. Macdonald (Rosedale): Mr. Speaker, I specifically had the opportunity of meeting with the technical advisory committee yesterday. They recommended that the government seek the authority to carry out mandatory allocation as requested in the bill.

* * *

ABORTION

SUGGESTED LEGISLATION TO ENABLE GRANTS TO GROUPS WISHING TO COUNSEL PEOPLE ON POSITIVE ALTERNATIVES

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, my question is to the Minister of National Health and Welfare. I gave him notice of it prior to the question period. In light of the minister's recent admission that while the federal government gives money to groups facilitating the obtaining of abortions under the present very liberal law but has no program to fund groups seeking to counsel people on the positive alternatives to abortion, will the minister tell the House whether the government is prepared to introduce legislation that will allow the granting of funds to groups seeking to reduce the horrendous figure of some 40,000 abortions in this country each year by counselling people on the positive alternatives?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I would not in my answer like to appear to endorse the premise of the hon. member's question. However, I have already indicated to him that I am reviewing the whole aspect of financing in this area at the present time and I will be in touch with some of the organizations concerned in the near future.

* * *

ENERGY

OIL—SCOPE OF SUPPLY ALLOCATION BILL—REQUEST FOR MODIFICATION

Mr. Harvie Andre (Calgary Centre): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. It is supplementary to the question asked by the hon. member for Scarborough East. It follows on the minister's answer that the technical advisory committee advocated compulsory allocation. Having regard to Mr. Stabback's statement last night that members of the technical advisory committee are not at all unanimous in their views as to the scope of the bill, will the minister specify the nature of the criticism of the scope of the bill and will he consider reducing the scope of this bill?

Mr. Speaker: Order, please. The minister will be allowed to reply briefly to the hon. member's supplementary ques-

tion, but I hope hon. members will make an effort not to bring into their questions the proceedings which are before the committee. I think the question was asked in an irregular way. The hon. member cannot refer to proceedings which are currently before the committee and base his question on those proceedings. The question might be asked directly without reference to any proceedings outside the House.

● (1510)

Mr. Andre: In that case I ask whether the minister will consider reducing the scope of this bill so as to cover allocation and supervision, and possibly provide a time limit?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): If the hon. member has precise suggestions to make in this regard, I would be glad to hear them in the committee. We can, of course, make amendments there.

Mr. Bell: There is lots of time.

* * *

SUPPLY AND SERVICES

PURCHASING CRITERIA OF DEPARTMENT—PREFERENCE FOR CANADIAN PRODUCTS

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, I have a question for the Minister of Supply and Services. Are his purchasing criteria designed to give preference to Canadian products manufactured and distributed in Canada by Canadian companies?

[*Translation*]

Hon. Jean-Pierre Goyer (Minister of Supply and Services): It is a well known fact, Mr. Speaker, that it is an important consideration in the assessment of contracts.

[*English*]

Mr. Paproski: If those are the criteria, can the minister tell us what formula he is using or plans to use?

[*Translation*]

Mr. Goyer: Mr. Speaker, we would really have to make a policy statement and I do not think that it would be proper to do it now. In short, it is not possible to answer such a complicated question.

* * *

[*English*]

FINANCE

REQUEST FOR LEGISLATION TO ENSURE CONTROL OF GOVERNMENT EXPENDITURES BY PARLIAMENT

Mr. Bill Knight (Assiniboia): Mr. Speaker, I should like to direct a question to the President of the Treasury Board. Since the Auditor General has drawn attention to the use of special warrants involving several millions of dollars in circumstances where the public good did not urgently require it, can the minister inform us whether he is considering a change in the legislation, in particular amendments to the Public Administration Act and the Appropriations Act, to ensure that funds spent will have the authority of parliament behind them?

Hon. C. M. Drury (President of the Treasury Board): Yes, Mr. Speaker,

Mr. Knight: Since the Auditor General has proposed to the Parliament of Canada that he be given authority to carry out efficiency studies of the administration of the various departments of government as part of his duties, which would be of great assistance to individual members of parliament in reviewing public expenditures—

Some hon. Members: Question!

Mr. Knight: —can the President of the Treasury Board tell the House whether he is prepared to allow the authority of the Auditor General to be extended in this way to ensure individual members of parliament the right to examine the books closely?

Mr. Drury: The Auditor General has proposed—and the public accounts committee concurred in his proposal—that a study committee be established to make recommendations to parliament as to precisely what his powers should be. I am heartily in favour of this study being made and of being guided by its conclusions. I do not believe, however, the Auditor General has proposed that he be made responsible for efficiency reports.

* * *

TRADE

REQUEST THAT INCREASE IN IMPORT DUTY ON WORK BOOTS AND SHOES FROM SOCIALIST BLOC COUNTRIES BE POSTPONED

Hon. Paul Hellyer (Trinity): Mr. Speaker, my question is for the Minister of Industry, Trade and Commerce. In view of the fact that immediate implementation of an upward valuation for duty purposes of work boots and shoes from socialist bloc countries will result in an increase of about $5 a pair at the retail level, will the minister, as a small contribution toward the containment of inflation, agree to postpone the proposed increase for a few months?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): I am not sure I can give that undertaking but I will take the matter under advisement. I might add that I shall have more to say about the footwear industry of Canada later this week.

Mr. Hellyer: Since a 25 per cent increase in the price of work boots is inconsistent with any sensible industrial strategy, would the minister make an early announcement to the House that he has agreed to postpone this increase.

Mr. Gillespie: I think I have already answered that question.

Mr. Hellyer: One final supplementary. It is very simple. Will the minister guarantee an adequate supply of work boots at reasonable prices so that the working people of

Canada can put the boots to the government when the election is held?

Some hon. Members: Hear, hear!

Mr. Gillespie: The hon. member has overworked this subject, Mr. Speaker.

* * *

ENERGY

AMOUNT OF WESTERN OIL THAT CAN BE MOVED OVERLAND TO EASTERN CANADA THIS WINTER

Mr. Bill Jarvis (Perth-Wilmot): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. It arises from the recommendation of the government's technical advisory committee that "the movement of crude oil by unit train from Ontario to Quebec cannot be implemented this winter because of the time required to design and construct suitable and safe loading and unloading facilities". Would the minister tell us on what basis he is confident that 40,000 to 60,000 barrels a day can be moved overland this winter, which was the estimate he gave this House on November 28?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): The earlier figure was suggested to me by the committee. It has now revised this estimate, noting that additional facilities would need to be constructed in order to achieve that level of movement by rail.

Mr. Jarvis: Noting that the St. Lawrence Seaway is to close tomorrow, would the minister tell us what immediate steps the government is planning with a view to increasing the movement of oil overland?

Mr. Macdonald (Rosedale): A certain amount of oil can be moved by truck, but as the report indicates there is not sufficient capacity to move by rail within the next four months the volumes we have been talking about.

* * *

[*Translation*]

AIR TRANSPORT

INVESTIGATION OF ACCIDENT AT GASPÉ

Mr. Albert Béchard (Bonaventure-Îles de la Madeleine): Mr. Speaker, I should like to put a question to the Minister of Transport.

An Air Gaspé aircraft was involved in an accident December 17 in Gaspé. This aircraft was coming in from the Magdalen Islands.

Several passengers, most of them islanders, suffered serious injuries. Can the minister say whether his department has undertaken an investigation into the cause of this accident?

Hon. Jean Marchand (Minister of Transport): Yes, Mr. Speaker, investigators have immediately gone on the site to find out the cause of this unfortunate accident.

FINANCE

GOVERNMENT GUARANTEED LOANS TO SMALL BUSINESSES—REQUEST THAT MAXIMUM BE INCREASED

Mr. Henry Latulippe (Compton): Mr. Speaker, I should like to put a question to the Minister of Finance.

In view of the higher cost of materials and equipment in the industry, does the minister intend to act so as to enable chartered banks to increase the $25,000 maximum on loans to small businesses?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, this is a most interesting suggestion.

Mr. Latulippe: Mr. Speaker, I wish to direct a supplementary question to the Minister of Finance.

Since industrialists are screaming for such services, can the minister say what is the obstacle to an increase in the $25,000 maximum for these loans? I think that it would be a great service to the industry. I ask the minister whether he can act directly and as soon as possible.

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I will consider all the aspects of the question.

* * *

[*English*]

ENERGY

MOVEMENT OF OIL FROM WEST COAST—ALLOCATION OF DOCK SPACE AT VANCOUVER

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. It arises from the statement by the minister that the government requires legislative means to deal with the allocation of dock space at the Vancouver terminal of Trans Mountain Pipe Line. I quote the minister: "Allocation of dock space is required at the Vancouver terminal of Trans Mountain Pipe Line for shipments to eastern Canada in a situation where available space appears to be overnominated"—

Mr. Speaker: Order, please. Would the hon. member ask the question instead of quoting a statement at length?

Mr. Reynolds: I just wanted to make sure the minister knew what he said yesterday. Is the minister aware that no tankers are tied up at the Vancouver terminal today? Also, has he been made aware by the port manager of Vancouver harbour that no dock space shortages are apparent?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): That is contrary to the information I have received from the oil companies which are attempting to transport the oil.

● (1520)

Mr. Reynolds: Would the minister contact the port manager at Vancouver, who was formerly a Liberal, and find out what are the true facts in regard to Vancouver harbour?

Mr. Macdonald (Rosedale): Mr. Speaker, I will follow that up, but it is contrary to the information received from the shipping companies.

* * *

AIR TRANSPORT

DIVISION OF CHARTER TRAFFIC AS BETWEEN CANADA AND UNITED STATES UNDER NEW AGREEMENT

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I should like to ask a question of the Minister of Transport. Yesterday the hon. member for Témiscamingue asked the minister a question about air charter and other air traffic agreements and the minister replied that the bilateral agreements had been initialed. Would the minister reveal to the House the details of how charter traffic is to be shared between the United States and Canada?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, it is going to be phased in over a period of a few years. For the first two years, I think, the Americans will be entitled to 10 per cent of the traffic to Florida and 10 per cent to Hawaii, with an average for all the other sun spots of, say, 15 per cent. For the two following years it will be 20 per cent to Florida and 20 per cent to Hawaii, with an average of 25 per cent. From 1978 on it will be 25 per cent for each of Florida and Hawaii, and I think a 35 per cent average.

Mr. Peters: Mr. Speaker, in view of the complexity of the agreements and their long-range effects, would the minister be agreeable, particularly in light of the fact that the United States government has to ratify the agreements, to refer the subject of these bilateral air agreements, and especially the charter arrangements, to the transport committee at an early date?

Mr. Marchand (Langelier): Mr. Speaker, as soon as it is signed I can refer it to the committee, yes.

Mr. Speaker: The hon. member may ask a further supplementary, following which the Chair will recognize the hon. member for Fraser Valley East.

Mr. Peters: Mr. Speaker, my supplementary is fairly simple. In the one case the United States government, which means its legislators—

Mr. Speaker: Order, please. The hon. member was recognized for the purpose of asking a supplementary question.

Mr. Peters: Mr. Speaker, I was about to ask whether the minister would be prepared to do this prior to ratification by the cabinet and the United States government.

Mr. Marchand (Langelier): No, Mr. Speaker. I do not think it has ever been done in the past. We may be right or wrong in signing the agreement, and if it is not a good agreement we can be criticized. But I do not see how we can negotiate with a foreign country, reach an agreement, then refer it to a committee and then the committee says it does not agree with the agreement. In such circumstances it would be useless to enter into negotiations with any country in the world.

[Mr. Reynolds.]

VETERANS AFFAIRS

REQUEST THAT DEPARTMENT INCREASE STAFF TO SPEED UP PROCESSING OF PENSION APPLICATIONS

Mr. Alex Patterson (Fraser Valley East): Mr. Speaker, I have a question for the Minister of Veterans Affairs. In view of the continuing, long delay in the processing of applications for pensions, and the fact that many veterans will pass away before their applications are considered, does the minister propose to seek additional personnel and resources to speed up the processing of these applications, thereby alleviating the hardships that many of these veterans are presently undergoing through the effects of inflation?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Mr. Speaker, I am glad to report that the processing of applications has been speeded up considerably in my department. We have taken on additional staff, commissioners, and so on. I should like to inform the House that it takes some time for people to learn to cope with medical problems and with the legislation, but we have added some back-up staff which has just about completed its work. Pretty soon I shall be able to report to the House of Commons on the situation. But we are progressing quite well.

Mr. Patterson: Would the minister advise whether his department is catching up on the backlog, and can he say why those who made application several years ago are still waiting? They are between 70 and 80 years of age now.

Mr. MacDonald (Cardigan): Mr. Speaker, when put in those terms it does not sound very cheerful. Many of our applicants are now on pension. The 1971 legislation which was brought in by the previous government encouraged many veterans to reapply. As a result, the process is a long one; but the backlog is being decreased.

* * *

ENERGY

GOVERNMENT ACTION TO ENSURE OIL SUPPLIES TO EASTERN CANADA AT LOWER THAN INTERNATIONAL PRICE

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I wish to direct my question to the Minister of Industry, Trade and Commerce. Yesterday in reply to the hon. member for Saint-Hyacinthe the minister said that the long-term thrust is to secure for Canadian industry oil and petroleum products that flow from oil at a price lower than the international price. Having regard to the fact that Quebec and the Atlantic provinces are now paying international prices for oil, what short-term industrial strategy does the minister have to implement the long-term objective of the government?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I think the hon. member should put the question in balance. For some years Quebec and the maritime provinces have had the advantage of a lower oil price than the rest of Canada. It may take some years until we have reached full self-sufficiency.

Mr. Crouse: Does the government have a short-term industrial strategy aimed at lowering domestic oil prices?

Mr. Gillespie: Mr. Speaker, the Minister of Energy, Mines and Resources has pointed out that, as far as the Maritimes are concerned, there are more sources of energy than oil. He announced the federal government's participation in a nuclear power generating facility.

* * *

[*Translation*]

GRAIN

STEPS TO OVERCOME SHORTAGE OF FEED GRAIN IN EASTERN CANADA—PRICE LEVEL

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, I wish to direct a question to the minister responsible for the Canadian Wheat Board.

Since feed grain reserves are now at the 430,000 bushels level in Quebec, while at this date last year they reached 3 million bushels, can the minister assure the House and eastern Canada farmers that the latter will not endure a feed grain shortage in the near future and that they will not be subject to a price increase?

[*English*]

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, there was a meeting only last Monday of the various persons interested in the movement of grain. Steps are being taken to ensure that the rail movement of grain that will be needed to augment supplies this winter will be carried out efficiently and will bring the supplies most critically needed to the right place as quickly as possible. There are, of course, adequate supplies in the west, and with the new feed grains policy there is the assurance that the same feed grain prices will apply all across the country.

Mr. Speaker: The Chair will recognize the hon. member for Saint-Hyacinthe on a supplementary.

[*Translation*]

The hon. member may ask a supplementary question, but the oral question period is just about expired. I will then recognize the hon. member for Lévis.

[*English*]

Then the Chair will recognize the Leader of the Opposition.

● (1530)

[*Translation*]

Mr. Wagner: Mr. Speaker, I have a supplementary for the minister.

What action has the minister taken to assure eastern Canada of a stepped-up supply before the St. Lawrence Seaway closes?

[*English*]

Mr. Lang: Mr. Speaker, grain movement through the Lakehead and the Seaway were given very special attention to the point when the Seaway closed, and as well will be given attention so long as boats are able to move through the lakes. In addition, rail movement will be augmented this year and will no doubt be larger both for domestic and export purposes than was the case in previous years.

* * *

[*Translation*]

HARBOURS

FINANCIAL AID TO CERTAIN PORTS

Mr. Raynald Guay (Lévis): Mr. Speaker, I have a question for the Minister of Transport.

Since he indicated the government was considering guaranteeing a loan to the Maritime Employees' Association with respect to financial help for the port in Montreal, can the minister say if similar financial aid will be given to other ports in Canada?

Hon. Jean Marchand (Minister of Transport): No, Mr. Speaker. I think this problem applies only to those ports in Montreal, Trois-Rivières and Quebec City. The only other help will be with respect to the port of Halifax that will be receiving this year a grant of $1 million for its operating expenditures and that is the only port to receive such attention from the federal government.

* * *

[*English*]

ENERGY

ALLOCATION OF OIL SUPPLIES—POSSIBILITY OF LEGISLATION TO MEET CONDITIONS NOT CONSTITUTING NATIONAL EMERGENCY

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. I should like to ask the minister whether he is contemplating the introduction of legislation which would authorize the government, or some agency of the government, to allocate oil supplies under conditions that do not constitute a national emergency within the meaning of clause 11 of the bill where there are difficult particular or local situations that cannot be satisfied and met by voluntary persuasion. Does the minister contemplate filing that vacuum in terms of legislation?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, as the hon. gentleman will know, the constitutional jurisdiction of the government can only extend in the case of an emergency. We would, of course, have to have an emergency to find a constitutional base in that regard. The purpose would be that with widespread national evidence of the effects of disruption on people we would seek the guidance of the board, when established, for the purpose of determining whether or not the Governor in Council should make the finding provided for in the statute.

Mr. Speaker: The Chair will recognize the hon. member for Kingston and the Islands and then call orders of the day.

Oral Questions

INDIAN AFFAIRS

YUKON NATIVE LAND CLAIMS NEGOTIATIONS—REQUEST FOR REPRESENTATION OF WHITE RESIDENTS ON FEDERAL TEAM

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, I have a question for the Minister of Indian Affairs and Northern Development. In view of the anxiety and concern expressed by many residents of the Yukon over the native land claims negotiations, would the minister give immediate consideration to representations made by members of the territorial council and members of the Yukon Council of Indians and other groups that an acceptable person or persons from the non-native community in the Yukon replace one or more members of the federal negotiating team, all of whom are appointed governmental officials?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, we appointed the commissioner for the Yukon as a member of the bargaining committee. He may be replaced at times by one of the elected members of the Territorial Council sitting on the executive committee. I received requests similar to that made by the hon. member and I took good note of them. If there is reason to make any changes, we shall make them in due time.

[*English*]

Miss MacDonald (Kingston and the Islands): In view of the fact that one-half of the negotiating team is composed of native people from the Yukon and the other half are federally appointed public servants, one of whom is the commissioner, would the minister give real consideration to having the white community in the Yukon included on the negotiating team as their interests are far more germane to the negotiations than those of the deputy minister in Ottawa?

[*Translation*]

Mr. Chrétien: Mr. Speaker, I wish to say at the outset that there is not a single deputy minister sitting on that committee. I trust the Yukon commissioners. Another member of the team, namely the chief negotiator, is not a public servant. He is a lawyer from Victoria. Thus, I believe everybody's interests will be well safeguarded. I do not think one should stand on both sides of the fence like the hon. member.

[*English*]

Miss MacDonald (Kingston and the Islands): He is from British Columbia.

Mr. Speaker: Order, please. Orders of the day.

[Mr. Speaker.]

GOVERNMENT ORDERS

[*English*]

ELECTION EXPENSES

PROVISION OF PAYMENTS TO CANDIDATES AND REIMBURSEMENT OF PARTIES FOR CERTAIN BROADCASTING TIME

The House resumed, from Tuesday, December 18, consideration of Bill C-203, to amend the Canada Elections Act, the Broadcasting Act and the Income Tax Act in respect of election expenses, as reported (with amendments) from the Standing Committee on Privileges and Elections; motion No. 7 (Mr. Rodriguez) and motions Nos. 17 and 31 (Mr. Benjamin).

Mr. Marchand (Langelier): Mr. Speaker, I have a question of privilege.

Mr. Speaker: The hon. Minister of Transport (Mr. Marchand).

[*Translation*]

Mr. Marchand (Langelier): Mr. Speaker, I believe it is the first time in eight years that I stand in this House to make such a comment. Last night, the hon. member for Skeena (Mr. Howard) made in this House an assertion which I consider absolutely slanderous, unworthy of this House and probably unworthy of him. And I wish to emphasize it in this House for if I knew that such a feeling were shared by a good number of members, one can be sure that I would know what to do and that I would pull myself out very quickly.

Here is what the hon. member declared, without any reason nor any proof, nothing. He said, and I quote:

[*English*]

In Quebec, the situation was entirely different.

Mr. Bell: What page?

Mr. Marchand (Langelier): Page 8877 of *Hansard* for December 18, 1973. He said:

In Quebec, the situation was entirely different. It was more heinous because in Quebec the national campaign fund collector was none other than the then minister of regional economic expansion—

On the one hand, he was giving out $6 million to IBM and the next day he went knocking on their door saying, "I am collecting funds for the Liberal Party".

[*Translation*]

Mr. Speaker, I never collected or received a cent for any political party, including the Liberal party. I never went to the International Business Machines Co. Limited for any consideration, except for a visit of the plant. And I believe the words used by the hon. member are called slander. If he wants to repeat them outside this House, he will try to find evidence or even to gather some elements of evidence, that I conducted myself with public money in such an unspeakable manner as he has mentioned.

[*English*]

An hon. Member: Withdraw.

Mr. Speaker: Order, please. I believe the hon. member had completed his remarks yesterday when we reached

the time of adjournment and the intention is that the question should be put now, unless there is further debate.

Some hon. Members: Withdraw.

Mr. Speaker: The hon. member for Skeena (Mr. Howard).

Mr. Howard: Mr. Speaker, I thought the Minister of Transport (Mr. Marchand) had risen on a question of privilege, and if that were the case, inasmuch as it related to what I said last evening I would assume there is an obligation for some sort of response. This is not to continue debate, but if the minister wants me to reply I will gladly do so—

Some hon. Members: Withdraw.

Mr. Howard: —and point out that it seems passing strange to me that the same allegations were made on a number of occasions in months past when the minister held the dual position of co-chairman of the national campaign committee and Minister of Regional Economic Expansion. He took no avenue whatever over the past couple of years and during the time he held dual capacities to refute any of the sort of remarks that I made last night.

Mr. Marchand (Langelier): Never.

Mr. Howard: Mr. Speaker, I wonder why he would take this—

Mr. Speaker: Order, please. It is a long-established and accepted practice in this House that hon. members should not refer to other hon. members using defamatory language or making personal accusations. I am sure the hon. member will appreciate this. When an accusation is made against a member and that member makes a statement as the Minister of Transport (Mr. Marchand) has done, it is incumbent on all hon. members, including the member who made the statement, to accept the statement made by the minister.

I would caution the House against making personal attacks and allegations of a personal nature against members. I am sure hon. members would be well advised in their remarks in the consideration of the business before the House to observe the well-established and long-established practice that this kind of remark should not be indulged in.

Some hon. Members: Withdraw.

Mr. Howard: Mr. Speaker, am I to understand that I for one am required to accept the statement that the minister just made, when it is not a factual statement?

Mr. Speaker: The hon. member for Skeena (Mr. Howard) is subject to the rules of the House. I am sure that he, as a resident of this institution for some time, knows it is elementary that all members, including himself, are subject to the long-established rules of the House. The hon. member and all hon. members have to accept the statement made by another hon. member.

Election Expenses

The hon. member for New Westminster (Mr. Leggatt).

● (1540)

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, I am rising to continue the debate on motion No. 7 in the name of the hon. member for Nickel Belt (Mr. Rodriguez) which would, in effect, amend this section to require that donations be in Canadian funds and directly from Canadian sources. The hon. member for Hamilton West (Mr. Alexander) raised what I thought was a very interesting point yesterday in which he questioned the definition of "Canadian sources". I think it was a very valid point. I had the same kind of reservation when looking at this amendment.

The question of a "Canadian source" calls for such a vague definition that, without anything further in that particular section, it would seem to me we would leave a court in a very difficult position in trying to define what is a Canadian source. There may be a corporation which is 30 per cent owned by Canadians, 5 per cent by Americans, 10 per cent by the English, and so on. Even though there may be a majority of Canadian ownership, it may represent less than 50 per cent: there may or may not be Canadian control of the corporation, and therefore we may not have a Canadian source if that particular corporation decided to make a political contribution.

So I rise really in support of the point made by the hon. member for Hamilton West. I believe his point is valid and I agree with him that this particular amendment is too vague. Merely to use the expression "Canadian sources" in an amendment would leave the courts and lawyers in terrible confusion in attempting to define what in heaven's name is a Canadian source.

My friend says that everyone would understand it except lawyers. I think that lawyers have a better understanding of these things than most people. In any event, I believe this particular clause needs clarification. I should like to make some suggestions that might be of assistance in clarifying the bill. I have in front of me a document from the Committee for an Independent Canada which was submitted to the Standing Committee on Privileges and Elections. That committee made the following proposal which is an excellent one:

> We would propose the following criteria for distinguishing foreign from Canadian organizations. A corporation would be considered foreign for the purposes of this act if 50 per cent or more of its voting stock was owned abroad or if more than 10 per cent of its shares were held by any foreign group or individual. In other words any corporation 51 per cent of whose stock were in Canadian hands and not more than 10 per cent were held by any foreign group or individual could make donations to political parties. For trade unions, foreign union head offices would no longer be allowed to contribute to Canadian political parties. However, money collected from Canadian workers and administered by union officials elected by Canadian workers (as opposed to appointed from foreign headquarters) would be allowed to contribute.

Mr. Speaker, I would recommend that as a practical suggestion in terms of defining Canadian sources, whether corporate or union sources are involved. There are other problems in defining Canadian sources. There is the question of societies, the derivation of the funds and the question whether they were derived from a foreign source and merely funnelled through a Canadian source. I submit

that would create a problem under this bill. I should also like to read into the record something else that comes from the Committee for an Independent Canada, which has carried out a very interesting and, I believe, detailed study of this problem of political donations. Their suggestion on page 5 of this document is as follows:

> On of the major reasons for a lack of public confidence in the Canadian electoral system is the suspicion that the political parties are individually influenced, if not controlled, by foreign—mainly American—forces. The implication in the public mind is that the political parties are thus not free to make policies that are in the best interest of Canada in those areas of Canadian life that are dominated by multinational corporations or American-controlled unions. To make donations to political parties from alien individuals and institutions illegal would help raise the credibility of the political system as a whole.

On that last statement I would rest my case in terms of this amendment. When I rose, I did so to criticize this amendment as being far too vague. I hope that these comments will encourage someone to introduce a subamendment to this particular clause which would perhaps better define Canadian sources. I do not have any problem in respect of Canadian funds, but I have a problem in trying to define what is a Canadian source. I think the judicial system would be caused considerable difficulty in this respect because it would be impossible to make a judgment, despite what my friends say about lawyers having difficulty here. I suggest that they have not looked carefully at this particular amendment.

Mr. Thomas S. Barnett (Comox-Alberni): Mr. Speaker, as I listened to the debate on this question I found it really quite startling that there should be opposition from any quarter of this House to the acceptance of this amendment. There may be some uncertainty in the minds of some of the legal fraternity in this House despite the explanation given by the hon. member for Skeena (Mr. Howard) last night concerning the assistance he had in drafting this motion. If there is uncertainty in their minds, I am sure the House would be prepared to consider a clarifying subamendment on this point by the hon. member for Hamilton West (Mr. Alexander). If such a subamendment made sense to a layman like myself, I would be very willing to support it if it clarified the objective which I think is quite clear in the terms of the amendment as it stands.

We hear a great deal from time to time in this House about the need to retain a Canadian identity. I think it is true to say that political parties in Canada which have evolved in the now more than 100 years since confederation have been, by and large, Canadian institutions. Despite all that, when one assesses some of the statements made about the funding of political parties, and when one considers the actual facts in respect of what has happened in our economy with particular reference perhaps to the period since World War II, I think members of this House should be prepared to take a good look at what we should have, in a legislative sense, to ensure that the political parties in Canada remain in fact Canadian institutions.

It is perhaps rather unfortunate that the right hon. member for Prince Albert (Mr. Diefenbaker) is not in his seat today to make a contribution on this question. I am sure that if he were here he could bring the issues involved in this amendment into focus for members of the House much more eloquently than I can. In fact, those of us who have been members of this House for some time recall occasions when the right hon. member for Prince Albert was at his eloquent best on this very issue.

● (1550)

Some hon. members may recall the political storm which developed over the suggestion that the embassy of another country in our capital was not unconnected with certain events related to an election in Canada. That incident, the full facts of which were perhaps never determined to the entire satisfaction of all members of the House at least, should cause us to think about this matter while we have a bill of this sort before us. It is not very often that the House is seized with the question of the manner in which Canadian elections are financed, and the source of the funds contributed.

I heard one hon. member interject and ask what is wrong with getting foreign money into a Canadian election. Some people might be prepared to argue that money is money and that you get it where you can. One of my colleagues suggests there have been occasions on which Canadian money has gone south of our border to assist certain elections in the country there. I suppose that is primarily a matter of concern to the people of the United States, although it is not a practice which I would encourage because in my view too much money flows out of Canada for various reasons into the coffers of various bodies in the United States.

I think my colleague who suggested that there are times when our money has gone south would probably not disagree that the potential danger to the Canadian identity is much greater than any danger which might arise from a Canadian making a contribution to an election campaign in the United States. The duty of legislators, in so far as it is possible for us frail human beings to do so, is to project our minds into the future, particularly when we are considering legislation. Although I have no indication that there has been an intervention by nationals of another country, either individual or corporate, into Canadian elections to a degree which would be disastrous to our country, nevertheless that possibility does exist. We have examples, which I think are fairly well documented, of large corporations having moved in and interfered in the internal affairs of other countries.

In this connection, reference is often made to such corporations as ITT and the kind of influence it has had in various countries, particularly in the southern part of this hemisphere. Those interventions may not have been by way of making contributions of money to election campaigns, but some of them have involved substantial sums of money. According to some information I have with regard to ITT, those funds in some cases have been spent, not on influencing the democratic process of election, but, rather, to subvert the political process and the operation of the government of the country concerned.

I well recall a situation shortly after World War II, which was during the period I first became active in politics, when a very active and well financed campaign was being conducted by a political organization known as the communist party. Although I do not have any documentary proof, it is certainly my honest judgment that at

that particular period in Canadian history quite substantial sums were being provided to that organization from abroad. I have no reason to believe that that is the case at present with respect to that organization. However, during the time Stalin was the head of the government in the U.S.S.R. I am satisfied from the events that transpired in this country that there was financial intervention into the political affairs of this country through that Canadian medium which, in my view, was deleterious to the processes of democracy in Canada.

So I suggest that we are not dealing with something which is entirely hypothetical when we talk about putting into the law an inhibition against Canadian political parties receiving funding from foreign sources. Coming back to the organization which I mentioned earlier, namely ITT, it is my view that in certain parts of Canada that organization has been given great concessions in respect of jurisdiction over some of Canada's natural resources.

● (1600)

Having regard to the history of its operations in other parts of the world, which operations have been documented in part from time to time, I would say its very existence in Canada is perhaps reason for us taking precautionary measures in the context of this bill and to say to it and to all other foreign interests, "We neither want nor need your money in the conduct of the political affairs of Canada." It is for that reason, Mr. Speaker, that I hope this amendment; either in its present form or with clarification by some of the legal beagles in the House, will receive the support of all hon. members and that in dealing with this question of election funding we take what to me is a basic and rather elementary precaution to ensure that Canadians, in this respect at least, remain masters in their own house.

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, first I would like to state for the benefit of *Hansard* that I am a Progressive Conservative. The last seven speakers to this bill have been members of the New Democratic Party, at least the last seven substantive speakers. Of course, it may be unfair to say that seven of them made speeches. One of them, the hon. member for Skeena (Mr. Howard), took advantage of a question from the hon. member for Hamilton West (Mr. Alexander) last night to give him a 20-minute answer which I understand does not count as speaking to the bill. But it should be clear by now that members of the NDP are determined that this bill will have very lengthy passage through the House.

As one of the charter members of the Standing Committee on Privileges and Elections which considered this bill at committee stage, I would like to express a few general remarks on the bill, and specifically on the amendment later.

Mr. Deputy Speaker: Order, please. I regret having to interrupt the hon. member for Victoria (Mr. McKinnon) but I wish to point out that it was agreed yesterday—I am not sure if he was in the House at the time—that after general speeches were made, one from each particular corner of the House, the Chair was directed to ensure that remarks were strictly relevant to the bill. I think the hon. member must be bound by this agreement which was suggested by the hon. member for Renfrew-Lanark-Carleton (Mr. Dick).

Mr. McKinnon: Thank you, Mr. Speaker; I shall try to abide by your direction. But I was present in the House yesterday when the hon. member for Assiniboia (Mr. Knight) took us through his constituency, almost town by town, describing the rallies he held and the relationships he had with his agents in the various parts of the constituency. I shall try to confine myself to amendment No. 7, although I think the second last speaker referred to it as No. 6 in error.

Perhaps I would be permitted the indulgence of the House to extend my congratulations to the committee and to the President of the Privy Council (Mr. MacEachen) who appeared at almost every one of its 51 meetings. I would also like to congratulate the committee chairman, the hon. member for Montmorency (Mr. Laflamme), who chaired the meetings with patience and fairness. The story of the number of amendments found necessary to make the bill at all acceptable has been well told. Each amendment was carefully considered and one by one we dealt with them until the bill was completed. I must admit that while there is no single section of the bill left that I cannot now live with, taken as a whole it is rather freightening. It is like building an airplane in your garage. Although put together with tender loving care, one still remains nervous about flying in it. The main concern I have about the bill is that it will add a large administrative tail to every candidate. I do not know if any candidate really wants to add more administrative structures.

Dealing specifically with amendment No. 7 and the other amendments grouped with it, it was moved by the hon. member for Nickel Belt (Mr. Rodriguez) who unfortunately is not in the House today. This amendment is identical to one submitted, considered and rejected in committee. At that time the hon. member for Skeena mentioned, as he did yesterday, that he had consulted a lawyer concerning the wording of the amendment. After the amendment was rejected in committee, partly because of its wording, I thought the hon. member would try a new laywer, but apparently he did not. I contend that the amendment would lead to confusion. The clause, if amended, would read as follows:

—all money provided by an individual other than the candidate or by a corporation, trade union, unincorporated organization or association for any expenses incurred on account of or in respect of the conduct or management of the election, whether as a contribution, gift, loan, advance, deposit or otherwise, shall be in Canadian funds and directly from Canadian sources, and shall be paid on his or its own behalf out of moneys to which he or it is beneficially entitled to a registered agent of the party—

And so on. It is my contention that this might lead to the conclusion that as long as one dealt in non-Canadian funds, one might be exempted from the restriction to make the donation through an agent, which would defeat the purpose of the section.

A second exception I take to this amendment is its wording concerning Canadian funds. The point raised last night by the hon. member for Hamilton West was well taken. Is the wording "Canadian funds" meaningful or practicable? I phoned my bank manager this morning and asked if it would be possible to exchange $50,000 U.S. for $50,000 Canadian. He assured me that there is no restric-

tion whatsoever, no records are kept, nor is there a requirement to keep such records. This indicated to me that the result of adding the words "Canadian funds" in this context would be meaningless.

During yesterday's debate the hon. member for Timiskaming (Mr. Peters) quoted Dr. Palteil of Carleton University, but he only quoted him in regard to the financing of the Liberal and Progressive Conservative parties. I would not want this House to be left with the impression that Dr. Palteil only reported upon the two major parties. In fact, I would recommend that all hon. members read Dr. Palteil's August, 1973, paper and also his book "Political Party Financing in Canada" which was published in 1970. I wish to give just a couple of quotations to balance the remarks of the hon. member for Timiskaming. The first is from Dr. Palteil's 1973 paper:

> It is clear that trade unions directly or through the Committee on Political Education of the Central Labour Organization are the prime sources of funds for the NDP party's national election fund.

The second quotation is from Palteil's book in which, when he was speaking about the NDP, he said:

> Practically all the sums spent by the federal office on the 1962 and 1963 campaigns came from labour sources. In 1965 approximately . . . 72 per cent of the expenditures of the federal party was covered by the trade unions, notably the United Steel Workers and the United Packing House Workers.

Palteil then expresses an opinion on these donors as follows:

> Trade unions are the financial foundations of the NDP. While such contributions differ qualitatively from the contributions of business corporations, it is also true that such donations are unlike the voluntary gifts of individual citizens.

I would like to read just one more quotation, this one from last night's speech by the hon. member for Skeena, as reported in *Hansard* at page 8877:

> We know that if there is a political party contribution which comes from a particular source there is a tendency for the recipient thereof to lean in that direction.

And later:

> There is the tendency to say that he who pays the bills will receive the prime consideration, and that he who pays the accounts will get the attention or that he who does not pay the accounts will not. We are trying to prevent the extraterritorial aspect of corporations, trade unions, individuals, associations and groups in other countries having influence, especially an undue influence, on the politics of this nation.

Mr. Speaker, I think that is a very fine statement for the hon. member for Skeena to have made and I agree entirely with it, although possibly for different reasons. I submit that the United Steel Workers, the United Packing House Workers, General Motors of Canada and Ford of Canada are all equally suspect in the minds of most Canadians in so far as foreign influence on their policy decisions is concerned. The hon. member for Skeena worries about the influence of corporations and businesses. I worry about the influence of giant, multinational unions. I hope my fears are as ill-founded as his.

● (1610)

I believe that the possibility of tracing the original source of funds suffered a real setback when the President of the Privy Council informed the committee that it was not the intention of the bill to trace donations back to their original sources. I am sorry that I have not had time to look up his exact words in the minutes of the committee, but doubt that he would wish to deny the inference I have drawn. Faced with this, I believe the amendment proposed by the hon. member for Nickel Belt would serve only to confuse further an already complex but well-intentioned bill, without achieving its aim. I therefore recommend that the amendments be defeated.

The NDP, as well as our party and the Liberals, submitted many amendments and many were accepted. Our party was particularly appreciative of the NDP amendment submitted by the hon. member for Greenwood (Mr. Brewin). One of our amendments proposed that the Auditor General should supervise the act. However, our amendment was rejected. The hon. member for Greenwood suggested the appointment of a commissioner, and we welcomed his amendment.

In closing, I should like to say that I have no particular objection to the 42 amendments having been moved by one party in the House. Despite the fact that almost all the amendments were given a trial run in committee and were rejected, the NDP are within the rules in resubmitting them and that closes the matter as far as I am concerned.

Voltaire, in somewhat similar circumstances, said, "I disapprove of what you say but will defend to the death your right to say it." Well, I disagree with each of these amendments, and while I am not prepared to go to the lengths suggested by the gallant Voltaire, I certainly support their right to move these amendments. Perhaps I am willing to go along to some extent with Voltaire because it has not escaped my attention that Walpole said of Voltaire that he was "one of those heroes who liked better to excite martyrs than to be one".

Mr. Arnold Peters (Timiskaming): Mr. Speaker, not being a student of Voltaire in the original French, although having seen his works in translation, I do not know whether I would class myself as one who wants to be a martyr. If, however, I wanted to be a martyr, conceivably I could embrace martyrdom in connection with this particular amendment which I think is fundamental to Canadian democracy. The amendment I refer to deals with contributions to political parties being Canadian contributions made in Canadian funds by Canadian organizations.

I was pleased to hear the argument of the hon. member who preceded me. He suggested in so many words that the NDP is financed by large, American-based unions. That is not correct, Mr. Speaker. Certainly it is not true of the steelworkers with whom I held office for seven or eight years. It is not true of the IWA, with whom I spent some time as international representative for the district of eastern Canada; and it is not true, to my knowledge, of the UAW where I have had experience. However, as the previous speaker, who is an honourable man, believes what he alleges, he will wish to strengthen this clause and make it impossible for the NDP to be financed by those American unions. On the other hand, I firmly believe that the Liberal Party and the Conservative Party are to a large degree financed by multinational corporations with headquarters in the United States. For that reason I am interested in seeing a provision making it mandatory for donations to Canadian political parties to be made by Canadians in

Canadian funds. Further, those donations should be made only by corporations which are controlled by Canadians.

My colleague who preceded me quoted from "Some Aspects of Campaign Finances in Canada". I should like to read something contained in that pamphlet. The heading of the part I shall read is, "Bill C-203—The latest reform proposal". Near the bottom of page 17 begins the Part I shall read, as follows:

Scandal and rumour, however, continue to beset the fund raising process at the provincial and federal levels. In Quebec there have been revelations concerning contacts between Liberal politicians including a former minister and alleged underworld characters; in Ontario sums purportedly collected by Conservative fund raisers from property developers doing business with the provincial government as in the Fidinam affair have prompted the provincial Premier William Davis to instruct the Ontario Committee on the Legislature which has been charged with proposing changes in procedures and practice to bring in a proposal for the disclosure of campaign contributions. On the federal scene the Liberals have been shown to have developed in 1972 a systematic procedure for collecting funds in the United States from the headquarters of corporate subsidiaries in Canada, including a presumably abortive approach to the heads of the giant multinational International Telephone and Telegraph Corporation. Although shrugged off by Liberal bagmen with countercharges that their Conservative counterparts were doing likewise and claims that the New Democrats received funds from international trade unions headquartered in the United States, the charges touched a sensitive nerve of an increasingly nationalistic Canadian public opinion concerned about the so-called corporate rip-off.

Although it is claimed by some that the NDP is the legislative arm of the Canadian trade movement, and although it is true that most Canadian trade unions prefer their members to participate in the political process and vote for the NDP, attempts to influence workers have been clearly unsuccessful in many areas. Further, with regard to the raising of funds there is considerable difference between the way the NDP tries to raise money in Canada from Canadian trade unions who support a political party and the way the Liberal and Conservative parties attempt to raise money, inasmuch as those parties go to headquarters of companies like the International Telephone and Telegraph Company in the United States and ask for contributions.

In Canada both the steelworkers and the auto workers participate in the decisions of their unions. Those unions enjoy the almost complete support of the various locals across Canada. Votes taken at regularly and duly constituted meetings make it possible for supporters of these unions to affiliate directly with other unions. As people who know about the Steel Workers of America will be aware, after the death of Philip Murray, a progressive man, MacDonald took charge. MacDonald decided at a convention that his organisation would not provide support for any socialistic party in Canada. It resulted in the Canadian delegation en masse threatening to walk out of the convention. In the following election, the vote was almost totally for Canada against MacDonald and he was defeated as president of that international union.

• (1620)

In Canada they have always exercised their right to support a political party local by local. To my knowledge that situation remains the same today. This goes on between elections as well as at elections. This is one of the reasons we pressed very hard for the idea of a constituency agent so that if a person in my constituency wanted to make a contribution to my political party and my campaign, he was able to do so. We would be able to keep control of that money in my constituency. I was surprised we were thwarted in this regard. The same can be said with regard to other segments of the American labour movement.

Some members may have heard Mr. Meany, the president of the CIO of the United States, recently recant on television what was said at their last convention. He said he no longer supported Nixon, that he thought Nixon should be impeached and that as a gentleman he should resign. He certainly backed away from the support his organization had overwhelmingly given to one of the most reactionary political parties on the North American continent. If my colleagues in the Conservative Party believe the situation should be that way in the United States, and at the same time they are going to donate money to the most left wing national party in Canada, they do not know Mr. Meany and the leaders of some of the other unions.

It is a fact that in Canada there is such autonomy. It is also a fact that autonomy does not exist in the boardrooms of Canada where votes are not taken as to who gets the donations. This was well illustrated by Palteil who did an investigation on this matter. He said if you are going to collect money from Canadian subsidiary corporations doing business in Canada, you will have to go to the head offices. I suggest in going to those head offices, both the Liberal and Conservative bagmen may have to be cleared by the CIA and other government agencies before even being allowed to make a request for that kind of money.

Anyone who believes the New Democratic Party receives contributions from the American trade union organization should be prepared to support an amendment that will make it impossible for any political party in Canada to get money for an election campaign from persons, corporations, boards of directors or any other agency not under the total control of Canadians by Canadians or those normally resident in Canada either by landed status or over a period of time.

If the Liberal Party has not yet found it out, I am sure they will very shortly find that the multinational corporations do not only play ball in the United States. It is not a case of getting a bilateral agreement. You have to go to OPEC; you have to go to corporations that may exist far from this country to find out whether money was received from Imperial Oil, Texaco or any other financial giants in the oil industry. They do not exist except on paper. The multinational corporations are like the hydra; you cut off one head and another grows. They are a financial bureaucracy that is self-supporting and self-effacing. They have no national conscience.

Mr. Horner (Crowfoot): Like the international unions.

Mr. Peters: I have explained that, unlike shareholders in multinational corporations, shareholders in Canadian unions, international unions, the CNTU or syndicates have a vote.

Mr. Lambert (Edmonton West): Hallelujah!

Mr. Peters: They are autonomous at the bottom level. To my Bible-quoting friend I suggest this is not true of the multinational corporations. If members want clarification, I am prepared to move as follows:

That the word "sources" at the end of the three amendments be deleted and the following substituted therefor:

"citizens, persons with landed immigrant status, corporations which have no less than 50 per cent of their voting stock owned by Canadian citizens and no more than 10 per cent of their voting stock owned by any foreign group or person, trade unions which are located in Canada, and associations or organizations which are established pursuant to a statute of the Parliament of Canada or of a province"

This motion will be seconded by the hon. member for Assiniboia (Mr. Knight).

Mr. Deputy Speaker: Order, please. Perhaps the hon. member would have someone else move his motion, since he seconded the three motions that are now before us. This would clearly be out of order.

Mr. Peters: It will be seconded by the hon. member for Mississauga (Mr. Blenkarn).

Mr. Deputy Speaker: It is the moving of the subamendment that is giving the Chair difficulty, not the seconding. I understand that is being done by the hon. member for Assiniboia (Mr. Knight). The motion that is being put before the Chair will have to be moved by someone other than the hon. member for Timiskaming (Mr. Peters) because he has already moved or seconded the three motions now before us at the report stage. Perhaps this could be done by the hon. member for Comox-Alberni (Mr. Barnett).

Mr. Barnett: Then I would so move, Mr. Speaker.

Mr. Deputy Speaker: The hon. member for Comox-Alberni, seconded by the hon. member for Assiniboia, moves the proposed amendment to the motion which was read by the hon. member for Timiskaming. Possibly the Chair could look at the motion for a moment, since we are dealing with three amendments. I presume it is the intention to amend each of the three motions before us. The Chair has examined the proposed amendment that has been presented to it. I find no difficulty in putting it to the House, but if there are points of order arising therefrom I will reserve decision for a few moments. It covers motions Nos. 7, 17 and 31 and reads as follows:

● (1630)

That the word "sources" at the end of the three amendments be deleted and the following substituted therefor:

"citizens, persons with landed immigrant status, corporations which have no less than 50 per cent of their voting stock owned by Canadian citizens and not more than 10 per cent of their voting stock owned by any foreign group or person, trade unions which are located in Canada, and associations or organizations which are established pursuant to a statute of the Parliament of Canada or of a province".

I believe the proposed amendment is in order though it comes to us in an irregular way inasmuch as it was presented in the speech of one member and moved by another member. The Chair will recognize the hon. member for Timiskiming (Mr. Peters), and since the point of order has probably taken up four minutes he will be allowed his full 20 minutes.

[Mr. Lambert (Edmonton West).]

Mr. Horner (Crowfoot): He has just spoiled a good amendment by that subamendment. The bookkeeping necessary to keep track of it will be impossible.

Mr. Peters: Mr. Speaker, I am not sure that I need 20 minutes to justify the amendment. I do know there are sincere differences of opinion as to the kinds of contribution which should be allowed. I believe there is a growing body of opinion that Canadians should pay for their own elections. This has been my view for a long time. It is obvious that money is needed to run for federal election, though I must say that I myself have never had to spend large amounts in my constituency. The people there did not supply me with very much money but instead they supplied me over the years with a great deal of assistance in other ways. They have provided me with a lot of help and have done a great deal of work to see that I was elected; and I can always be sure that the assistance I am receiving is assistance from Canadian citizens who are interested in the progress of legislation which is enacted with their interests in mind.

I am sure most Canadians will be aware, unless they live with their radios turned off, that huge sums are spent in the United States in the course of election campaigns and that the very size of these funds may lead to wrong decisions being taken. When Mr. John Dean was asked during the early, electrifying days of the Watergate hearings to tell the Senators what had gone wrong, how he as a lawyer who had taken an oath to uphold the law could have got himself into the circumstances which led to his appearance, his answer was that the Republican Party had too much money at its disposal. As I say, there has to be some money but it need not be a very large amount. I would be the first to oppose the idea of the New Democratic Party receiving large sums of money either from Canadian or foreign sources. I recall an occasion when in the province of Ontario we were offered a sum which was, for us, a very large one. I suppose it was $5,000 or $6,000—

Mr. Horner (Crowfoot): All that much?

Mr. Peters: Well, in those days the party had between $15,000 and $20,000 at its disposal to run a provincial election. I was on the provincial executive, and $5,000 probably amounted to 15 per cent or 20 per cent of the total amount of money the provincial office had available to run an election. We turned this offer down. We turned it down for two reasons: first, we were dominated at that time by the teetotal element in Ontario; second, we were not sure what we would have to do in return for this donation. This was a period during which the temperance group in Ontario had the largest influence in the Ontario New Democratic Party, rather than the trade unions by which, according to most people, we have always been dominated. I believe the position has changed now with changing social attitudes.

As I say, I would be opposed to large sums of money coming into the party, simply because I do not believe large amounts of money are needed. What happened in the United States was this: the Republican Party had $3 million or $4 million left over and no place to spend it, so they

looked around and set up their dirty tricks committee and appointed some bright young fellows to run it. And they came up with some lulus! It seems to me that when large contributions from outside flow into local election funds, they are a factor which distorts the ability of individuals to make a contribution to their political parties.

The Acting Speaker (Mr. Laniel): Order. It was my understanding that the hon. member was allowed an additional four minutes. He has gone well beyond those four minutes. Unless the hon. member receives unanimous consent, he will not be able to pursue his remarks. Are hon. members willing to allow the hon. member for Timiskaming to continue his remarks?

• (1640)

Some hon. Members: Carry on.

Some hon. Members: No.

Mr. Blenkarn: Mr. Speaker, on a point of order, before you took the chair the previous occupant allowed the hon. member 20 minutes to speak on the subamendment that he had moved, not four minutes. The four minutes came from the four-minute period that the Chair took to analyse whether the subamendment was in order. I respectfully suggest that the hon. member still has at least 12 minutes, even though he has now perhaps exceeded the four minutes, in view of the order made by the Chair when considering the subamendment.

The Acting Speaker (Mr. Laniel): Order, please. I hope we do not get into a debate on this question of procedure. Actually, the House made a special case and allowed another hon. member to move the amendment of the hon. member for Timiskaming. Otherwise, if he had not been the seconder of the motion, he would have moved the amendment and been allowed the same time as any other member moving an amendment, which is 20 minutes. I think the extra four minutes allowed by the Chair was fair. But instead of going into a procedural interpretation of what was decided, there could be agreement if the hon. member wishes to ask for an extra few minutes.

Mr. Peters: Mr. Speaker, I do not wish to ask for an extra few minutes. I should like to thank the Speaker for his clarification because I had not understood how the extra time came about.

The Acting Speaker (Mr. Laniel): The hon. member for Crowfoot (Mr. Horner).

Mr. Howard: Mr. Speaker, I rise on a point of order. It arises pursuant to Standing Order 29 which provides that when two or more members rise in their place at the same time, as occurred in this case, namely, the hon. member for Crowfoot (Mr. Horner), the hon. member for Mississauga (Mr. Blenkarn) and the hon. member for Assiniboia (Mr. Knight) a member may move that one of the members be now heard. Therefore, I move that the hon. member for Mississauga be now heard.

The Acting Speaker (Mr. Laniel): Order. Hon. members are aware of Standing Order 29 which provides that there shall be no debate of the question. I wonder whether the hon. member has a seconder for his motion.

Mr. Howard: The hon. member for Assiniboia.

An hon. Member: Let him get up himself.

Mr. Howard: Then I so move, seconded by the hon. member for Crowfoot.

The Acting Speaker (Mr. Laniel): I do not see a seconder at this time.

Mr. Horner (Crowfoot): Mr. Speaker, following along the lines spoken in this House earlier today, although I may not agree with the motion I will protect the hon. member's right to move it, and I second it.

The Acting Speaker (Mr. Laniel): The hon. member for Skeena (Mr. Howard), seconded by the hon. member for Crowfoot (Mr. Horner), moves that the hon. member for Mississauga (Mr. Blenkarn) be now heard. Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Some hon. Members: No.

The Acting Speaker (Mr. Laniel): All those in favour will please say yea.

Some hon. Members: Yea.

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

Some hon. Members: Nay.

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

And more than five members having risen:

The Acting Speaker (Mr. Laniel): Call in the members. The House divided on the motion (Mr. Howard) which was negatived on the following division:

• (1650)

(*Division No. 62*)

YEAS

Messrs:

Howard—1.

NAYS

Messrs:

Alexander	Arrol	Bawden
Alkenbrack	Baker	Beattie
Allard	Baldwin	(Hamilton
Allmand	Balfour	Mountain)
Andre	Barnett	

Division

Messrs:

Beatty (Wellington-Grey-Dufferin-Waterloo)
Beaudoin
Béchard
Bégin (Miss)
Bell
Benjamin
Blackburn
Blais
Blaker
Blenkarn
Blouin
Boulanger
Breau
Brewin
Caccia
Cafik
Caron
Carter
Chrétien
Clark (Rocky Mountain)
Clermont
Comtois
Corbin
Corriveau
Cossitt
Côté
Crouse
Cullen
Cyr
Danforth
Danson
Darling
Davis
De Bané
Demers
Dick
Dinsdale
Drury
Dubé
Dupont
Dupras
Duquet
Epp
Ethier
Fairweather
Faulkner
Fleming
Forrestall
Fortin
Foster
Fox
Frank
Fraser
Gauthier (Roberval)
Gauthier (Ottawa-Vanier)
Gendron
Gilbert
Godin
Goyer
Grafftey
Guay (St. Boniface)
Guay (Lévis)
Guilbault
Haidasz
Hamilton (Qu'Appelle-Moose Mountain)
Harding
Harney
Hellyer
Herbert
Higson
Hopkins
Horner (Crowfoot)
Hueglin
Hurlburt
Isabelle
Jamieson
Jarvis
Jerome
Kempling
Knight
Knowles (Winnipeg North Centre)
Knowles (Norfolk-Haldimand)
Lachance
Laflamme
Lajoie
Lambert (Edmonton West)
Langlois
La Salle
Latulippe
Lawrence
Leblanc (Laurier)
Leggatt
Lessard
L'Heureux
Loiselle
Lundrigan
MacDonald (Cardigan)
Macdonald (Rosedale)
MacEachen
MacGuigan
MacInnis (Cape Breton-East Richmond)
MacInnis (Mrs.) (Vancouver Kingsway)
MacKay
Madill
Marchand (Langelier)
Marchand (Kamloops-Cariboo)
Masniuk
Mazankowski
McCain
McCleave
McGrath
McKenzie
McKinley
McKinnon
McRae
Mitges
Morgan
Morin (Mrs.)
Muir
Munro (Esquimalt-Saanich)
Munro (Hamilton East)
Murta
Neil (Moose Jaw)
Nesdoly
Nowlan
O'Connor
Olaussen
O'Sullivan
Paproski
Patterson
Penner
Peters
Portelance
Poulin
Railton
Reid
Reilly
Reynolds
Richardson
Ritchie
Roche
Rompkey
Rooney
Roy (Timmins)
Roy (Laval)
Saltsman
Sauvé (Mrs.)
Schellenberger
Schumacher
Scott
Smith (Northumberland-Miramichi)
Smith (Saint-Jean)
Stackhouse
Stanfield
Stevens
Stewart (Marquette)
Stewart (Okanagan-Kootenay)
Stollery
Symes
Thomas (Maisonneuve-Rosemont)
Trudel
Turner (London East)
Wagner
Walker
Watson
Whelan
Whicher
Woolliams
Yanakis
Yewchuk—182.

[The Acting Speaker (Mr. Laniel).

● (1710)

[*Translation*]

Mr. Olivier: I rise on a point of order, Mr. Speaker.

I did not vote because I did not want to vote on foolish things like that which make the House of Commons look ridiculous.

Mr. Pelletier (Sherbrooke): On a point of order, Mr. Speaker.

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

Mr. Pelletier (Sherbrooke): Mr. Speaker, I did not vote on this motion because I feel it is an abuse of the rules. In my view, the members of the House of Commons should have been reminded that it is really ridiculous to move motions of this kind.

[*English*]

Mr. Horner (Crowfoot): Mr. Speaker, I rise on a point of order. It is quite improper for a member of the House of Commons to cast a reflection on the vote of other hon. members. It is quite improper, also, for a member to refer to any action by another member when he is casting his vote in the House as being ridiculous or otherwise. This sort of thing should not be entertained by Mr. Speaker, and if it continues it will set a precedent which I am certain this House will regret.

Some hon. Members: Hear, hear!

● (1720)

Mr. Speaker: Order, please. The hon. member for Crowfoot (Mr. Horner) has the floor.

Mr. J. H. Horner (Crowfoot): Mr. Speaker, I rise to speak on the three motions presently being debated with respect to Bill C-203, particularly the one providing that election campaign funds should be Canadian funds and should come directly from Canadian sources. While I realize there might be difficulty in determining what is a Canadian source, I must admit that I am inclined to support that part of the motion. It is not a question of whether it can be implemented. Quite often in politics it is not necessarily a question of what you are doing but of how the voter perceives that you have done it. We have already laid down certain laws with respect to foreign investment in Canada. We will allow only 10 per cent foreign investment in our banks, and none in our newspapers and other news media. Surely, as a parliament, we should be proud to declare that money spent on the election of members to this House should come from Canadian sources.

The hon. member for Timiskaming (Mr. Peters) spoke of the rumour which is often touted about his party, that it gets a great deal of money from international unions. He attempted to assure the House that, from his knowledge, this is not the case. I point out that he is not a collector for the NDP; he is not a finance man for the NDP; he does not know where the money comes from for his party. And

after listening to him, I still believe that a great deal of it comes from international unions.

It is interesting to read the subamendment which has been moved. Many members were not present to hear it when it was moved. After the word "sources" it would add:

—citizens, persons with landed immigrant status, corporations which have no less than 50 per cent of their voting stock owned by Canadian citizens and no more than 10 per cent of this voting stock owned by any foreign group or person, trade unions which are located in Canada—

In other words, no political contributions should come from a corporation which has more than 50 per cent of its stock owned outside Canada. But with respect to unions, the reverse is stipulated, the figure there being 10 per cent with respect to trade unions which are located in Canada. Isn't that interesting, Mr. Speaker?

Imperial Oil of Canada is 30 per cent owned by Canadians, and 70 per cent owned in the United States; but it is located in Canada. International unions may be located in Canada, and in this part of the amendment "located" is the key word for unions. The hon. member tries to create two worlds, one for the sanctity and safety of his group and the other for those terrible giants, the corporations. He is out to get them. This is going back to the old myth that the CCF portrayed across Saskatchewan years ago when there was always somebody they had to get. The hon. member is always after the corporations while protecting the unions, which is not a very honourable thing for a member to do with regard to an election expenses act which is very important to all members of this House.

I do not want to prolong this debate, Mr. Speaker, but if this amendment is to be voted on, I would certainly give some thought to changing that figure of 10 per cent. Why allow a union 10 per cent that is located in Canada? That is the way I interpret that amendment, that if it is 10 per cent owned in Canada, it can contribute funds. I see the hon. member for Timiskaming shaking his head in a negative manner. I hope he will have somebody get up and explain this amendment, because that is the way I interpret it.

Maybe I have a suspicious mind, but I think all people should have suspicious minds when we are talking about involving the government of Canada in paying part of our election expenses. We do not have to look very far for examples. Everybody thought that control over election expense contributions would clean up the problem with elections in the United States. The Americans passed a bill, and then got into difficulty in the Watergate affair. I say that we must be very careful when passing this bill.

As I said at the beginning, there is no question in my mind that there is some merit to the amendment as it stood before the subamendment was moved, some merit to the suggestion that funds should come directly from Canadian sources. It would be very difficult to control and police, but at least it would be something which would prohibit what we saw during the last election campaign when Liberal party finance men were phoning businesses and corporations in the United States seeking donations. It would cut out that; that would be taboo.

I well remember the 1963 election when the Liberal Party accepted one of the top men in the Democratic Party in the United States to come up here and run their campaign for them in Canada. There is hidden secret about that. Money came with that man. He was one of the key advisers to the President of the United States, or his brother was a key adviser to the President of the United States. He masterminded the Liberal Party campaign in 1963 and brought money with him, and the government changed hands in Canada. I am not suggesting for a minute that it was because of this person's interference that it changed hands.

Mr. Reid: Who was he?

Mr. Horner (Crowfoot): You check back in the records. Your government House leader knows who he was.

Mr. MacEachen: I would like to know.

Mr. Horner (Crowfoot): I know his name very well.

Mr. MacEachen: Let us in on it.

Mr. Horner (Crowfoot): It is common knowledge. Ask one of the venerable press men for the Southam chain. Charlie Lynch knows his name.

Mr. MacEachen: Charlie isn't here. You are.

Mr. Horner (Crowfoot): I am here and I guess, Mr. Speaker, I am going to be here next week too, and I will speak next week too and maybe I will be able to find out the exact spelling of that person's name and be able to put it on the record next week. I will have another speech on this bill ready by then. As I was saying, it is common knowledge that in 1963 a foreign government, a foreign country deliberately interfered with the elections—I might say with the free elections in Canada. It is common knowledge who the Liberal Party hired from the United States; let me put it that way. Maybe they did not send him up here, but they hired him. It is common knowledge, also, that in the last election campaign Liberal Party finance men went to the United States, to ITT and other corporations and asked for money.

Can the amendment as it was first moved be policed? I readily admit that this would be very difficult. But the moral spirit of that amendment would have to be lived up to by the parties. They would not be able openly to send their finance men into the United States to collect money. They would not be able to go down to the United States and hire men, something which is not necessarily wrong but in spirit might not be quite correct. But this subamendment, tagged on this afternoon, certainly spoiled what was a good intention. Rather than attempting to clarify and simplify the situation, it has only complicated it by creating two levels, 50 per cent for corporations and 10 per cent for unions located in Canada. An international union may have its head office in Chicago and it may locate in Canada if it so desires. Many international companies locate in Canada and international unions could locate here also if they desired to change their head offices before an election. To move from Chicago to Toronto would not be an impossible thing for the Brotherhood of Railway Engineers. That could be done in order to contribute legally to the party of hon. friends to my left.

● (1730)

I therefore urge the House to reject this motion as amended because it will only cloud the issue and make it more difficult for elections to be fought in the spirit of fair play. Political campaigning across the country must always be undertaken in the spirit of fair play. We have never had the political bag of dirty tricks that they have used in the United States. That sort of thing is alien to Canada; we try to fight elections in a spirit of fairmindedness.

Mr. Paproski: The government should not use Christmas holidays as a way of blackmailing members of this House.

Mr. Horner (Crowfoot): We must continue to fight fair and free elections. I am not enthusiastic about the concept of the government paying election expenses. I think that will only increase the cost of elections for members and will not curb expenses. However, I am not debating the matter of expenses so much as I am debating the hon. member's amendment. I am concerned about Canadian funds from Canadian sources being used to finance Canadian election campaigns.

In the last few years we have seen Canadian nationalism come to the fore. Organizations such as the Committee for an Independent Canada have been concerned about our resources; some of them have misstated facts with regard to our oil and said that international companies own our oil. I suggest that Alberta owns 80 per cent of our oil, the rest being owned by Manitoba, Saskatchewan, British Columbia, and even Ontario which owns a small part. Obviously, Canadians are interested in seeing Canadians control Canada. There is nothing wrong with that. Also, there is nothing wrong with the spirit expressed by the initial motion, which suggests that the government ought to put up a certain portion of election expenses and that the rest of the money for fighting the election should also come from Canadian sources.

As I say, there is nothing wrong with the spirit of that motion. Nevertheless, I should like to see this House vote on and defeat the subamendment and then vote on the original motion which I think has merit. Actually, we are speaking on three amendments at the same time. They are more or less the same, each dealing with money contributed directly from Canadian sources. The concept is not bad, although how the provisions of the bill are to be policed I fail to see. At any rate, the bill attempts to correct some of the abuses which we have witnessed in years gone by, specifically in 1963 and in the last election of 1972.

Having said that, I hope more members will consider this matter. If I have misinterpreted the subamendment moved this afternoon, and misinterpreted the concept with regard to unions being located in Canada, I think the matter ought to be cleared up because as it is I think the subamendment is muddy.

Mr. Howard: Mr. Speaker, would the hon. member permit a question? He suggested that he may have misinterpreted the subamendment. He may have misread it. Admittedly, it is in handwritten form. I think the hon. member was looking at a photocopy of a handwritten amendment and it may be difficult to find the commas. If he reads it again, he will find that the 10 per cent reference is to corporations. The subamendment speaks of corporations, of which Canadian citizens own not less than 50 per cent, and of which not more than 10 per cent of the voting stock is owned by foreign groups or persons. Then comes a comma, and then you come to the words "trade unions".

[Mr. Horner (Crowfoot).]

Mr. Horner (Crowfoot): The hon. member is quite correct. I was reading a photocopy of the handwritten subamendment and the writing is rather indistinct in places. Perhaps there was not enough ink in the machine. There is a comma after the word "persons". The subamendment, after the comma, reads, "trade unions which are located in Canada, and associations or organizations which are established pursuant to a statute of Parliament of Canada or of a province". That wording would make it more difficult for trade union money to move readily from one country to another, but it still can be done. I still have my doubts about the word "located". The wording should be "Canadian unions", period. There should be no reference, directly or obliquely, to international unions. These big international unions take our workers' money but do not spend it in Canada; they spend it in the country in which the union headquarters are located. That is what worries me.

Mr. Don Blenkarn (Mississauga): Mr. Speaker, I rise to speak on the motion which the House is now considering, which concerns Canadians investing Canadian funds in Canadian elections. First, may I say that this bill was introduced in the House on June 22. When it was considered on second reading, I and others urged that the committee continue sitting during the vacation period as we knew that the committee would need to consider many amendments. Unfortunately, the committee was not organized until after October 15. The committee worked diligently and actually rebuilt this bill from stem to gudgeon. It did a fair job of producing a fine piece of election expense legislation.

We do not know if the legislation will work. The hon. member for Kenora-Rainy River (Mr. Reid) has suggested that all members may run into difficulty with regard to the legislation in the first election that is fought under it. At any rate, the bill represents a good effort by the committee. The committee should be recommended highly for the enormous amount of work it did, for its dedication in coming together for meeting after meeting and for really working hard to make sure this bill could be reported to the House well in time to be passed before Christmas.

Having spoken to a number of members, I can say that if there was any urgency with regard to this bill it probably could have been passed this afternoon, despite the number of amendments proposed. It is apparent, sir, that it is necessary for this House to be kept sitting in order to debate some of these amendments.

The Acting Speaker (Mr. Boulanger): Order, please. I remind the hon. member that the rules are strict. The debate should be strictly on motions Nos. 7, 17 and 31; there should not be general debate on other topics. I ask the hon. member to return to the motions before the House.

Mr. Blenkarn: Mr. Speaker, I apologize for wandering from the topic. In my preliminary remarks I wanted to commend the committee for the excellent job it did. I think the whole House should commend the committee for that. If I may deal with the particular amendments before us, I suggest that they represent a deathbed repentance on the part of the NDP: suddenly they realize that their total source of funding has been international unions.

Mr. Howard: Nonsense.

Mr. Blenkarn: These unions have their head offices in the United States. The subamendment goes a bit farther and alludes to trade unions which have offices in Canada. Sir, the location of the branch office does not matter. We are concerned about head offices. The intention of the amendment is clear and I am delighted to see this deathbed repentance. We have the New Democratic Party now declaring they will no longer rely on funds extracted by compulsory methods from workmen in other countries, as well as in this country, and used by the directors and union organizers largely responsible in a foreign jurisdiction demanding that political influence be felt outside their country.

• (1740)

Mr. Peters: Now we will use the taxpayers' money.

Mr. Blenkarn: I therefore commend the spirit of this amendment. However, I am afraid the mover of the amendment does not really appreciate the nature of the bill as it has been put before us by the committee. Under the bill there are financial inducements to individuals to contribute to political campaigns. It should no longer be necessary for big corporations and international unions to finance political parties. The Liberal Party has obviously been the party of international financing. They even send their bagmen across the line to collect.

Mr. Brewin: You do exactly the same, and you know it.

Mr. Blenkarn: There will no longer be the necessity for this kind of large collection system that we have had in the past. In dealing with the bill, the hon. member should realize that if you pay $100, $75 is a tax allowance, and so on, up to $1,500 in personal donations. That should no longer make it necessary for us to worry about foreign control in election financing.

The amendment is really not necessary. I am sure that with a little bit of effort by the government House leader in negotiating with the movers and seconders of these amendments, they would see the reasoning behind the fact the amendments are no longer necessary because of the long and protracted committee hearings. A number of the amendments that are proposed were discussed in part in committee. Unfortunately, the mover and seconder of this amendment were not there and therefore do not understand how the whole nature of election financing was altered by the excellent work of the government House leader and the hon. member for Kenora-Rainy River (Mr. Reid) in the committee. If they would use their good offices and speak to the hon. member for Timiskaming (Mr. Peters) and others who have proposed amendments, I am sure they would understand that with the bill as now reported to the House, and the amendments and changes that the committee was able to effect after many, many hours, their amendments are no longer necessary. Unfortunately, there has not been that consultation. If there were an effort at agreement and at instructing the hon. member for Timiskaming and the hon. member for Assiniboia (Mr. Knight) as to the nature of the bill as reported to the House, they would very quickly see that this amendment in particular is redundant.

I now wish to deal with the subamendment. I do not want to bore the House and take extra time because it is unfair that we should do that. Usually these problems can be solved by understanding and negotiation. However, dealing with this subamendment we get into the question of defining who is a Canadian. That is one of the problems we have had with many pieces of legislation which have been before this House. We then go on to those who have landed immigrant status. Would they need to have landed immigrant status and never apply for citizenship, or have landed immigrant status for six years and if they do not apply for citizenship be deemed to be foreign?

That was the problem of Bill C-132 which was before us a short time ago. There is also the matter of the percentage of share ownership—50 per cent of voting stock. Hon. members will recall that when dealing with Bill C-132 we said it was control, not a question of per centage of stock. We went into that subject rather deeply. It may be the bill should provide for the kind of funds to be donated. I do not really think it matters whether it is Canadian currency or not. I suggest that is the only kind of money that can be donated to political party. However, we have the horrendous problem with regard to election funding whereby this amendment and the subamendment once again require us to define what is Canadian and what is not. Frankly, I am tired of legislation that tries to precisely define when a person who is a Canadian is a Canadian.

We have this problem in connection with the Elections Act. There are Canadians who, like my father, have been here almost since birth. My father came here from England when he was four years old. That was a long time before 1947; it was in 1904 to be exact. He will have to prove he is a Canadian. That is a disgraceful situation. It is one of the problems this government has yet to face. People always have to prove they are Canadian. This amendment is not necessary. The committee fully analysed the kind of financing which elections require. It has made a good arrangement whereby election expenses are deductible. There will no longer be the massive need of financing from foreign corporations or trade unions.

I again commend the NDP members who have reduced these amendments to a deathbed repentance, saying they will no longer have to rely on foreign money to fight their battles in Canada. I suggest this amendment to the bill as placed before the House by the Committee is no longer necessary and is redundant.

Mr. Frank Howard (Skeena): Mr. Speaker, I am more amazed all the time at the gyrations which go on in the Conservative Party about this question. Last night the hon. member for Hamilton West (Mr. Alexander) raised a query about the amendments. The question had been raised in committee by the hon. member for Victoria (Mr. McKinnon) and others in the Conservative Party about its

vagueness. Some hon. members did not see how they could support such an amendment. The members of the Conservative Party said it is a good amendment, they endorse it, they embrace it, they are Canadian, but they do not see how they can support this good amendment because it is too vague and they do not understand it.

I tried to explain to the hon. member in committee and to the hon. member for Hamilton West and others in the House last night that the original phrasing of the amendment was based on advice from lawyers who were schooled in the area of drafting legislation. However, they persisted in saying it was too vague and needed some points of clarification, expansion and interpretation. The hon. member for Comox-Alberni (Mr. Barnett), in consultation with other members, tried to spell out what was meant by the phrase "Canadian sources". The subamendment spells out as clearly as possible what is meant by "Canadian sources". The Conservative Party spokesmen say that is a good idea, but they do not think they can support it because it is not clear enough. They say it was better the way it was previously. In other words, we should not have moved the subamendment. They cannot have it both ways.

● (1750)

The indication is that hon. gentlemen in the Conservative Party are using a spurious element of ignorance, confusion and misunderstanding to cover up the fact that they wish to continue to get their funds from outside this country. They wish to continue to have their bagmen pick up Yankee dollars as in the past, but they do not want the general public to know this. So they take two stances. The amendment was good, but they could not support it because it was not clear enough. The subamendment was good but, again, they could not support it because it was too clear. We know where the Conservative Party gets its funds; they get them to the extent of about $4 million collected for the last national campaign—

Mr. Crouse: By voluntary contributions.

Mr. Howard: By voluntary contributions, that is right; and that is exactly the position with respect to the NDP.

Mr. Crouse: No way. You use coercion.

Mr. Howard: I always know when the truth bites home: the Tories start to chatter like magpies, especially the hon. member for South Shore (Mr. Crouse). But it is documented. Corporate industry and the financial community centred in Toronto is the principal source of Conservative Party funds. However, the party has the benefit of considerable help from donors in the province of Alberta. This does not surprise us, because Alberta has these links with Gulf Oil, Shell Oil, Imperial Oil, Texasgulf, and so on. Then again, the party receives some assistance from Nova Scotia, not to speak of monetary assistance from corporations in Hamilton, London and Montreal. The bagmen have moved from oil capital to insurance and trust company capital.

Conservative candidates have filed returns of election expenditures under the Elections Act. The name of one trust company comes to mind, the Victoria and Grey Trust Company, as having made a contribution to the Conservative Party. The Victoria and Grey Trust Company denied that they had made a contribution. However, the Conservative candidate, who was subsequently elected to parliament, filed a declaration saying the Victoria and Grey Trust Company had contributed to his campaign fund, and surely we must accept his statement.

The point was made clearly in an intervention by my hon. friend from Timiskaming (Mr. Peters) when the hon. member for Mississauga (Mr. Blenkarn) was talking about campaign funds from international unions and international corporations. He indicated we would not have to worry about that in future because in this bill we are embarking on a process of putting our hands into the public till and considering the payment of election expenses out of the public treasury. We are demanding that the taxpayers subsidize political parties and candidates, though not paying the whole shot, not preventing anyone else from contributing. This is the source of funds about which the Conservative Party is concerned, funds which have their origin in the United States. Those who donate these funds will now be too embarrassed to disclose them. Either the money will come in through the back door—

An hon. Member: It will to your party, through the international unions.

Mr. Howard: If the hon. member had listened to me last night, he might have some understanding of the position. I am talking about the party to which the hon. member for Crowfoot (Mr. Horner) belongs. That is the party which has set itself up as Mr. Clean in this debate.

An hon. Member: The only one.

Mr. Howard: The money will still come in through the back door, or it will not come in at all and the shortfall will be made up by the taxpayer. Further on in the bill there is a provision we have to consider, in terms of funds to pay 50 per cent of the shot for national advertising, national television, national radio.

An hon. Member: Six o'clock!

Mr. Bell: On a point of order, Mr. Speaker, may I first express to the government House leader and his party the fondest hope that they have a successful Christmas party tonight, as we did a short time ago. May I ask a not unrelated question? What will we be doing tomorrow?

Mr. MacEachen: I thank the hon. member for his good wishes. Maybe he will turn up; we shall be glad to see him. Tomorrow we shall continue with the same item, election expenses.

Mr. Howard: Good.

At six o'clock the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, December 20, 1973

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

TRANSPORT AND COMMUNICATIONS

MOTION FOR CONCURRENCE IN SIXTH REPORT OF STANDING COMMITTEE

On the order: Motions:

December 13, 1973—Mr. Howard:

That the sixth report of the Standing Committee on Transport and Communications, presented to the House on Thursday, December 13, 1973, be concurred in.

Mr. Speaker: I understand that the hon. member for Skeena seeks at this point to move concurrence in the sixth report of the Standing Committee on Transport and Communications, presented to the House on Thursday, December 13, 1973.

I have already indicated to the hon. member that the Chair has reservations, not about the report itself but about the motion to concur in the report. My suggestion to the hon. member, and, of course, I will be pleased to hear him or any hon. member who would like to enlighten the Chair on the procedural aspect, is that the report itself goes beyond the committee's terms of reference in the sense that a bill was referred to the committee and what we have received from the committee is a report making a recommendation of a substantive nature. A study of the precedents indicates that although there have been a number of similar reports, which I am sure are very useful and which appear in the *Journals* of the House, there is no precedent to substantiate the proposition that concurrence in such a report can be moved so that it can be the subject of a debate in the House. That, basically, is the objection taken by the Chair, but I would be pleased to hear the views of hon. members and have the benefit of their guidance.

Mr. Howard: Mr. Speaker, I gather from what you have just said that the substance of the report and of the recommendation, which is a very simple one, that the government consider the advisability of refusing to ratify the purchase by Air Canada of 30 per cent of the capital stock of Wardair Canada Limited, does not in itself transgress the rules in relation to the expenditure of funds or giving direction to the government. It simply adopts the usual phraseology that the government consider the advisability of doing, or not doing, a certain thing in accordance with the standard form for recommendations of this nature. I gather your concern is whether or not the subject matter of the report, namely, the agreement between Air Canada and Wardair, lends itself to being reported on because it arises out of the consideration of a particular bill which was referred to the committee, Bill C-164, to authorize the guarantee by Her Majesty of certain securities to be issued by Canadian National Railways and certain debentures to be issued by Air Canada.

In the course of the committee's deliberations in considering the extent to which the bill was acceptable. Mr. Pratte and a number of other witnesses from Air Canada went extensively, both voluntarily and in answer to questions, into aspects of the relationship between Air Canada and Wardair. Since this agreement has not yet been formally consummated, basically what was being sought in the bill was a guarantee of certain debentures to be issued by Air Canada, part of the proceeds of which could go toward the purchase of a 30 per cent equity in Wardair at a cost to Air Canada of something less than $3 million. Provision for this $3 million was made in part within the bill itself.

• (1410)

I do not want to go into detail about the proceedings before the committee or to make any quotations therefrom. Succinctly put, there was extensive debate, examination and elaboration on the relationship between Air Canada and Wardair. Reference was made to an amount of something less than $3 million to buy an equity in Wardair, with part of the money to come from the financial authority contained in the bill in so far as Air Canada was concerned.

It seems to me quite appropriate that if the committee saw fit to make a particular report about one aspect of the bill without in itself defeating the bill, if it did not want to refuse to report the bill because it did not agree with this particular provision, the committee had no other course to take but to make a specific recommendation concerning one aspect of the provisions of the bill. As I interpret the proceedings before the committee, especially the motion moved in the committee, it was the hope and intention of the committee to ask the House to express an opinion about the agreement between Air Canada and Wardair, an agreement that was initially authorized by the Canadian Transport Commission. The decision of that commission was subsequently appealed to the cabinet. Evidence was given during the proceedings that the cabinet was, as of December 13 when the report was made, seized of the appeal of the decision of the Canadian Transport Commission to endorse the agreement between Wardair and Air Canada.

All that the motion seeks to do is to have the House express an opinion in regard to recommending to the government the advisability of not ratifying that particular agreement. If the agreement is not ratified the $3 million contemplated to be guaranteed in part by Her Majesty as set out in the bill need not be provided. To my way of thinking, it is perfectly within the ambit of the financial structure of the bill because it relates to the

financing of Air Canada, and part of those moneys is to be used to buy an equity share in Wardair.

Mr. J. H. Horner (Crowfoot): Mr. Speaker, on the point of order and the question Your Honour raised as to whether or not you are convinced that the sixth report of the Standing Committee on Transport and Communications was a proper report for the committee to make in view of its terms of reference, I should like to say that I am sure Your Honour acknowledges the difficult position in which I, as chairman of that committee, was put.

Normally committees run rather smoothly. But in a minority House committees are nearly equally balanced, and on this occasion the vote on whether or not that amendment should carry was a tie vote and I as chairman was then called upon to make the final decision. I referred to Beauchesne's Fourth Edition, section 75, which suggests that the chairman must always protect his impartiality and that, whenever possible, he should refer such decision to another body so that that body can make the final decision.

Having well understood that the Canadian Transport Commission had made a particular ruling in regard to the purchase of 30 per cent of Wardair by Air Canada and that Canadian Pacific Airlines had appealed that decision to the Governor in Council, I thought that according to Beauchesne's Fourth Edition I, as chairman of that committee, could best maintain my impartiality by continuing to refer the final decision to the cabinet, which was already called upon to review the CTC decision.

May I refer to *Votes and Proceedings* for February 16, 1971. At that time the Standing Committee on Veterans Affairs was studying Bill C-203, introduced in that session, which had to do with the Pensions Act. The sixth report of the committee recommended that the government consider the feasibility of taking certain actions. On that occasion in 1971 the committee took it upon itself to go outside the scope of Bill C-203. It recommended something that might not have been encompassed in the bill but nevertheless was within the financial aspects of the bill. The committee recommended that the House should consider the advisability of including merchant navy personnel and auxiliary service personnel who were prisoners of war of the Japanese in world war II under the provisions of Section 57 of the Pension Act as amended by Bill C-203. That was only one of the committee's recommendations.

May I refer Your Honour as well to *Votes and Proceedings* of June 22, 1971. On that occasion Mr. Gervais, for Mr. Tolmie, from the Standing Committee on Justice and Legal Affairs, presented the ninth report of the said committee. That committee made a recommendation to the House with regard to Bill C-243, then being considered. The committee recommended, in view of the financial implications involved, that the government should propose a series of amendments that were outlined at that stage. There are extensive precedents and I am sure Your Honour is aware of them.

On this particular occasion the committee was considering a financing bill authorizing the expenditure of $140 million in connection with capital and operating expenditures of Air Canada. I thought that the Wardair agreement

fell within the area that the bill was designed to cover with regard to Air Canada. The money had actually left Air Canada and was being held in escrow until the cabinet had made a final decision. The money had actually been spent by Air Canada and was being held in escrow until the cabinet could make a final decision on the appeal by CP Air.

When the motion came before the committee I questioned it and examined it thoroughly and felt I had to rule the motion in order. I felt I had to vote to refer the matter to cabinet which was already studying the question. The motion only asks the government to consider the advisability of refusing to grant permission for Air Canada to engage in this transaction. The government can consider it. My recommendation to the government would be that it should accept the motion for concurrence and consider the advisability of doing what is proposed. Of course, the final decision is solely for the cabinet to make. I am reassured that the cabinet will consider it. That is the prerogative of the cabinet. We in this House should not trouble ourselves with that sixth report because I am certain the government is considering a lot of things at this very moment.

Mr. Don Blenkarn (Mississauga): Mr. Speaker, in considering the question whether this motion is in order, I think one has to refer to clause 7 of Bill C-164. I think that you, in ruling, should understand it was clearly contemplated that, of the $140 million being advanced to Air Canada by debenture, $2.7 million would be for the financing of this particular transaction involving Wardair. In addition, evidence given before the committee by Air Canada officials clearly indicates that the $2.7 million to finance the Wardair transaction was part of the budget requirements in clause 7 of the bill. On that basis, Sir, the motion is clearly in order.

What we are really saying to the government is that the amount of financing required depends on whether or not the Wardair transaction is approved by the government. In the event the government should refuse to ratify this transaction, then clearly the decision as to the amount of funding Air Canada requires under the terms of this bill is altered. It is on the basis that this particular advance of funds by the government to Air Canada is affected by the exact matter now before the government that this sixth report of the standing committee is in order and I, Sir, would ask you to accept it and rule on it in that way.

● (1420)

Mr. Arnold Peters (Timiskaming): Mr. Speaker, as a member of the standing committee responsible for this motion I should like to submit that the argument supporting those who say that the committee did have the right to make this recommendation to the government stems from the fact that what was under consideration was not the annual report of Canadian National Railways or Air Canada but rather a financing bill to provide authority for specific capital expenditures by Air Canada so it could undertake certain projects. Among the propositions put forward by Air Canada was one that they had made an arrangement, and had evidently made application to the Air Transport Committee, to spend approximately $3 million for the purchase of a 30 per cent equity in Wardair.

As one of the members who support the motion I believe that if Air Canada wishes to buy an airline that is its right and it should have the opportunity to do so. However, this expenditure falls into line with an investment program being undertaken by Air Canada, and I think the committee was justified in making the recommendation it did, particularly in view of the fact this money was being asked for in the form of a capital allowance which parliament was being asked to advance to Air Canada and, second, Air Canada itself admitted it was embarking on this project for which it needed money. It was also indicated that this matter had been placed before the Canadian Transport Commission and that the decision of the commission had been appealed to cabinet which was considering the matter.

Without making this recommendation I submit it would have been impossible for the committee to have approved the expenditures that were being asked for in the financing bill or it would have been a fact that part of that money was earmarked by Air Canada to be used for that purpose. It appears to me, because the decision was reached after long and detailed study of the financial expenditures of Air Canada, that it was proper for the committee to come to the conclusion that this particular expenditure, within the financial terms of the bill, was not in the best interests of Canada or of Air Canada's financing. Therefore it was suggested to the government in this report that it give consideration to the recommendation made by the members after a long and detailed study of the matter that this expenditure not become part of the expenditures to be allowed Air Canada if the financing bill were passed.

The bill is available to the House today because of the decision of the committee this morning, and it is my opinion that if the sixth report is not adopted there will be considerable reluctance on the part of most members of that committee to endorse the financing bill. Therefore I think this is a point to which the government should give consideration. I submit that it was legitimately made in the committee and therefore I believe it is a legitimate point for discussion in the House.

Hon. Bryce Mackasey (Verdun): Mr. Speaker, I have just a few words to say on the matter, having been a member of the committee at that particular time. I want to say that the chairman of that committee proved to be very capable and impartial and all members of the committee appreciated it.

Some hon. Members: Hear, hear!

Mr. Mackasey: The fundamental point that was brought out in the committee—and I think Beauchesne, Bourinot and other authorities stress it—is that the chairman of a committee in essence acts on behalf of Mr. Speaker. The Chairman at that time had grave doubts about the acceptability of the original motion presented by the hon. member for Mississauga if I recall correctly the testimony which appears in issue No. 24 of the proceedings of the committee. It was at the request and suggestion of the chairman that the motion was reworded so as to make it acceptable in his opinion. Furthermore, he went on to point out that in effect the motion simply recommended to the government that when making a final decision on Wardair the government take into consideration the motion made before the appropriate committee.

The fundamental point which I should like to make is that if the chairman of every committee representing Mr. Speaker makes a decision indicating that a motion is in order only to find some weeks later that he is overruled in the House, it seems to me that we will be unintentionally undermining the position of chairmen for all future meetings and we could make committee hearings irrelevant.

Some hon. Members: Hear, hear!

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, I should like to speak briefly on this matter. I am a member of that committee and I was at the meeting when the motion was first put and when it was reworded on the recommendation of the chairman. Like the hon. member for Verdun (Mr. Mackasey), I am concerned about the freedom of members of committees and about the future of committees.

The difficulty that committees always face is that in order for their members to be able to discuss anything outside the narrowest of parameters they must obtain a reference from the House. What that means is permission from the minister, whether it is permission for the committee to travel or to consider certain aspects of their work. One way to make the work of committees much more successful is to give them additional freedom. I am not referring to a congressional type of committee system, but I am very concerned that if this motion is ruled out of order it will threaten the confidence that people may have in committees in the future.

I think this motion was put forward by people who tend to be philosophically opposed to public airlines. Had I been there, I would have voted against the motion. The very fact that I was not there allowed the motion to pass, and for that I am sorry. Nevertheless, it was passed and I think it is incumbent on the House to rule on the recommendation of the committee provided it is in order.

● (1430)

I assert again that the motion is in order. The bill was a financing bill having to do with Air Canada and the CNR, and certainly part of their financing involves their investment policy. I cannot understand why this has been questioned. I am opposed to the motion, but I am certainly philosophically at one with the members who have spoken here today and have suggested that, despite whether they are opposed to or in favour of the motion, the motion is in order and that it is the business of the committee to make such recommendations.

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I think the content of the recommendation by the committee is important when you consider the implications. It in no way states or requests that the government do anything which has already been determined by the government. I think it is important to remember that all the committee is asking the government to do is to give a little input or a little consideration to the committee's request with respect to a matter that is already before cabinet and already under consideration. It does not in any respect

seek to overturn established government policy. I think this point should be taken into consideration as well.

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, unfortunately I was not a member of the committee which considered the bill that has been reported today—

Mr. Horner (Crowfoot): That will be reported.

Mr. MacEachen: —that will be reported. As I say, I was not a member of the committee that considered Bill C-164, but I am a member of the House which gave the reference to the committee. The reference given to the committee is a narrow one authorizing the standing committee to consider Bill C-164. The committee is limited by that reference and, however important other issues are, they cannot be referred back to the House for a decision when the committee itself is not authorized by the House to consider or to report upon them. The committee is obligated to consider the bill and to report the bill.

If the subject matter of the sixth report were relevant to the principle of the bill, if it were germane to the clauses or to any particular clause of the bill, then it would be possible for the committee to deal with the matter of Wardair within the confines of the bill. That would be a proper course. Indeed, when the bill comes back to the House, if the subject of Wardair is relevant to any part of the bill it is open to hon. members to amend that part of the bill in order to ensure that this particular item becomes part of the law. But I suggest it is not particularly relevant to the bill itself and that it cannot be reported in this way or dealt with in the House because the committee did not have the authority to make that decision or recommendation. I do not take issue with the hon. member's assertion about the importance of the matter or the importance of standing committees, but I do support your earlier position, Mr. Speaker, that it is quite contrary to the rules to move concurrence in this particular report at this stage.

Mr. Horner (Crowfoot): Mr. Speaker,—

Mr. Speaker: Order, please. The hon. member has spoken on the point of order but I am sure the House would want to hear him again. I believe he has a further comment to make.

Mr. Horner (Crowfoot): Mr. Speaker, I have a further comment to make only because it was suggested, quite correctly and accurately, that I had advised the mover of the motion in the first instance that I felt it was out of order in the manner in which he was moving it, and I did suggest that he change it in such a way as to make it acceptable. I think the House should be made aware of the manner in which I suggested it should be changed so that we might be better able to judge the intent of the motion.

First of all, Mr. Speaker, we were dealing with a financing bill to authorize the sum of $147 million, of which $2.7 million has already been spent on Wardair, but is held in escrow until the deal is finalized. The mover of the motion first put it in this manner. "That this committee opposes the purchase of 30 per cent of Wardair stock by Air Canada." I suggested to the mover that the committee could not go on record as opposing it and that we really only had the ability to advise and ask the government, or in essence ask parliament, to consider what we had studied and what was referred to us. In essence Bill C-164 was referred to us, dealing with Air Canada financing, and part of its financing was in actual fact spent on this purchase. I advised the mover of the motion that I might find his concept in order if he could word his motion in such a way that the committee would ask the government or ask parliament—in fact the exact words I used were "the House"—to consider the advisability of refusing this. With the motion couched in those words, I was certainly under the impression, after having served for 15 years on committees, that it would fall within the terms of reference of the Committee to study CNR and Air Canada financing up until June 30, 1974, in which period this expenditure fell, and in the committee we were informed that Air Canada was in fact prepared to expend $2.7 million.

I want you to rest assured, Mr. Speaker, that no matter how you rule on this motion you will in no way inhibit my participation as chairman of the transport committee. I will continue to rule, I will continue to adjudicate or judge the actions of that committee in as fair and impartial a manner as is within my capabilities.

Some hon. Members: Hear, hear!

Mr. Horner (Crowfoot): No matter how you rule in this instance, Mr. Speaker, I will continue to carry on and will not feel hampered or encumbered at all by your ruling. I want you to be assured of that.

I have studied the references in *Votes and Proceedings* of June, 1971, and of February 16, 1971, when the committee structure was somewhat different from what it is today. At that time committees were made up of an overwhelming majority of government members. Now we have a committee system that is nearly equal in balance, and I can assure you that it is sometimes difficult to wrestle with that kind of equal balance. I felt at the time that I was doing the right thing, I still do and I will continue to do so no matter how you rule.

Mr. Speaker: I see that the hon. member for Waterloo-Cambridge is rising to participate. It seems to me that hon. members who have spoken up to this point have greatly helped and assisted the Chair, to the point where I would be prepared to make a ruling. However, I will listen to the hon. member for Waterloo-Cambridge if he has comments to make additional to those already made for the guidance of the Chair.

Mr. Saltsman: Mr. Speaker, up until this point we have mainly heard from members who support the motion and who feel that a committee should have the right and authority to deal with matters that are usually reserved for decision by the House of Commons. May I, as a private member, protest that viewpoint. I am not prepared to be bound by decisions of committees, particularly knowing how the committees operate. I am prepared to be bound by decisions of the House. Although I do not always agree, at least there are 264 members here. I repeat that I am not prepared to have some claque on a committee decide what I am going to be in favour of.

Mr. Horner (Crowfoot): What did he refer to me as?

Some hon. Members: Claque.

Mr. Horner (Crowfoot): I will quack him.

Mr. Speaker: I thank hon. members for their assistance to the Chair in the making of a ruling on this very important point which was brought about by the motion of the hon. member for Skeena for concurrence in the sixth report of the Standing Committee on Transport and Communications to the House of Commons. As I said at the outset, the fact that the motion proposed by the hon. member for Skeena is being questioned procedurally is not by any stretch of the imagination a reflection on the proceedings in the committee or the excellent work which all members agree has been done in that committee by its distinguished chairman.

• (1440)

Mr. Horner (Crowfoot): That is better.

Some hon. Members: Hear, hear!

Mr. Speaker: Knowing the hon. member's independence of thought I am sure he will continue to rule unhindered, as I think he said, by any decision of the Chair. In spite of this, the Chair has to make a ruling on the basis of my understanding of the Standing Orders.

The objection of the Chair is not necessarily to the report. The report came forward and appeared on the order paper. There was no objection raised although the Chair might have had the same doubts the hon. member for Crowfoot and other members of the committee obviously had when the original motion was moved or after it was amended. But the motion did come before us and appeared from day to day on the notice paper along with a number of other notices on which no motions, for concurrence, as yet have been submitted to the Chair.

I have previously indicated my difficulties in respect of these motions. The hon. member for Crowfoot has referred to the fact that in a number of instances there have been similar reports. He is quite right. There is no doubt whatsoever that this has happened before and the example he gave was "right on", as hon. members say from day to day in supporting statements by their own people. There was a report which came from the Standing Committee on Veterans Affairs as reported in the *Journals* of the House for February 16, 1971, at page 333. This report was a substantive report. It was perhaps even more subject to question than the one now before us because it had financial provisions. The hon. member for Crowfoot and others have referred to that. But hon. members will appreciate that there was no motion for concurrence in that report. This is where the difficulty arises. The Chair would have been placed in a rather awkward position if at that time there had been a motion for concurrence in the report of the Standing Committee on Veterans Affairs as it appears on page 333 of the *Journals of the House* to which I have just referred. The Chair might well have had to reach a decision and make a ruling that what those committees had before them, as this particular committee has had before it, was a bill.

The situation is quite different when a committee has before it a general reference, such as an annual report of a department, when there is greater latitude in the submitting of substantive recommendations to the House.

With respect, I suggest to hon. members there is no authority to support the contention that a committee of the House when considering a bill should report anything to the House except the bill itself. This is the difficulty that we have now. A recommendation has been made which may very well have been relevant to the bill but it has come to the House by way of a substantive recommendation.

My thought would have been, as has been suggested by hon. members and I believe by the President of the Privy Council, that if that recommendation were relevant, as it might possibly or probably should be, to one of the clauses of the bill, an amendment should have been introduced in the committee.

I refer hon. members to a few citations. Citation 304, paragraph 2, of Beauchesne's Fourth Edition reads as follows:

> A committee is bound by, and is not at liberty to depart from, the order of reference. In the case of a select committee upon a bill, the bill committed to it is itself the order of reference to the committee, who must report it with or without amendment to the House.

At page 494 of May's Eighteenth Edition it is stated:

> The function of a committee on a bill is to go through the text of the bill clause by clause and, if necessary, word by word, with a view to making such amendments in it as may seem likely to render it more generally acceptable.

If the substance of the report now before the House is founded on or related to the bill, it would follow that the bill in one form is before the committee when that question in another form is before the House. I refer hon. members to section 1 of citation 414 of Beauchesne's Fourth Edition which states as follows:

> The House is not supposed to be informed of the proceedings of a committee on a bill until the bill has been reported; and discussion of the clauses, with the Speaker in the chair, when the bill is still before the committee, is consequently irregular.

I would have thought such a substantive recommendation as that contained in the report now before the House could not be proposed either in committee of the whole or at the report stage of the bill. I suggest again that what might have been proposed by the committee would have been an amendment to the bill so that the bill, once reported, would have included that amendment.

My difficulty is that what we have now before us is a substantive recommendation, with which I do not quarrel—I do not quarrel with the proceedings of the committee and I have no objection to the ruling made by the chairman of that committee in any way—but when it comes to proposing that we should consider the matter as a substantive recommendation I suggest to hon. members that there are ways and means under our Standing Orders for a substantive proposition to be considered by the House. However, this cannot be done, I suggest, by way of a recommendation from a committee studying a bill.

I would hope that hon. members who feel strongly about this matter might consider possible reconsideration of the matter in the committee itself since the bill has not yet been reported to the House. This is a point which the hon. member for Crowfoot has indicated is a possibility.

Taking all circumstances under consideration and taking into account, surely, that there is not a single precedent in the proceedings of the House to support the proposition that such a procedure is acceptable, I would find it very difficult to make an exception at this time in favour of the motion proposed by the hon. member for Skeena.

Mr. Horner (Crowfoot): Mr. Speaker, I have a point of order, for clarification purposes. Are you suggesting in your ruling that the committee re-examine Bill C-164 in light of your ruling? I have taken it upon myself as chairman of the committee to try to get that bill through the committee and part of that effort was passing on to the House the sixth report of that committee. I would hope you are not referring that bill back to the committee or asking us to re-examine it.

Mr. Speaker: That is the last thing I have in mind.

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COMMITTEES OF THE HOUSE

TRANSPORT AND COMMUNICATIONS

Seventh report of Standing Committee on Transport and Communications—Mr. Horner (Crowfoot).

Mr. Speaker: Order, please. This might have been done under presentation of reports but I am sure the House will be pleased to accept the report even on motions.

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

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TRANSPORT

TABLING OF THIRD REPORT OF FEDERAL-PROVINCIAL COMMITTEE ON ATLANTIC REGION TRANSPORTATION

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, pursuant to Standing Order 41(2) I am tabling two copies in both official languages of the third report of the federal-provincial committee on Atlantic region transportation.

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FOREIGN INVESTMENT

STATEMENT BY MINISTER—TABLING OF PRELIMINARY GUIDELINES

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, during recent months, my departmental officials and I have received a number of inquiries from or on behalf of potential foreign investors asking what steps they should take if they were planning to establish a new business in Canada prior to second proclamation of the act or to acquire a Canadian business prior to first proclamation. Now that the foreign investment review legislation has received Royal Assent, I want to comment on that question.

[Mr. Speaker.]

The Foreign Investment Review Act is to take effect in two separate steps. From the date of the first proclamation, which I hope can be implemented within the next three to four months, the provisions relating to acquisitions of Canadian businesses will apply. After the government has had an opportunity to gain experience in administering the takeover provisions, and has consulted the provinces, the second proclamation relating to new business will be made. Although it is not possible for me, at this time, to state how soon after the first proclamation the second proclamation will occur, this period should obviously be as short as is feasible, taking account of the factors to which I have just referred.

Part of the problem which has been put to me by investors is that, in some cases, they must undertake considerable forward planning, sometimes at considerable cost, before being satisfied that the circumstances in Canada warrant their investment. By the time they are prepared to establish the new business, the second proclamation may have taken place. Similarly, firms now planning to acquire a Canadian business may find that the period required for implementing the acquisition is several months or longer and, before they are ready to conclude their transaction, the first proclamation may have occurred.

● (1450)

I do not believe that these factors create a serious problem. The Foreign Investment Review Act sets out the criteria for assessing significant benefit. These are known to the investor. Furthermore, it is always possible for potential investors to talk informally with my officials at a fairly early stage in the development of their plans in case any clarification of government policy is required.

Quite apart from the requests which I have received from businessmen that they have the opportunity to talk with the government about their plans during the interim period prior to the proclamations, I, too, am concerned that large new investments could take place prior to the second proclamation, without any opportunity for the government to satisfy itself that the principles in the Foreign Investment Review Act were being adhered to. I am equally aware that acquisitions of Canadian business enterprises could take place between now and the first proclamation without an opportunity for review.

For all these reasons, I want to announce that I have directed my departmental officials to be ready to discuss with potential foreign investors any plans they might have involving large new investments in Canada or involving acquisitions of large or medium-sized Canadian businesses or involving acquisitions of Canadian business in particularly sensitive areas, for example, Canadian businesses in the cultural area or owning an important technology. Indeed, I expect foreign investors making investments in any of the categories to which I have just referred to come forward readily to discuss their plans with my officials before finalizing their transactions, although I recognize that such discussions will be on a voluntary basis.

I would envisage that in the process of discussing these investments with potential investors, I and my officials will be in close contact with provincial counterparts to

ensure that the perspectives of both levels of government are brought to the attention of the investor. In discussing individual cases with investors, the factors which the federal government would look at are, of course, the same ones as are specified in subsection 2(2) of the act.

There is one other matter on which I would like to comment, the question of what constitutes an "unrelated" business. With the permission of the House, I would like to table some preliminary guidelines as to when a business might be unrelated to a business already carried on in Canada. This is necessary as new investments by foreign-controlled firms now operating in Canada into unrelated lines of activity constitute a category of new investment that will be subject to review after second proclamation.

These guidelines are intended to assist investors in determining whether they should be discussing their new investment plans with the government prior to second proclamation. I want also, at this time, to invite comments and suggestions, both of a general and detailed nature, from all interested groups concerning these preliminary guidelines on related business with a view to the establishment of more definitive guidelines after the second proclamation. If I can receive all views on this subject within the next four to six months, this will provide the government with an adequate opportunity to study and evaluate all representations prior to second proclamation.

I look forward to receiving co-operation from members of the business community, both in Canada and abroad.

Mr. Speaker, pursuant to Section 41(2) I should like to table the preliminary guidelines in both official languages.

Hon. Paul Hellyer (Trinity): Mr. Speaker, this is a very interesting announcement. First, the minister advised he cannot say when the proclamation of Part I will take place. He then goes on to tell us he cannot tell us when the proclamation of Part II will take place. He then went on to say, at least by inference, that after years of preparation no significant guidelines are prepared and ready to release to Canadian businessmen, not even interim guidelines in many areas. It would seem that the essence of an industrial strategy is forward planning.

The minister says that the lack of guidelines is not serious because the criteria are set out in the act, but these are so vague that they could be subject to any interpretation. As everyone knows, they are totally subjective. As a matter of fact, they are so vague that one person could find any foreign investment to provide significant benefit to Canada and another would find just the contrary, depending on his personal point of view.

Finally, in desperation, the poor, confused businessman is being asked to consult with the minister's officials in respect of this matter in the interim period until the act is proclaimed. In addition, the release is so badly drafted that it is not clear whether the foreign investors are being advised to consult with the officials about their plans, the plans of the foreign investors, or whether they are to consult with the officials about the plans of the officials. This ambiguity should be cleared up at the earliest possible time.

The minister said: "... any plans they might have involving large new investments in Canada or involving acquisitions of large or medium-sized Canadian businesses or involving acquisitions of Canadian businesses in particularly sensitive areas, for example, businesses in the cultural area or owning an important technology." If the minister is referring to the plans of his officials, why did he not refer to the plans of the government? Obviously because the government has no plans.

Some hon. Members: Hear, hear!

Mr. Hellyer: Obviously because the minister has no plans. Obviously because the minister gave the officials no guidelines as to how they should operate. The question now arises as to who in fact is running the department, because the guidelines are apparently to come up rather than go down from the minister and the government.

Having made the suggestion, he goes on to say that in discussing individual cases the factors to be looked at are those set out in the bill. This is passing strange when it is universally agreed that the criteria in the act are almost infinitely vague. They are like the artificial fog used by movie makers to obscure and then obliterate the silhouette of the set and the actors on it.

The minister then asks for help with guidelines to determine what in fact constitutes a related business. The minister should have done this long ago, preferably before the act was passed.

Some hon. Members: Hear, hear!

Mr. Hellyer: Today he asks for help in order to prepare more definite guidelines than the temporary guidelines he issued today. A quick reading of the temporary guidelines underlines how desperately the minister needs help.

Someone in the oil business could enter the coal business, the atomic energy business, the solar energy business, the tidal power business, the hydrogen fusion business or perhaps even the cattle business to produce manure from which energy could be recovered. Someone in the automobile business could enter the locomotive business, begin building ships, manufacture snowmobiles, carriages or bicycles or, as a last resort, manufacture boots and shoes, excluding work boots.

Some hon. Members: Hear, hear!

Mr. Hellyer: Guideline (b) permits total vertical integration which, in the case of a number of foreign owned industries, will permit them almost total freedom of access to vaguely related fields.

In making this statement today the minister added to the confusion in a hurtful and alarming manner. If the government's energy and industrial policies are as uncertain as its foreign ownership policy, one can only say, God help Canada.

Some hon. Members: Hear, hear!

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I thank the minister for making a copy of his statement available to us in order to give us an opportunity to go through it. However, I must say I find it very unclear. The hon. member for Trinity (Mr. Hellyer) said that when the bill was before the House a few months ago it did have very precise definitions. I find that the guidelines are not

too precise either. I refer to the guidelines the minister tabled but did not read to the House. No wonder he did not read them out; they are so vague.

● (1500)

The guidelines deal with the definition of a related business. The foreign ownership bill is in two parts; the first deals with takeovers and the second with expansion into new areas or unrelated businesses. If a business is deemed to be related, then it will not be screened by the foreign investment agency and will be allowed to go ahead. I want, now, to show how vague and how wide open is the definition of "related business". I take here the second guideline,—it is very bureaucratic—which is as follows:

A new business may be related to another business . . . if the new business produces a product to be used as an input for an existing process or activity of the investor, provided that a substantial proportion of the output of the new business is used as an input for the existing process or activity.

What the devil does that mean? Really what it means, in layman's language, is that if a firm is large, if it is multinational or multi-industry, if it is vertically integrated, that firm can expand into almost any area it wishes and be classified as related, and it will not be screened by the foreign investment review agency. Really it means that a huge company such as Imperial Oil could expand into almost any industry in this country without being screened by the foreign investment review agency.

I will give an example of what I mean. Imperial Oil has a subsidiary called DEVCON which is involved in development and the real estate business. According to the guidelines tabled by the minister, Imperial Oil through its subsidiary could become involved in almost any aspect of real estate. They could probably get into the construction business. They could probably, because it is related, get into the land assembly business. They could get into almost any aspect of residential or commercial real estate. Imperial Oil has another subsidiary called Building Products of Canada Limited which constructs building equipment. Through this subsidiary Imperial Oil could construct the building equipment needed to build houses and apartments, commercial buildings and so on which they might be planning to construct.

Imperial Oil has a fertilizer company. It also has a transportation company and could expand in those areas because they are related and would be relevant to the activities of Imperial Oil. They have a great interest in the restaurant business through Voyageur Restaurants. They are also interested in the twine and rope business through a company called Polytwine. One can easily see that under the definition the minister has given us of "related business", international corporations, when they are multi-industry and multiproduct, can expect to get into almost any area without being screened under the provisions of the bill.

Consider a company such as Bell Canada which owns Northern Electric and Microsystems. Microsystems produces all kinds of components in the computer industry. They could expand through Microsystems into almost any aspect of computer technology and not be screened under the provisions of the legislation. Most of the large multinational corporations are concerned with thousands of products; they can claim their expansion to be in a related area and be untouched by the terms of the bill this House passed a few weeks ago.

Another point I wish to comment on is regulation (d) which the minister outlined in his guidelines. It says that a business may be related in the case of a service industry if it is complementary to the existing business of the investor. An example given is that of a wholesale business which could expand by constructing a warehouse. This would be considered related, and therefore not screenable.

I will give an example of how companies can get around this regulation. International Telephone and Telegraph manufactures telephones and telegraphic equipment. Where do people most use telephones? In a hotel. So ITT bought out the shares of the Cavalier Hotel chain. And what do hotels use to a great extent? Toilet paper. So they manufacture toilet paper. What do people who go to hotels use but cars? So they run their own rental car fleet. All this is relative and integrated toward that service industry, and therefore is not screenable.

In conclusion, Mr. Speaker, I suggest very strongly that the guidelines do not mean anything at all. Almost any multinational corporation can get around the guidelines because they are involved in almost every product in use. There is an oil company producing toothpaste, an oil company in the rope business, and so on. The only way to stop foreign investment is to deal with existing firms as they expand their assets or their sales in this country, not as they expand into one product or another.

Parliament will have to enact really tough laws if it intends to slow down or reverse the trend of foreign ownership in our economy which is causing us to lose wealth by the exportation of capital, and to lose jobs by the exportation of processing and manufacturing into other countries around the world. All these guidelines will do is to provide 500 extra jobs for bureaucrats in the Department of Industry, Trade and Commerce as they try to interpret the guidelines and apply them.

[*Translation*]

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, on November 26 when the House passed the legislation of foreign ownership, we had expected that it would create more confusion. Now, today the Minister of Industry, Trade and Commerce (Mr. Gillespie) has made a commendable effort to enlighten the House and future investors in Canada.

I am quite disappointed when I realize, to mention one point, that one of the future guidelines which will govern investments in Canada is far from being explicit. The French and English texts of paragraph (e) in the press release are inconsistent. It shows once again that the minister with his guidelines as well as with his bill was trying to give some explanations concerning investments, but he did not succeed in doing so. Today, we are still confused, we are in the fog and note that the government is fumbling.

The English text reads as follows:

(e) the new business uses and existing or similar technical process to that already used by the investor in Canada—

Here is how the French text reads:

Si la nouvelle entreprise utilise un procédé technique déjà existant ou semblable à celui déjà utilisé par l'industrie au Canada . . .

Now, Mr. Speaker, referring to the Canadian industry does not in the least mean investors, In fact, the English text refers to investors, and the French text, to the Canadian industry in general. From the French text, I come to the conclusion that just about no American or other foreign investor will be able to invest in Canada. Under paragraph (e) of the French text, they are precluded from doing so because nearly all foreign investors in Canada already own Canadian companies producing goods similar to those we want to produce through new investments.

That is a new proof that our investment policy is unfortunately going nowhere and proceeds by trial and error. On one side, investments are to be encouraged and on the other, control of the Canadian economy by foreign investors is to be prevented. That is an absolute contradiction and the problem will be solved when and only when the Department of Industry, Trade and Commerce and the government develop a truly Canadian investment policy allowing Canadian companies to produce here, with Canadian capital, and thus which would stop them from being continually exploited and calling for foreign investors and telling them: We do not want to see you, because we want to control our own economy.

Mr. Speaker, today's statement will unfortunately lead to new arbitrary decisions on the part of public servants and allow for a still greater play of influence concerning foreign investors and public servants. This will also widen the lobbying circle in Canada and give public servants more power over the development of industries and investments.

Unfortunately, I do know on which of the two texts officials of the Department of Industry, Trade and Commerce are going to base their decision when telling a company: You are welcome. On the other hand, when they do not want anything to do with one company or the other, they may tell it, according to the French version: You are already producing in Canada the goods that you want to produce.

* * *

● (1510)

[*English*]

HOUSE OF COMMONS

CONGRATULATIONS TO SECRETARY OF STATE ON HIS MARRIAGE—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Hon. Warren Allmand (Solicitor General): Mr. Speaker, under the provisions of Standing Order 43 I ask the unanimous consent of the House to move a motion of urgent and pressing necessity. I move:

That this House approve the marriage of the member of parliament for Peterborough, the hon. Secretary of State, who abandoned bachelorhood at noon today without consulting his colleagues and without the proper security check having been completed on his bride by the RCMP, and congratulate him on this ingenious method of beating the energy crisis.

Hon. Member for Yorkton-Melville

Some hon. Members: Hear, hear!

Mr. Speaker: The applause of the House indicates that there is unanimous consent.

* * *

[*Translation*]

GRAIN

SHORTAGE OF FEED GRAIN IN EASTERN CANADA—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, under Standing Order 43, I ask for the unanimous consent of the House to discuss a very urgent question whose importance is unquestionable as it is of national interest. It is about the shortage of oats supplies in eastern Canada which could greatly hurt the dairy industry already showing a deficit, as well as other sectors of agriculture.

Mr. Speaker: Order. I suggest that the hon. member move his motion. He is now making a speech. Standing Order 43 does not permit him to make one in support of a motion. He should state as soon as possible, and preferably immediately, the purpose of the motion that he wishes to bring to the attention of the House.

Mr. Lambert (Bellechasse): Mr. Speaker, I will do it immediately.

I move, seconded by the hon. member for Joliette (Mr. La Salle):

That an emergency debate be held in this House before the Christmas recess in order to study the reasons why eastern Canada farmers have difficulty obtaining feed grain supplies, especially as concerns oats, since these problems are very harmful to the dairy industry in particular and to other agricultural productions.

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

Some hon. Members: Yes.

Some hon. Members: No.

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

* * *

[*English*]

HOUSE OF COMMONS

MR. NYSTROM—CONGRATULATIONS ON BIRTH OF SON—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I rise, like the Solicitor General, under the provisions of Standing Order 43. I move, seconded by the hon. member for Vancouver Kingsway (Mrs. MacInnis):

That this House congratulates the hon. member for Yorkton-Melville on the arrival yesterday of a seven-pound son, and we commend him on this ingenious method of correcting the political imbalance in Canada.

Some hon. Members: Hear, hear!

Mr. Fairweather: Move that we adjourn.

Mr. Speaker: Did the Chair hear a motion for the adjournment of the House?

REFERENCE TO COMMITTEE OF SYSTEM OF READJUSTING REPRESENTATION AND DETERMINING NUMBER OF MEMBERS FROM EACH PROVINCE

On the order: Government Notices of Motions:

December 17, 1973—The President of the Privy Council:

That the system of readjusting representation in the House of Commons, including the method of determining the number of members for each province established by section 51 of the British North America Act, be referred to the Standing Committee on Privileges and Elections.

Mr. Speaker: Pursuant to section 2 of Standing Order 21, this motion is transferred to and ordered for consideration under government orders at the next sitting.

ORAL QUESTION PERIOD

[*English*]

THE CANADIAN ECONOMY

REQUEST FOR STATEMENT ON GOVERNMENT POLICY TO COMBAT RISING COST OF LIVING—EFFECTIVENESS OF FOOD PRICES REVIEW BOARD

Mr. James A. McGrath (St. John's East): Mr. Speaker, my question is directed to the Prime Minister. In view of the fact that the consumer price index for the regional cities of Canada shows increases in all regional cities and substantial increases in three cities, for example, Ottawa with a 10.2 per cent increase, Quebec City with an 11 per cent increase and St. John's Newfoundland, with a 10.1 per cent increase, I ask the Prime Minister whether he now intends to wait until the finance ministers' conference at the end of January, or in the face of this new evidence that inflation in Canada is out of control will he now instruct the Minister of Finance to make a policy statement before the adjournment of the House?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the Minister of Finance and I have been discussing these matters. I cannot indicate that he will make such a statement before the House adjourns tomorrow. If it is going to sit some further time, of course we would want to reconsider the matter.

Mr. McGrath: Mr. Speaker, I direct a supplementary question to the Minister of Consumer and Corporate Affairs. In view of the fact that three cities in Canada, as announced by Statistics Canada today, have shown a better than 2 per cent increase in the cost of food, and in view of the fact that the quarterly report of the Food Prices Review Board released at 2.30 today in Montreal makes no substantive recommendations to the government, I ask the Minister of Consumer and Corporate Affairs whether he would meet with the chairman of the Food Prices Review Board to review and assess the work of the board, or is he satisfied with the functions of the board to date?

[Mr. Knowles (Winnipeg North Centre).]

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Yes, Mr. Speaker, I would be happy to meet with the chairman. I might point out that the Food Prices Review Board has not adopted the practice of making specific recommendations in its quarterly reports. It has done so in other reports and these recommendations have provided a basis for policy action by the government, for example, increasing the subsidy on bread and the decision to advance the implementation of the increase in family allowances.

Mr. McGrath: Is the minister now in a position to reply to the telegram from the Consumers Association of Canada referring to the request by the Canadian Egg Marketing Board for import controls on eggs and egg products in view of the substantial increase in the cost of food and, more particularly, in view of the substantial increase in the price of eggs in Canada?

Mr. Gray: Mr. Speaker, I think the hon. member is also referring to telegrams sent to the Prime Minister and, I think, to other ministers This matter is under study by the government.

Mr. McGrath: The telegram was sent to the Minister of Consumer and Corporate Affairs. I ask the minister whether he agrees with the stand taken by the Consumers Association of Canada.

Mr. Nowlan: Do you know what it is?

Mr. Gray: Yes, I do. I might point out to my hon. friend that I believe the Prime Minister received the same telegram as I did and that is what I was referring to. As far as the request is concerned, I do not think there should be any action taken by the government that is not strictly necessary to help confirm that Canadians have the most adequate supply of food at the most reasonable possible prices.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. A number of members are seeking supplementaries on this subject. Perhaps we might complete the first round of questions and I will return to the hon. member for Northumberland-Durham, the hon. member for Victoria-Haliburton and others who have supplementaries on this subject.

* * *

INDUSTRY

PROPOSED TAKEOVER OF MACDONALD TOBACCO COMPANY BY UNITED STATES FIRM—GOVERNMENT ACTION TO PREVENT

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, my question is directed to the Minister of Industry, Trade and Commerce. In view of the recent takeover of the Macdonald Tobacco Company by R. J. Reynolds of North Carolina, and in view of the fact that the result of this sale will mean for the first time complete foreign domination

of this section of the Canadian economy, clearly contrary to the intent of the Foreign Investment Review Act, would the minister advise the House what specific steps he has taken in regard to blocking that sale, stopping it from progressing any farther or even reversing it?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I was very surprised to read in the press of the proposed sale by Macdonald's to Reynolds Tobacco Company only one week after Royal Assent had been given to the bill. I met with senior members and representatives of the Reynolds Tobacco Company yesterday in Ottawa; they came to Ottawa at my request. I think it is clear that the deal has not yet gone through. I put a number of questions to them and I expect to hear from them in the very near future.

Mr. Leggatt: In view of the present hiatus in the coming into force of the bill, and in view of the fact the minister really does not have legislative tools to block or prevent interim takeovers, does the minister intend to introduce an amendment to the Foreign Investment Review Act which would have a retroactive provision requiring review of all takeovers during this interim period on a priority basis, so that the review board would consider takeovers made in the interim period first and, second—

• (1520)

Mr. Speaker: Order, please. Perhaps the hon. member who has had the floor for some time would allow the minister to answer the first question. He will be recognized for a further supplementary, after which I shall see the hon. member for Bellechasse.

Mr. Gillespie: Mr. Speaker, I am not proposing retroactive legislation to the House. I think I made clear in my statement on motions today the type of behaviour I would expect of firms contemplating a large investment for the establishment of a new business or the takeover of a large or medium-size Canadian industry.

* * *

[*Translation*]

GRAIN

IMPLEMENTATION OF NEW FEED GRAIN POLICY

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I should like to direct a question to the hon. Minister of Justice.

Since the new feed grain marketing policy for the whole of Canada implemented in the middle of October and whose object was to show equity towards Quebec farmers seems to be cleverly distorted by some middlemen since barley late last week was sold at $6 per hundredweight in eastern Canada as compared with $4.35 in western Canada, does the minister intend to conduct an inquiry and take action to put an end to such exploitation?

[*English*]

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, I would be glad to have an indication from the hon. member of the specific figures to which he refers. As hon. members know, the feed grains policy this year involves the determination every two weeks of the actual price at which feed grain is selling in the prairie region, as agreed upon between the Canadian Livestock Feed Board and the Canadian Wheat Board, and the selling of that grain out of Thunder Bay at a price which relates directly to that level on the prairies. This means that the grain is available to a variety of buyers at that price. The price varies every two weeks when there is a further determination.

[*Translation*]

Mr. Lambert (Bellechasse): Mr. Speaker, I should like to ask a supplementary question.

Considering the reply just given by the minister and the policy that was implemented, could the minister tell the House whether he was informed by the Association des producteurs agricoles du Québec of the present situation in the province of Quebec, taking into account the figures quoted in my previous question?

[*English*]

Mr. Lang: Mr. Speaker, these specific prices have not been brought to my attention, but the general supply problem which has been in existence for some time in the eastern part of the country has been brought to my attention frequently by Liberal members of parliament in this House.

Mr. Speaker: Order, please. I see a number of hon. members seeking supplementaries on the three subjects which have been raised. We will return to the first question and the Chair will recognize the hon. member for Northumberland-Durham. I have noted hon. member who are seeking the floor for other supplementaries and they will be recognized as soon as possible.

* * *

THE CANADIAN ECONOMY

INFLATION—GOVERNMENT ACTION TO COMBAT DECREASING PURCHASING POWER OF INCOMES

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, my question is for the Minister of Finance. In view of the undisputed fact, based on the government's own statistics, that the real purchasing power of consumers has experienced a very drastic decline this year, can the minister tell us if this represents an expected and acceptable result of government economic policies, or will the minister now be acting so as to protect consumers from further erosion of their buying power and incomes?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I think the statistics to which the hon. gentleman refers, and which I of course do not challenge, are not complete in the sense that they neglect to advise the House that in terms of real purchasing power this House is entitled to consider the increase in disposable income of Canadians as the result of the reduction in taxes and the increases in pensions and family allowances. This means that in terms of real disposable income in the third quarter of this year, which is the period to which the hon. gentleman refers, over the third quarter of last year the real disposable, personal per capita income in this country was 8 per cent over that of last year.

Mr. Lawrence: Mr. Speaker, I was not referring to disposable income; I was referring to purchasing power. There is a difference. May I direct my supplementary to the Minister of Industry, Trade and Commerce. Because the indices covering real purchasing power show the real squeeze on the people of this country, would the minister be good enough to consider asking Statistics Canada to produce these statistics monthly instead of every six months?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I would be prepared to draw to the attention of Statistics Canada the representation of the hon. member.

[*Later:*]

REQUEST THAT HOUSE DEBATE LOSS LEADER PRACTICE OF FOOD CHAINS

Mr. W. C. Scott (Victoria-Haliburton): Mr. Speaker, my supplementary question is for the Minister of Consumer and Corporate Affairs. In light of continued high food costs, will the minister bring forward for debate the subject of loss leaders and the predatory behaviour of the food chain giants, as the last study for criteria in respect of loss leadering was made in the mid-1950s?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, this is something the House could certainly look at in the course of the debate on and consideration of the bill to implement stage one of our new policy on competition.

GROSS NATIONAL PRODUCT AND RATE OF INFLATION—AVAILABILITY OF FORECASTS BY MINISTER OF FINANCE FOR 1974

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, my question is for the Minister of Finance, who I believe is to meet with the provincial Ministers of Finance on January 24 or 25, or perhaps on both days. Is it his intention to present at that meeting forecasts for the year 1974 with regard to growth in the gross national product and the consequential financial effects of this for the government of Canada and the provinces, and also with regard to the anticipated or projected rate of inflation for 1974?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, over the past two or three years, at these annual meetings of finance ministers held for the purpose of comparing the budgetary forecasts and fiscal postures of the provinces and the federal government, as well as the monetary posture of the federal government, it has been customary, and we shall again follow the practice next January, to exchange on a confidential basis views and forecasts on a number of items based on a range of probabilities. That will be done again on a frank and confidential basis.

Mr. Stanfield: Then the minister is prepared to say that he has forecasts which he will be presenting to the finance ministers of the provinces with regard to his expectations as to the GNP, the rate of inflation and related matters, but he is not prepared to make this information available to the House?

Mr. Turner (Ottawa-Carleton): That is not the way I put it, Mr. Speaker.

Mr. Fairweather: The minister himself used the word "confidential".

Mr. Turner (Ottawa-Carleton): Yes, I did. This is done by all governments in order to achieve, prior to their budgetary presentations, prior to my presentation in the House of a budget and prior to the provincial Ministers of Finance presenting their budgets, a confidential overview of the economy. That is why the information is kept confidential. We do this so as not to trespass on the rights of the respective legislatures or of parliament. One of the difficulties, of course, in forecasting inflation next year, and I have pointed this out to the House, has to do with worldwide factors which we must consider, entailing now uncertainties in the pricing of fuel, world commodities and agricultural products.

* * *

AGRICULTURE

GOVERNMENT PLANS TO ENCOURAGE PRODUCTION

Mr. H. W. Danforth (Kent-Essex): Mr. Speaker, may I direct a question to the Minister of Agriculture. As both the Minister of Finance and the Minister of Agriculture have indicated that one of their key policies in order to stop the inflated price of food in Canada is increased Canadian production, and as it is now apparent that not only have prices not been curtailed but Canadians are producing even less than is necessary to meet domestic demand in certain products, including butter and cheese with the closing of Canadian cheese factories and creameries, can the minister indicate if the government proposes to bring forward any new initiatives in order to encourage greater domestic production?

● (1530)

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, the premise of the hon. member's question may be right as it pertains to some agricultural products. However, the vast bulk of agricultural production is increasing in Canada. We outlined in September to the provincial ministers and in ongoing meetings since that time—we will be meeting early in January again to finalize them—programs to stabilize agricultural income in Canada. I am sure this will guarantee an increase in production when we pass the energy allocation bill, which will enable people to plan their production because we will have energy for them.

Mr. Speaker: Order, please. The Chair will recognize the hon. member for Kent-Essex and then the hon. member for Fraser Valley West.

Mr. Danforth: Mr. Speaker, perhaps the minister will dispense with his verbosity and give me a direct answer to this question. In view of the fact that production of all commodities in Canada is seriously affected by the

increases in input costs which ultimately are passed on to the consumer, and in view of the fact that fertilizer and fuel are main components in agriculture and that fertilizer is double the price it was last season, can the minister now advise us whether the government intends to take any action to confine the increase in input costs to a reasonable range?

Mr. Whelan: I would caution the hon. member, through you, Mr. Speaker, that the very statement he is making certainly opens the doors for fertilizer companies to take advantage of the impression that is created in the minds of farmers that the price of fertilizer will go up. Our advice and information does not show anywhere near a doubling of the price. It shows some increase because fertilizers are subject to the same increases which everybody in the world faces. For instance, rock phosphate, which we import, has gone up four times in the last month over what it was the month before.

Mr. Danforth: Mr. Speaker, I rise on a point of order. The statement made by the Minister of Agriculture is incorrect because the current posted prices to farmers of products being sold today show almost a 50 per cent increase over just four months ago.

Mr. Speaker: Order, please. The hon. member rose on a point of order but that is debate rather than a point of order. The Chair will recognize the hon. member for Fraser Valley West.

Mr. Whelan: Mr. Speaker, on a point of order—

Mr. Speaker: Order, please. The minister rises on a point of order.

Mr. Whelan: Mr. Speaker, I just want to say that I intend to submit a paper to the House tomorrow that will put some of the facts on the record.

Some hon. Members: Hear, hear!

Mr. Bell: There goes the recess.

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ENERGY

OIL—PRODUCTION AND SHIPMENT BY ARAB STATES

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, I should like to direct a question to the Minister of Energy, Mines and Resources of which I have given some notice. In view of reports that shipments of oil from Arab terminals are up nearly 40 per cent, does the minister have any evidence or corroboration confirming the suggestion that Arab states may not have cut production by anything like the amount first claimed?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I am obliged to the hon. gentleman for reminding me of the article in the Economist. I have had inquiries made as to the facts stated therein. I think one thing is clear, that whatever the shipments out of Ras Tanura are the shipments into Portland have gone down.

Mr. Rose: Mr. Speaker, I believe the minister said he intends to investigate the statistics. If he intends to do that, will he see whether the multinational companies are using events in the Middle East to justify increases in prices?

Mr. Macdonald (Rosedale): Mr. Speaker, I will bear that suggestion in mind.

Mr. Speaker: Order, please. The hon. member will be recognized for a second supplementary, after which the Chair will recognize the hon. member for Joliette and then the hon. member for Vancouver South.

Mr. Rose: Since both the Secretary of State for External Affairs and the Minister of Energy, Mines and Resources have stated publicly that they have not seen the contracts of companies dealing in offshore oil, and in view of the fact that the oil companies have threatened to invoke *force majeure* to reallocate oil shipments, does the government intend to demand that these contracts be revealed before, or upon, the establishment of the national oil corporation?

Mr. Macdonald (Rosedale): No, sir.

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[*Translation*]

GRAIN

FEED GRAIN—ASSURANCE THAT HIGHER TRANSPORT RATES WILL NOT LEAD TO HIGHER PRICES FOR QUEBEC CONSUMERS

Mr. Roch La Salle (Joliette): Mr. Speaker, I would like to ask the right hon. Prime Minister a supplementary question to those asked by the hon. member for Bellechasse.

Answering yesterday a question from the hon. member for Saint-Hyacinthe, the minister responsible for the Canadian Wheat Board said that the rail movement will be augmented to ensure feed grain supplies for the province of Quebec. As this transportation will be more costly, is the Prime Minister prepared to ensure the House that Quebec producers will not have to pay increased transportation costs?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I will discuss the question with the minister responsible for the Canadian Wheat Board.

* * *

[*English*]

INDUSTRY

REASON FOR SALE OF MACDONALD TOBACCO COMPANY TO UNITED STATES FIRM

Mr. John A. Fraser (Vancouver South): Mr. Speaker, I have a supplementary question for the Minister of Industry, Trade and Commerce following the question by the hon. member for New Westminster. Can the minister advise the reason for the proposed sale of Macdonald's and tell us whether this is in any way related to its inability to

compete effectively with other foreign-controlled corporations operating in Canada?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I think the hon. member will understand that the whole thrust of the Foreign Investment Review Act is concerned with the actions of the purchaser and not the motivation of the vendor.

* * *

GRAIN

STEPS TO OVERCOME SHORTAGE OF FEED GRAIN IN ATLANTIC PROVINCES

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, my question is supplementary to that of the hon. member for Kent-Essex. I direct it to the minister in charge of the Wheat Board. Because the minister was absent last Friday, the Prime Minister took as notice a question regarding persistent reports that many feed grain users in eastern Canada face severe shortages of this commodity. I should like to ask the minister what specific plans the government now has to alleviate this situation.

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, as was indicated to the House yesterday, and I think the day before as well, a meeting was held in Moncton on Monday of this week with the various interested parties, including the grains group, the Canadian Livestock Feed Board, the Canadian Wheat Board and the railways. As a result of that meeting, the Canadian Livestock Feed Board will be obtaining information as accurate as possible on requirements for supplies, and co-operation will be sought on all sides to see that the supplies required get to their destinations appropriately and that stocks are built up as a reserve as quickly as possible.

Mr. Speaker: I am not sure we can get in all the supplementaries before the end of the question period. Perhaps hon. members would want to spend the rest of the question period on this subject. For the moment I will see the hon. member for Annapolis Valley, then the hon. member for Laval and perhaps others.

FEED GRAIN—AVAILABILITY OF SUPPLIES FROM WHEAT BOARD AND RAILWAY CARS FOR MOVEMENT TO EASTERN CANADA

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, in view of that meeting in Moncton and the fact that the minister responsible for the Wheat Board had his officials there and the further fact that all four parties did come to a consensus, has the minister received a firm commitment from the Wheat Board that stocks will be released and a commitment from the railways that rolling stock will be supplied to take the grain east that is designated by the Livestock Feed Board?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, there never has been any question of any hesitation on the part of the Canadian Wheat Board in respect of the availability of stocks. As long as the shipping season was open a certain priority was being given at the terminals to the loading of vessels, including the loading of domestic grain into vessels. That is now turning very much to the loading of railway cars for the remaining movement of grain and, as far as I know there is full co-operation on all sides. Therefore I am optimistic about the situation.

[*Translation*]

REQUEST FOR EASTERN PROVINCES REPRESENTATION ON CANADIAN WHEAT BOARD

Mr. Marcel Roy (Laval): Mr. Speaker, my question is directed to the minister responsible for the Canadian Wheat Board.

In view of the feed grain situation in the eastern provinces, which are not represented on the Canadian Wheat Board, is the minister prepared, in connection with the implementation of the new feed grain policy, to see to it that those provinces are represented by commissioners on the wheat board?

[*English*]

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, the chief function of the Canadian Wheat Board will continue to be to act as marketing agent for exportable grain and the grain that is exported from the prairie region. The persons who are appointed to the Canadian Wheat Board as commissioners and staff are people chosen for their ability and not necessarily on a regional basis. Indeed, at the present time one of the commissioners happens to be a Canadian born in the Ottawa area. On the other hand, the Canadian Livestock Feed Board performs extremely important functions in attempting to protect the needs of the users of feed grain in all parts of Canada, and that board will be seen as having an even more important role in the future in respect of feed grain policy.

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● (1540)

[*Translation*]

MANPOWER

LOCAL INITIATIVES PROGRAM—REQUEST THAT CERTAIN PROJECTS BE ANNOUNCED

Mr. André Fortin (Lotbinière): Mr. Speaker, I have a question for the minister responsible for the Local Initiatives Program, namely the Minister of Manpower and Immigration.

Can he give the assurance to the House that the local initiatives projects which are still to be announced in many constituencies, and mainly in Quebec and Lotbinière, will be announced tomorrow night at the latest?

Some hon. Members: As of midnight.

[*English*]

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I am hopeful that all projects that are going to be approved will carry such an announcement by this weekend.

INDUSTRY

PROVISION OF NEWSPRINT TO WEEKLY NEWSPAPERS

Mr. A. D. Alkenbrack (Frontenac-Lennox and Addington): Mr. Speaker, my question is for the Minister of Industry, Trade and Commerce. It pertains to the scarcity of newsprint being experienced by Canadian weekly newspapers. Can the minister give the House an assurance that a sufficient supply of newsprint to the weekly newspapers of Canada will be maintained?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I checked on this question as recently as two days ago, I think, and I believe that as a result of the representations that I and my officials have made I can give that assurance.

Mr. Speaker: The Chair will recognize the hon. member for Carleton-Charlotte followed by the hon. member for Trinity.

* * *

ENERGY

PROVISION BY CANADA OF BUNKER C OIL TO MAINE PULP MILLS

Mr. Fred McCain (Carleton-Charlotte): Mr. Speaker, in view of the major disruption of trade and traditional employment patterns in western New Brunswick, part of Quebec and in the state of Maine which will result if the National Energy Board does not allow fulfilment of long-term Canadian contracts to provide bunker C oil to pulp mills in Maine, has the minister asked the National Energy Board to reconsider export applications for bunker C oil supply to these mills and, if so, what is their position now?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I have spoken to the National Energy Board following discussions with the hon. member and with Premier Hatfield on this question. The board advises me that in their judgment there is an insufficient quantity of bunker C oil available on the east coast for them to be able to certify that these exports will be surplus to Canadian requirements. Therefore, under the authority of the statute they would be required to refuse applications. I have suggested to my department that we might explore this further with Washington to see if there might be a possible *quid pro quo* between the situation in Maine and that of the Lower mainland of British Columbia.

Mr. McCain: In view of the fact that according to the press—

An hon. Member: That is not a fact.

Mr. McCain: You say that to the press yourself—there has been no cutback to Canada from traditional sources of supply for the refineries in eastern Canada, and since it has been suggested that Aramco may not be delivering to Canada the supplies which are released for us, what pressure has the government exerted through the minister's department or any other department to obtain the supplies supposedly destined for Canada as they leave home?

Mr. Macdonald (Rosedale): Of course the National Energy Board does not share the opinion of the hon. gentleman with regard to available supplies. We have to make certain that all supplies continue to arrive in Canada, but the fact remains that there has been a 25 per cent production cutback by the Arab exporting states, and we have had to share that.

Mr. Speaker: Order, please. The Chair undertook a moment ago to see the hon. member for Trinity, following which I will recognize the hon. member for Winnipeg North.

* * *

[*Later:*]

INDUSTRY

SHORTAGE OF NEWSPRINT FOR WEEKLY NEWSPAPERS—POSSIBILITY OF TAKEOVERS BY LARGER ORGANIZATIONS

Hon. Paul Hellyer (Trinity): Mr. Speaker, my supplementary question is related to a previous question and it is in two parts. I should like to direct it to the Minister of Industry, Trade and Commerce. The first part related to the shortage of newsprint for weekly newspapers which is putting pressure on them and in some cases making offers to take them over by larger organizations seem more desirable than they would be otherwise. Is the minister taking this into account in his deliberations as to how they might receive adequate supplies? The related part of my question is whether the minister is willing, during the interregnum until the foreign takeover bill is proclaimed, to give corporations which intend to make new investments in Canada or are embarking on takeovers binding rulings which would apply after the proclamation is in effect?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I think those are two different questions and I will try to deal with each in turn, if you will allow. With regard to the first part with respect to newsprint, I think the hon. member may know that the Canadian industry because of strikes has suffered a loss of some 600,000 tons of newsprint production, which has created the condition of shortage in the industry. Their deliveries to their Canadian customers are up 10 per cent; their deliveries to their foreign customers are up by a smaller amount. They are making major efforts to ensure that their Canadian customers are looked after first.

With regard to the second question concerning binding rulings prior to the first proclamation, at the present time I am not contemplating that step.

Oral Questions

THE CANADIAN ECONOMY

ALLEGED INADEQUATE REPRESENTATION OF LABOUR, CONSUMER AND ACADEMIC GROUPS AT NATIONAL CONFERENCE ORGANIZED BY ECONOMIC COUNCIL

Mr. David Orlikow (Winnipeg North): Mr. Speaker, my question is for the Minister of Finance. I should like to ask him whether his attention has been drawn to complaints that the national economic conference organized by the Economic Council of Canada did not have adequate numbers of representatives from labour, consumer, and academic groups and, if so, whether the minister will discuss the complaints with the chairman of the Economic Council.

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I have read reports of the complaints, as the hon. gentleman has. I can only say to him that the conference was organized by the Economic Council of Canada, not by the government.

Mr. Orlikow: Would the minister consider discussing with the chairman of the Economic Council the complaint that virtually every study paper presented at that conference was prepared by a group which consisted almost exclusively of representatives of industry and that representatives of other groups had virtually no opportunity to see and to prepare criticisms of those papers before they were presented to the conference?

Mr. Turner (Ottawa-Carleton): I will draw the hon. gentleman's remarks to the attention of the chairman. I must remind him, first, that the Economic Council of Canada is an independent organization, independent of government and, second, that a third of its membership is made up of representatives of the labour community.

Mr. Speaker: I have to bring to the attention of hon. members that we will be running short of time very soon and I would hope they would limit the number of supplementaries. I am counting on the co-operation of hon. members so we can see as many members as possible before we reach the end of the question period. I recognize the hon. member for Winnipeg North on a supplementary.

Mr. Orlikow: My question is very simple. Would the minister discuss with the chairman of the Economic Council the possibility that, if they continue to do what they are doing, labour representatives on the Economic Council will consider resigning?

* * *

EXTERNAL AFFAIRS

INQUIRY WHETHER DIPLOMATIC REPRISALS TAKEN AGAINST CANADA BECAUSE OF PARLIAMENT HAVING CONDEMNED BOMBING RAIDS ON NORTH VIET NAM LAST DECEMBER

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, my question is for the Secretary of State for External Affairs. Could he inform the House whether the United States took any diplomatic reprisals against Canada last winter in retaliation for parliament having condemned the December bombing raids against North Viet Nam?

[Mr. Gillespie.]

Hon. Mitchell Sharp (Secretary of State for External Affairs): Not that I am aware of, Mr. Speaker.

Mr. McKinnon: Is the minister aware of the fact that during January and February Canadian diplomats were advised by the U.S. state department that no one above the level of the Canada desk officer would receive them?

Mr. Speaker: That question should be placed on the order paper.

* * *

[*Translation*]

MANPOWER

MEASURES OTHER THAN LOCAL INITIATIVES AND OPPORTUNITIES FOR YOUTH PROGRAMS TO FIGHT UNEMPLOYMENT

Mr. Henry Latulippe (Compton): Mr. Speaker, I wish to direct a question to the hon. Minister of Manpower and Immigration.

In view of the government's increasing lack of interest for the Local Initiatives and Opportunities for Youth programs, would the minister advise the House whether he is considering other means to help Canadians fight unemployment? If so, would he kindly describe what he intends to do?

Mr. Speaker: I suggest that the hon. member is seeking a general statement from the minister, which should normally take place in the House on motions.

* * *

[*English*]

AIR TRANSPORT

PROPOSED PASSENGER HEAD TAX—CONSIDERATION OF PROBLEMS RAISED BY INTERNATIONAL AIR TRANSPORT ASSOCIATION

Mr. Don Mazankowski (Vegreville): Mr. Speaker, my question is directed to the Minister of Transport. In light of the statement which has been made by the Director General of the International Air Transport Association to the effect that there will be very serious complications in attempting to apply the proposed head tax to international air transport, may I ask the Minister of Transport if these problems were thoroughly considered prior to his announcement? Further, was the head tax proposal discussed with any of the officials of the International Air Transport Association?

● (1550)

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, our department right now is holding discussions with the airline authorities to see what kind of administrative difficulties might be encountered. I have not received any report. As indicated in the press release, we set the date of January 1, but we said that if administra-

tive arrangements are not arrived at there might be a delay.

PROPOSED PASSENGER HEAD TAX—POSSIBILITY OF CONTRAVENTION OF ICAO GUIDELINES

Mr. Don Mazankowski (Vegreville): Mr. Speaker, I am surprised to hear the minister indicate that he did not get a wire from the International Air Transport Association, but as a supplementary question I wish to ask if he was made aware of the fact that the proposed head tax also contravenes the guidelines established by the ICAO council, in which Canada recently concurred, namely, that such charges as the Department of Transport proposes to impose must not be introduced without prior consultation and, further, that adequate advance notice must be provided?

[*Translation*]

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I shall look into the matter, but I believe that all consultations that had to take place under our international responsibility have been held.

* * *

[*English*]

DRUGS

SUGGESTED SUMMARY OF FINAL REPORT OF LEDAIN COMMISSION TO BE DISTRIBUTED FREE OR AT SMALL COST

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, I had wished to direct a question to the Minister of National Health and Welfare on the LeDain Commission report but he has just left the chamber. I will ask a related question of the Minister of Labour in his capacity as director of Information Canada. In view of the importance of the final 1,148 page LeDain report, and in view of the fact that at a price of $7.95 it is very expensive and will not reach many people, does Information Canada intend to bring out a summary that could be distributed free or inexpensively so that LeDain's significant findings can be widely studied, such as the fact that alcohol is the biggest drug problem in Canada today?

Hon. John C. Munro (Minister of Labour): Mr. Speaker, I would have to consult with my colleague, the Minister of National Health and Welfare, to ascertain whether this is the plan of that department. It would then, of course, be up to Information Canada to make distribution, as it does for all publications that emanate from other departments of government.

* * *

FINANCE

SUGGESTED EXCESS PROFITS TAX IN LIGHT OF INCREASES IN CORPORATION PROFITS IN ORDER TO PROTECT CONSUMERS

Mrs. Grace MacInnis (Vancouver Kingsway): Mr. Speaker, I return to the subject of food prices and my question is addressed to the Minister of Finance. In view of the fact that the quarterly report of the Food Prices Review Board states that the Canadian economy has undergone a substantial upswing in activity during the last two years, resulting in considerably increased corporation profits, including corporations in the food sector, will the minister now consider the introduction of an excess profits tax as a means of preventing the consumer from being gouged by further higher prices?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I dealt with that on an earlier occasion. This would not be the time to announce it, and I am not sure it would achieve the result that the hon. member thinks it would achieve, but I do agree with her that there has been a tremendous upswing in the economy in the last two years.

* * *

AIR TRANSPORT

REASON FOR CHOOSING PROPOSED PASSENGER HEAD TAX TO RAISE REVENUE

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, my question is supplementary to that asked by the hon. member for Vegreville of the Minister of Transport. It has to do with the strong protest sent to the minister by the Director General of IATA. Can the minister state, for the edification of the House, why he has chosen this means of a passenger head tax to raise revenue when he could have accomplished the same thing by increasing landing fees and user charges at airports for the major air carriers?

Mr. Speaker: The Chair will allow the minister to reply briefly, but it seems to me that a question asked in this way is argument rather than a question. The hon. member for Vegreville.

PROPOSED PASSENGER HEAD TAX—REQUEST FOR POSTPONEMENT OF IMPLEMENTATION

Mr. Don Mazankowski (Vegreville): Mr. Speaker, I wish to direct a further question to the Minister of Transport. I wonder whether in view of the obvious haste and clumsiness with which the minister has proceeded in this particular—

Mr. Speaker: Order, please. The hon. member has been recognized for the purpose of asking a question, and I think he should ask his question. There is just one minute left before the end of the question period.

Mr. Mazankowski: Mr. Speaker, in view of the administrative unworkability of the proposed head tax, which has been attested to by the domestic carriers and now by the international carriers, would the minister now consider postponing application of the head tax until full consultation has been had with both domestic and international air carriers?

[*Translation*]

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, the department's opinion is obviously that it is

possible to administer this tax in an efficient manner. If by any chance it should become impossible to do so, or if it became clear that we cannot administer it, we would then reconsider the matter.

[*English*]

Mr. MacKay: Mr. Speaker, I raise a very brief point of order so as not to rob the question period of further time. I wonder if the minister might be permitted at the conclusion of the question period to return to motions to make a short statement in order to clarify this situation in view of the very serious consequences.

Mr. Speaker: I will inquire about that shortly.

* * *

EXTERNAL AFFAIRS

GARRISON WATER DIVERSION PROJECT, NORTH DAKOTA—REPLY TO CANADIAN REPRESENTATIONS

Mr. Jack Murta (Lisgar): Mr. Speaker, I wish to direct a question to the Secretary of State for External Affairs in regard to the building of the proposed Garrison Dam project in the United States and its far-reaching implications for Manitoba and part of Saskatchewan. Is the project continuing at the present time, and has the government received any word from the United States in reply to its protest against further work being carried out on the project?

Hon. Mitchell Sharp (Secretary of State for External Affairs): As the House knows, Mr. Speaker, we have requested a moratorium on further construction until such time as the authorities of the two countries can reach an understanding that Canadian rights and interests have been fully protected. We have not yet had a response to our note.

Mr. Speaker: The Chair will recognize the hon. member for Lisgar on a supplementary. Then I will inquire whether there is unanimous consent to return to motions and, if there is not, will call orders of the day.

Mr. Murta: Mr. Speaker, I would like to ask the Secretary of State for External Affairs whether he can assure the House, and more particularly the people of Manitoba and of the area affected in Saskatchewan, whether or not the federal government will keep pressing for a moratorium so far as the building and completion of this dam is concerned?

Mr. Sharp: Yes, Mr. Speaker.

Mr. Dinsdale: As a supplementary—

Mr. Speaker: Order, please. There are a number of members seeking to ask supplementaries and additional questions. We have gone about three minutes beyond the question period. I am agreeable to having more questions but this can only be done if there is unanimous consent to continue with the question period.

Some hon. Members: No.

[Mr. Marchand (Langelier).]

Mr. Speaker: Obviously there is not unanimous consent. Earlier a suggestion was made by the hon. member for Central Nova and I will now inquire whether the Minister of Transport wishes to return to motions to make a statement. I gather there is not unanimity on this either.

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Bell: Mr. Speaker, I have a question for the government House leader. Appreciating fully that there are still sincere and last minute negotiations taking place between leaders of all parties that might affect next week and our plans with respect thereto, may I ask the government House leader if he will now, or certainly tomorrow, establish the order of business in the usual way on the basis that we might unfortunately still be here next week?

Mr. MacEachen: I agree that—

Mr. Nowlan: You have both Grinch and Scrooge over there.

Mr. MacEachen: They are on both sides of the House.

Mr. Nowlan: No, Grinch is over there.

Mr. MacEachen: Mr. Speaker, I agree that we are trying to work out some satisfactory solution in order to complete the business of the House in an orderly way. If that falls down, the procedure would be to continue with the election expenses bill and then take the export tax measure. However, that could also be subject to further discussion.

Mr. Speaker: Orders of the day.

Mr. Reynolds: Mr. Speaker, I rise on a point of order based on the question asked by the hon. member for Vancouver-Kingsway of the Minister of Finance. I notice that the Food Prices Review Board released its report in Montreal this afternoon and not to members of parliament, yet one of the members of the House has been quoting from that report. I wonder which government department, if any, leaked the report to one of the government members, namely, the hon. member for Vancouver Kingsway, before other members got it?

An hon. Member: The hon. member for St. John's East had it first.

Mr. Speaker: I doubt whether that is a point of order. It is rather more like a question and there does not appear to be an answer forthcoming. Perhaps hon. members might discuss between themselves what happened, if anything. Orders of the day.

• (1600)

GOVERNMENT ORDERS

[*English*]

ELECTION EXPENSES

PROVISION OF PAYMENTS TO CANDIDATES AND REIMBURSEMENT OF PARTIES FOR CERTAIN BROADCASTING TIME

The House resumed, from Wednesday, December 19, consideration of Bill C-203, to amend the Canada Elections Act, the Broadcasting Act and the Income Tax Act in respect of election expenses, as reported (with amendments) from the Standing Committee on Privileges and Elections; motion No. 7 (Mr. Rodriguez) and motions Nos. 17 and 31 (Mr. Benjamin).

Mr. Benjamin: Mr. Speaker, I rise on a point of order. I ask your indulgence to consider motion No. 27, which appears in my name, as being withdrawn. Since it duplicates another motion, there is no purpose in its being on the order paper.

Mr. Speaker: Is there unanimous consent to allow the hon. member to withdraw his motion?

Some hon. Members: Agreed.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, the motion has not been moved. I do not see why it requires unanimous consent to remove it from the order paper.

Mr. Speaker: Order, please. Perhaps the solution would be to wait until we reach that item of business, after which we might have the usual interesting procedural debate on such matters. The hon. member for Skeena (Mr. Howard) had the floor and still has the floor.

Mr. Frank Howard (Skeena): Mr. Speaker, yesterday at the commencement of consideration of this bill the Minister of Transport (Mr. Marchand) raised a question of privilege with respect to something I had said earlier in the debate. Since the Minister of Transport raised the matter I have had the opportunity to look at what he said and at what *Hansard* reported me as saying. I understand that the minister had an objection to the following words used by me, or the implication of them. I am quoting now from page 8908 of yesterday's *Hansard*, where the minister quoted the following:

> On the one hand, he was giving out $6 million to IBM and the next day he went knocking on their door saying, "I am collecting funds for the Liberal Party."

That was the end of the quotation. What occurred, obviously, was the statement I made it was a figurative or pictorial statement and not a literal declaration that the minister himself went personally as a fund collector to IBM, to Noranda or Gaspé Copper, I think it was, or any of the other companies which received grants under his name. In fact, I know the minister made the declaration that he at no time collected any money on an earlier occasion when the right hon. member for Prince Albert (Mr. Diefenbaker) made reference to a letter that went out over the minister's signature, when he was minister of regional economic expansion, and invited people to a cocktail party partly for the purpose of cocktailing and partly for the purpose of fund raising.

I do, even though I was speaking figuratively, extend to the minister my apologies for the implication in that remark, or what he drew from it, that he went personally as a fund collector. That was not the intent of what I was getting at. What in fact I was getting at was the simple question of a conflict of interest. I will say that. If the minister so desires, I will say it outside the House so that he can proceed with a court case. I thought then, and I think now, that there was a serious conflict of interest involved in the minister of regional economic expansion being in the position of making gifts, or grants in aid to corporations which applied for them pursuant to a statute of the Parliament of Canada while at the same time he was one of two co-chairmen of the national campaign committee of the Liberal Party. That is the conflict of interest.

I see the minister is leaving, so he obviously is not interested in my going any further into that matter. Apart from the fact that many of the companies which received grants under the Department of Regional Economic Expansion while the minister was then minister of the department attended a fund raising dinner in Toronto at which the Prime Minister (Mr. Trudeau) spoke, I am sure the minister did not himself collect any money. I accept his statement on that matter, but he sure had a great deal of conflict of interest involved.

If the minister would like to sue me for saying that he did have a conflict of interest, that there was a conflict between being minister and making gifts of money to corporations while he was chairman of the national campaign committee of the Liberal Party, I will gladly make that statement outside the House and see the minister in court, if that is what he wants. He obviously does not, because he knows the truth of and the implications behind what I am saying.

Apart from that, I think the subamendment that is before us should commend itself to hon. members. I will not read it word for word because if I did I would have to make sure I got all the commas in the right places. What it says is that in so far as individual persons are concerned, they can only make contributions to a political party—there is another section of the act that says they have to be the beneficial owner of that money—or to candidates if they are Canadian citizens or people with landed immigrant status, which is entry into Canada pursuant to statute of parliament; in other words, being here in a legal way. With respect to corporations, it says quite succinctly and clearly that only corporations which are Canadian owned—and it uses percentage figures for what "Canadian ownership" means—and corporations which are not effectively controlled by a foreign group or individual in another land can make contributions to political parties or candidates.

It says that trade unions, only if they are Canadian, can make contributions to political parties or candidates, and that associations or organizations—these are all groups and classes set out in that clause of the bill—can only make contributions if they are organized and chartered as such pursuant to the law of the province.

Mr. Horner (Crowfoot): Would the hon. member permit a question?

Mr. Howard: Mr. Speaker, I would be more than pleased to accommodate the hon. member for Crowfoot (Mr. Horner).

Mr. Horner (Crowfoot): Mr. Speaker, could the hon. member explain to the House how one could accurately, from day to day, determine whether a company is more than 10 per cent owned by a foreign concern or foreign people? These shares trade every day on the market. It would be almost impossible to keep abreast of the exact percentage owned by a foreign concern.

Mr. Howard: Mr. Speaker, we manage to do it under the Bank Act and with respect to some insurance companies. Transcoastal Life was one, although I think it has since changed its name. United Investment Life was another. There are provisions in the foreign ownership bill for it. We manage to do it under other statutes, too. I am sure it would not be impossible for a corporation to make such a statement at the time it wanted to make a contribution to a political party. In any event, if it is set out in the statute, the obligation is on the group or corporations that makes the contribution to apprise itself whether it is legal to make that contribution; it is a responsibility that devolves on the particular corporation.

While we are on the subject of contributions to political parties, Mr. Speaker, a great deal has been said about the source of funds of the New Democratic Party especially as it relates to the trade union movement. Let me set it out for you, if I can, without quoting chapter and verse from our constitution. There is provision within the constitution of the New Democratic Party, as there was in the CCF as well, under which any economic or other group that wants to in Canada, but not outside Canada, can make the decision of its own volition to affiliate its members who so desire with the New Democratic Party. It agrees to pay an affiliation fee of 60 cents per year, five cents per month, for each member of the organization who may want to affiliate. That organization is then an affiliate member of the New Democratic Party. Some trade unions located in Canada have made that decision. Some I know, some I do not. Of those I know, the decision was made in Canada by members of the union who are Canadians. They pay dues to that organization. The decision is made in a democratic way; someone moves a motion, it is debated and there is a vote. There is provision for people to opt out of paying the five cents per month affiliation fee.

● (1610)

The entire mechanism of the decision-making is within Canada. It is made by members of organizations within Canada, not outside. As far as I know, there is in fact a prohibition; there is no mechanism within the NDP whereby organizations outside this country can establish a relationship of that nature with our party.

What we want to do is spell out in the law that if the Teamsters Union, for the sake of argument, wants to make a donation to the Liberal Party, it should do so within Canada. The same should apply to any other union or organization. In the subamendment we want to see this

apply to corporations. We tried to define that a corporation shall be not less than 50 per cent Canadian owned in order to meet the criteria established by law for being classified as a Canadian corporation which is entitled to have some influence on the political process in this country.

What we disagree with most strenuously is the practice, to the extent that it exists, or the possibility of forces and elements outside Canada paying the bills for candidates running for election in order to represent Canadian interests. They already dominate our economy. Through that economic domination they have an undue, disproportionate influence on our social values and our social and educational systems. They should not be permitted to have an influence on our political system.

We deny to all except Canadian citizens the right to vote for members of parliament. We have removed the last exemption which applied to British subjects; that exemption will cease some time in 1975. The last exemption has been removed from the Elections Act. There must be the "you don't change the goalposts in the middle of the game" concept. There must be recognition of the fact that certain rules were established and existed at a certain point in time. In any event, those people could not become Canadian citizens for five years because that is what the law says. There was a five-year tolerance period beyond the last amendment in 1970. To all intents and purposes, only Canadian citizens will be able to vote in Canadian elections to elect members to this chamber. A companion to that should be the provision that only Canadian money from Canadian sources can be used.

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member, but the time allotted to him has expired.

Mr. Rod Blaker (Lachine-Lakeshore): Mr. Speaker, I rise to speak to motions Nos. 7, 17 and 31 of the election expenses bill. I have a particular interest in these motions since during the committee I prepared motions with a similar intent. After giving due consideration to the mechanisms and intentions involved, I eventually withdrew my motions. These three motions and the amending motion which came up yesterday are obviously an attempt to keep Canadian elections politically financed by Canadians whether they be individuals, trade unions, organizations or whatever.

The original three motions which refer to registered parties and candidates in terms of donations and expenses all read the same provided, however, that all such money shall be in Canadian funds and collected from Canadian sources. There is not much reference to "Canadian sources" which was debated in the House yesterday. The term "sources" was not sufficiently clear. I find that the amending definition of the word "sources" is not much improved. The suggestion was made to remove the word "sources" and replace it with the following:

> "citizens, persons with landed immigrant status, corporations which have no less than 50 per cent of their voting stock owned by Canadian citizens and not more than 10 per cent of their voting stock owned by any foreign group or person, trade unions which are located in Canada, and associations or organizations"

I have some difficulty, as was expressed by the hon. member for Crowfoot (Mr. Horner), understanding how

we could keep a day-to-day record of the percentile ownership of Canadian corporations. We currently do this in terms of corporation returns and the Income Tax Act, but I do not know whether it would be a workable concept in terms of an election which could be called mid-year or at any other time. In addition, I am not happy with the expression "trade unions located in Canada". The word "located" does not seem to be particularly suitable when talking about Canadian identity. It would be possible, I think, for trade unions whose essential characteristics in some way relate to foreign trade unions to qualify under this amendment and be capable of making contributions.

We really have not gotten around the problem which I believe is intended to be resolved by this particular amendment. There is a different solution, one which I listened to with a great deal of attention when it was originally proposed in committee. As the bill now stands, it will provide in the order of $25,000 to $30,000 per candidate in the average riding. It will provide for the declaration of donors to registered parties. It will remove the anonymity of donors of amounts over $100. I suggest there is an alternative method by which interference in the Canadian political situation can be reduced. That is publicity. In the first instance, the bill clearly and extensively provides for information with respect to donations to registered parties and/or candidates and provides, as well, for publication of those amounts. I think it quite likely that the four parties now in the House, or any parties as they are currently registered, would be the first to make a great deal of noise to the news media. The news media would be willing to carry stories where contributions are, in fact, made by non-Canadian residents whether corporate, trade unions or individuals.

In the final analysis, rather than attempt to provide legal definitions covering who will have the right to make a donation, it would probably be better to rely on our opposition parties. I think we should rely on all the parties to act as watchdogs for one another in terms of relations of this kind.

● (1620)

As one of the members of the committee, I want to thank all members for the co-operation shown, irrespective of party. A tremendous amount of work and time was put in. As the President of the Privy Council (Mr. MacEachen) mentioned the other day, this really is a committee bill, the result of an input to which everyone contributed, and I believe it will have a substantial effect upon Canadian elections in the future.

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, I do not wish to take the time of the House for long on this subject, but we are dealing here with a very important subamendment; it is not one we can gloss over lightly. I should like to congratulate the mover of the subamendment which in my view deserves to be given serious consideration. It represents a sensible change, one which seeks to introduce a definition which is clearly necessary if the purpose of the legislation is to be achieved.

I wish to comment on the remarks made by the hon. member for Mississauga (Mr. Blenkarn) who spoke on the subamendment yesterday. In the course of his speech the hon. member said, referring to the amendments:

> I suggest they represent a deathbed repentance on the part of the NDP. Suddenly they realized their total source of funding had been the international unions.

Both those statements are blatantly false and I think it proper that someone should rise to challenge that kind of sheer nonsense. The fact is, there has been no deathbed repentance but, rather, a serious attempt to improve this bill. And if there were a deathbed repentance, it is better to have some measure of repentance than none at all—and members of the Conservative party obviously do not intend to repent.

Mr. Horner (Crowfoot): We have nothing to repent for. We do not take money from international unions.

Mr. Leggatt: They certainly do not want to lose the funds which have been flowing to them in the past from the United States and which can continue to flow under the bill as presently drafted, the only difference being that disclosure would now be required. However, people like ITT will not let that stand in the way of supporting their political friends, I am sure. It is patent nonsense to say our major source of funding has been the international unions. In the New Democratic Party, funding for local campaigns comes almost 100 per cent from the local people. That is the difference between the NDP and the Liberals or the Conservatives.

The hon. member for Victoria (Mr. McKinnon) referred to a paper by Dr. Paltiel who made a careful analysis of the sources of political funds contributed to the various political parties. He pointed out, correctly, that a great deal of the money spent on the national campaign of the NDP comes from the unions. That has never been hidden.

Mr. Horner (Crowfoot): International unions, too.

Mr. Leggatt: But the hon. member failed to tell us that in the same paper Dr. Paltiel had this to say:

> In contrast to the major parties, the NDP is financed from the bottom up with both individual and affiliated (trade union) membership fees being paid jointly to the provincial and federal parties.

This is the second difference which the hon. member for Victoria failed to acknowledge: the NDP is financed from the bottom up, while the Liberal and the Conservative parties are financed from the top down.

Mr. Horner (Crowfoot): That is wrong.

Mr. Leggatt: Well, the hon. member will have to argue that with Dr. Khayyam Z. Paltiel who seems to have done a great deal of study on this subject.

Mr. Horner (Crowfoot): Well, he is not an authority on the party to which I belong.

Mr. Leggatt: When he spoke yesterday, the hon. member for Mississauga said that seven members from the New Democratic Party had spoken on this issue during the day, implying that somehow there was an attempt being made to frustrate the wishes of parliament in connection with this legislation.

Mr. Horner (Crowfoot): Not "implying"; it was a statement.

Mr. Leggatt: On the contrary, it represented a serious attempt to improve one of the most important provisions of the bill, and I understand that these efforts have the support of the entire caucus.

Mr. Horner (Crowfoot): Your leader is not here.

Mr. Leggatt: I make no apology for rising to support not only the amendment but also the subamendment, which makes a significant contribution to the improvement of this legislation.

Mr. Deputy Speaker: The question is on the amendment proposed by Mr. Barnett, seconded by Mr. Knight. Is it the pleasure of the House to adopt the said motion?

Some hon. Members: No.

Mr. Deputy Speaker: All those in favour of the said amendment will please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the nays have it.

And more than five members having risen:

Mr. Deputy Speaker: The division or divisions will be held at a subsequent time.

We shall now proceed to a group of motions, Nos. 8, 9, 10 and 11. The hon. member for Skeena (Mr. Howard) moves:

No. 8.

That Bill C-203, an act to amend the Canadian Elections Act, the Broadcasting Act and the Income Tax Act in respect of election expenses, be amended by deleting the words "thirty cents" in section 13.2(1) of subclause 4(1) and substituting therefor the following: "fifteen cents".

● (1630)

The second motion is moved by the hon. member for Comox-Alberni (Mr. Barnett), the third motion is moved by the hon. member for Greenwood (Mr. Brewin) and the fourth motion is moved by the hon. member for Timiskaming (Mr. Peters).

No. 9.

That Bill C-203, an act to amend the Canada Elections Act, the Broadcasting Act and the Income Tax Act in respect of election expenses, be amended by deleting the words "thirty cents" where they appear in section 13.2(1) of sub-clause 4(1) and substituting therefor the following:

"twenty cents".

No. 10.

That Bill C-203, an act to amend the Canada Elections Act, the Broadcasting Act and the Income Tax Act in respect of election expenses, be amended by deleting the words "thirty cents" where they appear in section 13.2(1) of sub-clause 4(1) and substituting therefor the following:

"twenty cents".

No. 11.

That Bill C-203, an act to amend the Canada Elections Act, the Broadcasting Act and the Income Tax Act in respect of election expenses, be amended by deleting the words "thirty cents" where they appear in section 13.2(1) of sub-clause 4(1) and substituting therefor the following:

"twenty-five cents".

[Mr. Horner (Crowfoot).]

Before recognizing the hon. member for Skeena (Mr. Howard), we are faced with three different sums, and I think if any divisions are called the first positive division would mean that any subsequent motion concerning these figures would not be put by the Chair. This would arise on the day the recorded divisions are held.

Mr. Frank Howard (Skeena): Mr. Speaker, perhaps I might put this in context since there are a number of amendments dealing with different values. Basically, the bill contains the provision in section 13.2(1) that in order to determine what would be the limitation on expenditures made by a registered party, as distinct from a candidate's expenditures in a constituency, you multiply by 30 cents the number of names appearing for each registered party on the preliminary list of voters for all electoral districts within which that registered party is running candidates. The limitation on expenditure for a registered party may well vary from party to party, depending on how many candidates each party runs in an election.

To arrive at a very rough determination I think we should use the maximum figure, because that is the number that may well be attained. In other words, in finding out what this means one should take into account the possibility that a registered party will run a full slate of candidates. At the moment, without any alteration in the system of redistribution, there are 264 constituencies.

If I may look to the next election, there would be something in the neighbourhood of 14 million registered voters in all of Canada. The point reached in the last federal election was 13 million and some hundred thousand, I forget the exact figure. However, with the increase in population and as a result of new people coming to Canada as immigrants, I am sure 14 million registered voters will be the minimum. Multiplying 14 million by 30 cents as proposed in the bill brings us to the sum of $4.2 million, and this is the amount that must not be exceeded by a registered party running candidates in all constituencies. This is the limit on the amount it may spend for the purpose of conducting an election. To appreciate more fully what this means, we must refer to the definition of election expenses with which we dealt briefly the other day. This matter was cleared up specifically in the committee when the government moved an amendment as incorporated in subclause (1.1) on page 9 of the bill.

A registered party may expend money in addition to the $4.2 million. This additional money is in respect of contributions or gifts made by or on behalf of a registered party for the use of candidates at an election. In other words, if a registered party wants to make a donation or contribution—this is standard practice in some parties—from its central fund to one of its candidates in a federal district, this contribution or gift is not included in the computation of the 30 cents times the maximum number of voters. Therefore, in addition to the $4.2 million limitation arrived at by this provision, there are the amounts that a registered party may donate to its candidates running in ridings throughout the country. This amount will vary, I am sure, depending on the assessment made by the registered party of the chances of their candidate for any given seat.

For example, I am sure that a registered party would look at a particular seat and assess its chances. It might have a good chance of winning the seat, or perhaps it won the seat last time but by a narrow margin, and so it would decide to put in some additional money to assist its candidate. Or there might be another constituency in which the party would not appear to have the ghost of a chance because traditionally it has elected the member of another party. Therefore its contribution would be minimal or nil, or at any rate token. But whatever the aggregate of the gifts to candidates in electoral districts, they are in addition to the $4.2 million maximum.

According to Professor Paltiel, a rough average for both the old-line parties, the Liberals and Conservatives, is $5,000. Multiplying that $5,000 by 264 candidates gives you an additional $1.3 million. So that for a national party's expenditure we are really talking in terms of $5.5 million as the effective limitation imposed by this provision. Another provision of the bill puts a limitation on the amount that a candidate in a constituency can spend. This limitation fluctuates, depending on how many voters are in the constituency, and there is a formula for this further on in the bill.

Putting the limitation of 30 cents per name at the national registered party level together with the limitation imposed on expenditures in constituencies, you arrive at an approximate limitation—it will vary according to how many registered voters there are—of something in the order of $11 million for a registered party and its candidates for the conduct of a national election. The total is $11 million, of which $4.2 million is to be for direct campaign expenses at the registered party level.

• (1640)

You will notice, Mr. Speaker, that three figures have been mentioned in the motions moved—15 cents, which is half the proposed limitation, 20 cents and 25 cents. I hope the House will vote on these motions beginning with the motion asking for 15 cents. I hope one of these motions will pass, for obvious reasons. The purpose of the motions is to cut down the anticipated limitation contained in this clause of the bill. I put it that way because I submit that, in any factual sense, the limitation proposed in the bill is no limitation at all as the amount which can be spent at present is about 2½ times the amount spent in 1972 when a peak was reached, I believe.

We are indebted to Professor Paltiel for the analysis made of campaign spending. The professor is the only person currently analysing political party finances. That was done in 1970, and has again been done in the paper from which I shall quote. So far as I know, this is the only current material which puts these facts together. As mentioned earlier, this material was obtained as a result of extensive conversations with representatives of the various political parties.

I wish to refer to parts of this material. First, in table 1 of the paper, on page 8a, there are listed Liberal national headquarters' expenses for the 1965, 1968 and 1972 campaigns. Expenditures are broken down into ten categories: radio time, television time, print media, other advertising agency costs, printed and other material, leader's tour, other travel, surveys, administration, and something called "other expenses" which includes a sum of $15,000 for the campaign directed at first-time voters; in other words, at those presumably who had reached voting age in 1972. These expenses total $1,321,989. Call it $1½ million in round figures.

According to my calculations, the present limitations under the bill would permit expenditures about three times that size. Those limitations would not limit Liberal Party activities. In assessing and analysing the meaning of those expenditures, Professor Paltiel says:

> The most significant change in the 1972 campaign was the sharp increase in spending on the broadcasting media—

The significance of that I will touch on in a moment.

> —and the employment of sophisticated computerized direct mail techniques as well as on surveys of various types.

Surveys of various types did not figure as items of expenditure in 1965 and 1968, although they did so figure in 1972 inasmuch as $75,000 was spent under that heading. More than twice as much was spent in 1972 on television time, $460,000 having been spent then as compared with $200,000 in 1968. In addition, nearly $100,000 was spent on radio. Let me point out that the bill provides for a refund of 50 per cent of moneys spent on radio and television. As I said, the limitation of $4.2 million is about 2½ times what the Liberal Party spent last year. The party will be able to double its expenditure on radio and television and the extra time will not cost it a penny because it will get half the money back from the public purse. So instead of spending roughly half a million dollars, it can spend one million and be subsidized for half its expenditure out of the public purse.

Professor Paltiel suggests that the picture regarding campaign spending needs to be completed. That is significant. We are now talking about campaign expenses or, rather, about those campaign expenses incurred in the period following the issuance of the writ, up to polling day. We are talking about approximately 58 days, depending on when the election is announced, and about an expenditure of $4.2 million. Professor Paltiel suggests that somehow or other Liberal Party headquarters—perhaps the news is borne on the breezes of the air—manages to learn in advance of events when the election writ is to be issued. That, at any rate, is the implication of Professor Paltiel's words as follows:

> To complete the picture of Liberal Party finances in the last campaign some attention must be paid to the ongoing inter-election and sustaining expenses of the party in the period just prior and just after the election. In 1969 the cost of maintaining national headquarters amounted to $363,000. This sum has remained fairly stable but rose by about 25 per cent in the period just prior to the issuance of the writ of dissolution and the launching of the campaign in 1972.

So in addition to being able to spend $4.2 million, the figure suggested in the bill, which is 2½ times what the Liberal Party spent the last time, that party—because of some connection that enables it to gather information which is available to nobody else—will undoubtedly be able to spend more at national headquarters just prior to the issuance of the writ and gain whatever advantages flow from that. So in considering that $4.2 million limitation, which as I said represents a figure almost three times greater than that spent by the party in 1972 when its expenditures reached a peak, we must conclude that the

limitation is a farce. It is not any limitation. We could cut the 30-cent figure in half, to 15 cents, and still have enough to fight a manageable election campaign. Of course, I am now referring to the extravagant parties which form the government and the official opposition.

I mention the official opposition because it comes next in Professor Paltiel's examination. The source of the information, according to Professor Paltiel, is a letter from Mr. Finlay MacDonald, national campaign chairman of the Progressive Conservative party of Canada, to the author, dated August 7, 1973. He lists these expenditures similarly as he did in respect of the Liberal Party, which include radio advertising, television advertising, printed material, other expenses, leader's tour and administrative expenses. He sets them apart as separate items, which is significant in light of the example I quoted in section 1.1 which says that the amount contributed by a registered party to its constituency candidates is not included in the limitation. So he includes there a special item for the Conservative Party.

● (1650)

It is true it comprises provincial allotments, meaning gifts to the provincial section of the party, including money paid to constituents. I assume it could all go to a constituency. However, that amount goes from the national headquarters of the Progressive Conservative Party for the conduct of management, the leadership tour, national campaign, donations and contributions in provincial sections and areas. That amount of money was $1,748,165.31. I might as well include the 31 cents. The expenditure, including that of $1.7 million, of the Conservative Party in that campaign was $4,152,321.

By deducting from that the amount donated to constituencies and provincial areas, we arrive at an expenditure of $2.4 million. Again, the limitation of 30 cents times voters insofar as the Progressive Conservative Party is concerned establishes a limitation of about twice the amount that that party expended in the last federal election. We must remember that in the last federal election of 1972 the fortunes of the Conservative Party were moving upward.

An hon. Member: Still are.

An hon. Member: That is what you think.

Mr. Howard: My friend can express whatever hope he likes. I am talking about the fortunes of his party. They were moving upward and had reached a peak. If the hope of the hon. gentleman from the Conservative Party is correct and the fortunes of his party are still moving upward, then they will have a very long way to go before they reach the limitation in this bill, because the limitation means nothing to an expenditure of that nature by that party. There was no difficulty in raising funds. He goes on to say this about the Conservative Party:

> —the Conservative campaign is highly centralized with campaign operations tightly controlled by headquarters personnel—

When I read that I wonder where the hon. gentleman yesterday got the gall to say I belonged to a party that was centralized. The Conservative Party is highly centralized, with campaign operations tightly controlled by headquarters' personnel using such devices as a countrywide telephone. In the statement I have here there is reference to "WATS-line". I do not know the technological terminology for that. It is a central control system, in any event. It is the Big Brother concept. It is clear that the party has somewhat greater difficulty in raising funds for between election periods as distinct from election periods. The Statement continues:

> Moreover, the present minority government situation which prompts parties to maintain a "war footing" presents some hardships to a party which has "no adequate steady flow of interim financing" and lacks the perquisites of the party in office. However, such inter-election costs cannot falll short of $350,000 for a party like the Progressive Conservative.

He refers to the maintenance of a continual war footing basis. We do the same in the NDP. The expenditure that might be directed toward the national campaign are already taking place. As each period of time approaches when we might be faced with an election, as happens from time to time in this parliament, the intensity of activity within the respective national and provincial headquarters of the party builds up. There is an expectation of an election to take place. Perhaps it might be at the time of the Throne Speech, on the budget or on something else. However, every time that expectation and fervour increases around here, the message goes out to the national headquarters of the party, "This may be it: Get ready". So the potential expenditure of money by the Conservative Party relating to the campaign increases in the period prior to whenever the writ may be issued, so it cannot be computed in terms of election expenses.

I turn now to NDP campaign financing because we will come under this. Professor Paltiel says:

> Manifestly, the two old—

I enjoy that adjective.

> —major Canadian parties were amply supplied with monetary resources in the 1972 campaign and to a degree the New Democratic Party as well experienced a sizeable gain in revenues and spending at the federal office level in the 1972 campaign.

We certainly did. We overwhelmed ourselves, Mr. Speaker. I think we spent $370,000 out of our national headquarters, an undreamed of amount for the conduct of an election campaign by a people's party which receives its funds from individual citizens, small groups and people in the community. My hon. friend from New Westminster (Mr. Leggatt) pointed out that as a grassroots party we are financed from the community level up to the top and not from the top down to the bottom which is the case in respect of the Liberals and the Conservatives.

Mr. Deputy Speaker: Order, please. Perhaps it might be convenient to agree that it is five o'clock.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Mississauga (Mr. Blenkarn)—Post Office—Time taken for special delivery letter mailed in Regina to reach Mississauga—Request for explanation; the hon. member for Fraser Valley West (Mr. Rose)—Youth—Alleged abandonment of programs—Request for statement.

It being five o'clock p.m., the House will now proceed to the consideration of private members' business as listed on today's order paper. I recognize the Parliamentary Secretary to the President of the Privy Council (Mr. Reid) on a point of order.

Mr. Reid: Mr. Speaker, there have been discussions through the usual channels. I think there would be agreement to consider item 46 under private members' notices of motions instead of the business set down for today which would have been notices of motions (papers).

Mr. Howard: Mr. Speaker, could I ask on what page the motion appears to which the hon. member is referring?

Mr. Reid: Page 48 in Monday's order paper.

Mr. Deputy Speaker: The suggestion is that we consider Motion No. 46 in the name of the hon. member for York East (Mr. Arrol). This would require unanimous consent because it would mean dispensing with private bills, notices of motions (papers) and public bills. Is it agreed that this course of action be followed and that motion No. 46 be considered during private members' hour?

Some hon. Members: Agreed.

PRIVATE MEMBERS' MOTIONS

[*English*]

POLLUTION

PROPOSED STUDY OF PROBLEMS OF INDUSTRY CONCERNING DEVELOPMENT AND IMPLEMENTATION OF ANTI-POLLUTION DEVICES

Mr. Ian Arrol (York East) moved:

That, in the opinion of this House, the government should consider the advisability of commissioning a special study, in co-operation with the provinces, to investigate the problems of Canadian industry concerning the development and inplementation of anti-pollution devices.

He said: Mr. Speaker the voice of the environmentalist has scarcely been heard in this House and in the land in the last days of this year. Concern is still felt by many, but the voice of the environmentalist has currently been lost in the tumult of louder voices raised in alarm throughout

the industrial world that we may not have adequate energy resources. So anxious have we been to maintain the materialistic idea of ever-increasing production that we tend to forget the price paid in ever-increasing pollution.

I suggest it is fitting at this season of Christmas, on the threshold of the new year, that we pause to think of the future of Canada, not only as a nation that could with its still unexploited and unexplored energy riches be among the first nations of the world industrially but as a nation that could be among the first nations of the world in developing the anti-pollution and environmental controls which must be developed if the world is not to choke in its wastes. Some beginnings have been made by the federal government such as the Clean Air Act, the Canada Water Act, amendments to the Canada Shipping Act regarding marine pollution, and others. But the board to be established under the energy supplies emergency bill could destroy the purpose toward which we have been working. This board will have the right to make regulations that will take away the effect of all our environmental laws already in existence. This is another reason for the caution that has been expressed on this side of the House about the powers being given under the proposed bill.

● (1700)

The effects of industry on our environment, even in this new land of ours, are noticeable, especially among our mining areas, forestry areas, hydro electric developments, and areas where gas and oil resources are found. But in the tumult over the energy crisis is responsibility to be disregarded? What about the active co-operation with the provinces and the United States that was the cry in the land a few months ago?

Pollution knows no boundaries. Concern must be expressed, felt and acted upon at all levels. Through the measure I propose, once again we would activate that concern and we would co-operate with such bodies as the ministry of the environment in Ontario and make certain, through the combined power of the provinces and the federal government, that legislation that all concerned people agree should be passed for our future will be passed through such co-operation. While so many nations have a past that corrupts their future, the future of Canada is still to be achieved in our own terms. No matter the mistakes of the past, the future is as broad and uncorrupted as is most of the land. We in this land are masters of our own destiny. What is to be is what we choose to make it.

So I hope for the support of all parties in the House for my modest proposal that in the opinion of this House the government should consider the advisability of commissioning a special study in co-operation with the provinces to investigate the problems of Canadian industry concerning the development and implementation of anti-pollution devices. Canada, unique among most of the modern nations, has adequate energy resources and a unique responsibility to use them well so that generations ahead can say "well done". Otherwise, we will be cursed for corrupting our heritage.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I should like to congratulate the hon. member on the motion he has brought forward. It is very timely and I am sure

concerns Canadians in all walks of life. As the hon. member has indicated, what concerns us particularly is the need for pollution controls that will take into consideration the present emergency with regard to all forms of energy and the difficulties that have been created by the inability of the government or industry in general to provide proper pollution controls.

It is interesting to note that a new automobile built according to 1975 pollution control standards has a considerably reduced mileage per gallon of gas and at the same time the pollution control device installed on the car has a short lifespan. I have heard—and I think that the minister responsible for the National Research Council should have taken a look at the effects of pollution control—that some of the imported cars will have a catalystic pollution control unit using a totally different type of catalyst. It has been indicated by the Nader organization in the United States that the emissions from those catalysts might be much more toxic and noxious than the gases that are currently being emitted by our automobiles.

It seems to me that the government should have provided pollution controls long ago to reduce toxic automobile emissions and at the same time maintained a degree of efficiency in the conservation of one of our major fuel sources. This could be easily accomplished, of course, by reducing the size of automobile engines. The other day I was in one of the oil capitals of Canada where I was offered a ride in a 1974 General Motors half ton truck. I was interested to find that the truck had a 455 horsepower engine and that the mileage the driver got from that brand new truck, which had about 1,500 miles on it, was only eight miles to the gallon. He is getting eight miles to the gallon and the control devices on the truck reduce pollution by 50 per cent. It would seem to be very simple arithmetic that if we went back to the 65 horsepower motors we had in the late 1950's the driver could probably get 30 miles to the gallon from that vehicle.

● (1710)

It seems to me we have been ridiculous in the demands we have made which have almost eliminated any efficiency that could be obtained through normal type of engine development for vehicular traffic. At the same time, Mr. Speaker, the efficiency of pollution devices is of very short duration. What really concerns me, however, is that recently the Minister of Transport and Communications for the province of Ontario publicly recommended that people remove pollution control devices from their automobiles in order to conserve gasoline. I hope that will not be the solution. I agree with the previous speaker that it is absolutely essential that we continue to control pollution in Canada.

One of the greatest pollutants, of course, is the automobile internal combustion engine. I believe that if we really put our minds to it and utilize the resources of the National Research Council to develop proper controls we would be able to eleminate efficiently more of the pollution that takes place.

Until recently on the North American continent it was difficult to believe that pollutants, which are by-products of basic production in the woodworking industry, mining and smelting or a by-product of urbanization, with garbage being a great problem, are in themselves almost as valuable as the basic commodity which in the first place emitted the pollutant. For years in the Sudbury district the emphasis was on employing people in mining nickel and smelting the raw material in that area at as cheap a rate as possible. For miles around, and particularly throughout Blizzard Valley, crops were destroyed annually. As the public began to mount opposition and as the government became more and more involved in lawsuits, steps were taken to make it mandatory that Inco eliminate as much sulphur pollution as possible. That sulphur in itself has now become a valuable by-product. Thousands and thousands of tons of sulphuric acid are now exported from the Sudbury area.

The same is true of almost any pollutant. Rather than disseminating it through the air, in water or into the land it can be developed into a valuable product. One of our greatest future assets in heating cities like Toronto and Montreal will be the separation of bio-degradable waste from cans, bottles and other reclaimable items in garbage. Already this is being used to create energy in certain areas, and the sale of that energy from waste will probably pay for the handling process.

As Canadians and people throughout, the world become more and more concerned about the pollution problem I believe that economic uses will be found for pollutants and that they will become a valuable new resource for development by secondary industry. Here I think of the steps already taken in countries like Japan. I can remember the Japanese efforts in their early days of waste reclamation. Our country used to be covered with tin cans, particularly oil cans. As a child I remember getting a Christmas toy and on the inside you could still see the painted name of Imperial Oil of Canada. The can had been turned inside out, manufactured into a toy and returned as a valuable commodity.

I congratulate the hon. member for York East on bringing this matter forward today. I sincerely hope that departmental officials, both in the field of science and the field of trade and commerce, will give serious consideration to providing the technical know-how to all types of industry in Canada and will undertake further research into pollution emission from automobiles so that what is now a pollutant, what is now dangerous to health, what is now dangerous to our environment can be made in itself productive and become a useful, worth-while product. If we fail to do this, then within a very short period of time not only will we have a crisis in energy but also a crisis in iron, in nickel, in food materials, in fertilizer, and in fact in all the basic resources of the country and of the world.

I believe we have the know-how to eliminate many pollutants. We have the know-how to recycle and make valuable what today are dangerous and obnoxious pollutants affecting the very life style of our people. But if we are not willing to undertake the necessary action until we reach a crisis stage we will fail many generations yet to come.

[*Translation*]

Mr. Henry Latulippe (Compton): Mr. Speaker, I am pleased to say a few words about the motion on pollution introduced by the member for York East (Mr. Arrol).

We all know what can contribute to pollution. We also know what are the means to be taken to prevent or eradicate it. Several factors contribute to pollution. Buses, for example, could surely be electrified. Buses are operating with fuel whose chemical disintegration gives rise to pollution. All buses could be electrified and would thus contribute to the removal of pollution.

Mr. Speaker, one municipality is now spending $500,000 on a lake shore in order to eliminate pollution. Meanwhile, it picks up waste, snow mixed with a lot of salt and every kind of dirt that can be found in a municipality and throws that in the very stream where people get their drinking water. It has already picked a quarrel with some company, pretexting that they were throwing wastes into a lake and polluting the water. The same municipality, having made representations before that company to eliminate pollution, has imposed penalties to it through the provincial government while the municipality itself causes pollution because it throws all its wastes into the water. And nobody worries about that.

In my view, laws and regulations should also apply to municipalities that contribute to pollution while calling for its elimination. A great many municipalities in Canada dump snow mixed with salt into streams. This contributes greatly to water pollution and is harmful to fish. All communities located on the shores of lakes surrounded by cottages and buildings where people live should have their own sewage systems. In most cases, raw sewage is dumped into waterways. To treat it would involve spending hundreds of millions of dollars everywhere in Canada. Mr. Speaker, we are always up against the same difficulty: the necessary funds are lacking.

● (1720)

At the present time, the federal government shares part of these costs with provincial and local governments. However, Mr. Speaker, this can hardly improve the situation. Indeed, the debts and taxes of rate payers are increasing and they are too high already. So that is not the solution to the problem.

To solve the problem, Mr. Speaker, as we often say in our speeches, since this is public property and aimed at helping people and getting pollution out of our waters or off the shores of our streams, funds would absolutely have to be made available at very low interest rates. Governments would have to open their eyes and ears and make funds available at very low interest rates. At present governments themselves are borrowing at 9 to 10 per cent, and municipalities at 10 to 12 per cent.

Mr. Speaker, that does not make sense. That is how municipalities become endebted, municipalities or public bodies are prevented from intervening to get rid of pollution. Mr. Speaker, we have that all across Canada. Everywhere there are projects to be carried out but we cannot do that because we do not have the necessary funds or because the debts of both municipal, provincial and federal governments are so high that nothing seems to be worth undertaking anymore.

I would have another suggestion to make to get rid of pollution. In cities we could run cars on the same sources of electric power as buses which would contribute to eliminating a lot of pollution. There is no shortage of electrical energy in any of the Canadian provinces, and especially not in Quebec. There is an abundance of it and, as the means to produce it are many, it could be used for automobile propulsion.

Now, Mr. Speaker, if governments were willing to go further, they could make available to scientists the necessary capital, at a low rate of interest, at administrative cost, and thus enable them to do research with a view to equipping cars with electrical power and making them operate on dry batteries. There certainly must exist, even now, inventions to make automobiles run on electrical power; this would eliminate pollution to a large extent. Mr. Speaker, the present oil shortage could be corrected this way.

There are a number of other means to alleviate the oil shortage. We could suggest allotting the required capital to developing new types of energy. In a few years, nearly all pollution would be eliminated in Canada. Then, in all our cities, we would live as before the advent of modern times and new technology.

We are not against technology, quite the opposite, we are for its progress, we want to make use of it. But, Mr. Speaker, we can use it without poisoning ourselves and others and without poisoning the atmosphere for the future generations and the fauna of our beautiful country.

Once again, Mr. Speaker, I thank and congratulate the hon. member who moved this motion. I am sure that other members have a lot to say and to suggest on this subject. It is all very well to make suggestions, but it is even better to put them in practice.

I urge the government, through the work of the committees for instance, to find a way to stop pollution and especially to finance these projects aimed at the welfare of the population.

[*English*]

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, with your permission I would like to take part in this debate and congratulate the hon. member for having introduced this motion. It gives us an opportunity to examine those things we have been speaking about for so long and to bring them forward in this forum where hopefully some of the devices we know about may gather the attention they deserve.

With your permission and with the permission of the mover of the motion I should like to enlarge the somewhat narrow interpretation of one word in his motion, namely, "devices". I feel that I have his permission to do so, and with your permission I would expand it to include not just an attachment to the various means of locomotion we now have or an attachment to chimneys that emit smoke but actual vehicles.

[*Translation*]

At the same time, I should like to thank the hon. member for Compton (Mr. Latulippe) who did such a good job in preparing the way for my comments. As a matter of fact, I was just thinking of using a car developed in British Columbia by engineers of the University of British Columbia and which was given a name which is very famous in those circles, that of Dr. Walter Gage. The car is now called the "Wally Wagon".

So, Mr. Speaker—

Anti-pollution Devices Study

[*English*]

The Wally Wagon was developed by the engineering faculty of the University of British Columbia precisely with this view in mind. A group of mechanical engineers, chemists, physicists and metallurgists, because of the technologies involved, designed an engine. They designed the sort of panels that would be required to develop that engine in the most economical way with the maximum utilization of every conceivable idea of anti-pollution devices. The Wally Wagon was granted a prize last year at a convention in Detroit at which there were a number of other devices and vehicles. It was given the prize for the best design and the most economical car developed from the point of view of anti-pollution devices.

● (1730)

The hon. member for Compton (Mr. Latulippe) suggested that automobiles in urban areas be run on electricity. He lives in one of the fortunate provinces, as do I, where all electricity is developed by hydro power. As hon. members know, there are parts of the country which have to rely on oil and coal for the development of electricity. Therefore we have to ask ourselves whether we are really being anti-pollutionists by urging the creation of power by coal and oil to run cars which do not run on oil or oil products.

The Wally Wagon is powered by an engine which runs on liquid gas. The carburetor or mechanics that go into the conversion of this liquid gas to provide the mode of power have been taken into account with the result that emission from the Wally Wagon is reduced to the absolute minimum. It is indeed a low pollution vehicle.

There is another form of pollution. Our large cities are being polluted by the physical presence of vehicles. It is very difficult to find a parking space. We should get rid of this type of pollution as well.

The Wally Wagon is a very small car. Its measurements are approximately eight feet long and five and a half feet high. Two or three of these could be parked in the area required to park a large car.

This is another form of pollution that would not be beyond the definition of anti-pollution devices contained in the proposed resolution of my colleague. In this particular stream of thought I suggest we might consider such a small vehicle or a better developed one like it, with its production base not only in Canada but, with luck, in my province, as a means of dealing with our urban transportation problems. We could park our vehicles outside our large urban areas. We could get in such a car, put in a 25 or 50 cent piece, drive to town and park it somewhere. There would be a lot of parking places. It would not be a personal car but a community-owned vehicle. If there were another 10 minutes on it, someone could take it for that 10 minutes but would have to produce another quarter to get them to where their personal vehicle was parked. I suggest that it be coin operated.

The hon. member for Compton talked about capital accumulation. I am not thinking in terms of government assistance. I believe there are pools of capital in this country that could be used for the development of a device of this sort. We should use the resources of our country. We have them all ranging from steel to our petrochemical industries. Many of the panels and other pieces of modern vehicles are indeed manufactured from derivatives of our petroleum resources.

I suggest this would be an excellent way of decentralizing our industry. I am sure all members who have flown from the west to the central provinces have noticed great areas covered with a haze of pollution. It is time we cut down on this pollution which is becoming the bane of the large cities. It is derived to a considerable extent from industry of a variety of sorts. Industry must be decentralized. This would decentralize pollution and making it a little less onerous for areas that now have heavy pollution.

I comment the hon. member for his initiative in bringing forward this resolution. I urge the government to consider seriously his recommendation that a study be undertaken in this area leading to the development of practical instruments which will reduce more and more the pollution that is besetting us.

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I had not intended to enter this debate. However, I was tempted to do so by the speech of my colleague a few moments ago. He spoke of the importance of auto emission with regard to the matter before the House and how it must be studied. It must be studied from two points of view. It must ensure that devices used on motor vehicles are sufficient, and I emphasize that word, for the purpose of protecting our atmosphere and our environment from pollution. We have to examine the devices to ensure that we are not overdoing in a quantitive sense the capability of the auto emission control devices, particularly at a time when we may be faced with a shortage of petroleum products.

I do not suggest that we panic, run the other way and advocate the removal of all these devices from cars. I think they are very valuable. However, the aspect of research suggested in the motion might be an opportunity to ascertain the true worth of these devices in Canadian terms, whether our requirement is such that control ought to be as stringent as in other jurisdictions and whether the potential danger is as great. We have a tendency to follow, but I believe there is an opportunity for this country to lead in a field that is very important to us.

● (1740)

I am sure that when my hon. friend talked about research into the development and implementation of anti-pollution devices he did not intend us to think only in terms of the mechanical aspect of those devices. It is fair to say that the speed with which the installation of anti-pollution devices is demanded by the community will have a great bearing on the cost to the industries and businesses concerned. I think it is unfair to businesses generally to demand the expensive installation of anti-pollution devices overnight without at the same time developing some form of compensation to them. By this I do not mean outright payments, although it might well come to that; I do not necessarily mean a grant, although it may turn out to be that, or a combination of the two. I am thinking in terms of a tax incentive or some such mechanism. If the public wants pollution control, if people want to stop the pollution of rivers and streams, they must not burden too greatly the productive capacity of the industries con-

cerned, some of which are having trouble continuing their operations. Some assistance should be given in a meaningful way to business and industry, to businesses and industries which are being forced by circumstances or may be forced by circumstances to instal expensive pollution control devices.

I do not believe we have considered the question of public transportation as an integral part of the whole subject of pollution control and as one which therefore requires urgent attention. Only yesterday in Ottawa the Regional Municipality of Ottawa-Carleton announced a planning study, one of a series, indicating it will probably be ten years before the national capital gets a rapid transit system.

Mr. Hellyer: Ridiculous! Too many studies and not enough action.

Mr. Baker: As a member representing the national capital area I am absolutely appalled by the length of this period. It has even been suggested the development of the system might take longer than ten years, that it might take 19 years. If we are to be strangled in the downtown area because of congestion aggravated by traffic fumes, as I think we shall, it is criminal that the planning study should consider a period of ten years as a minimum. It is criminal that no leadership is being shown by the federal government in the national capital so as to ensure that the capital offers an example of what a modern transport facility could provide. Surely, as the motion suggests, we are bound to consider the needs of a changing community. Surely to God we ought not to be told in this area that we must wait for ten years before the pollution problem is dealt with and that in the meantime we are to be stuck with diesel fuel burning buses giving limited services on narrow streets. If the regional municipality accepts the findings of that report they are not worth the powder to blow them to blazes. For its part, the government of Canada should recognize it has responsibility to take the lead, by using the tri-level committee it has established, to ensure that the time period I have mentioned is cut down. It is tragic that after having the apple of a reasonable transportation system held out to us we should now be called on to wait for so long a period.

There is still time to avoid following courses of action which have all but destroyed older cities in other countries. In terms of transportation in this and similar cities we are still thinking of a system which is akin to the horse and buggy. Perhaps as a result of the wording of the motion before us other cities will not be plagued by the lack of modern services. I do not know of anything in a modern urban city that is more important than public transportation if a city is to be a good place in which to live, a place to enjoy and a place in which to raise a family. I do not know why the downtown areas have to be the scene of traffic congestion. There is still time in this country to correct the errors of the past, and possibly the device suggested by my hon. friend in his motion is one means of making progress. Surely, in the national capital, some leadership ought to be shown.

I think it is axiomatic that we must look to other forms of energy which will not pollute the atmosphere. The Prime Minister (Mr. Trudeau) has talked about solar energy. I wonder how advanced and concentrated is the effort being made in this area. I suspect that on examination one would find that these efforts are scattered and sporadic. Ontario possesses what is perhaps one of the world's finest hydroelectric systems. A tremendous electrical industry is being built up in Quebec. Perhaps in time we shall not be dependent on non-renewable resources. Consideration has been given to using manure as an alternative source of energy.

Hon. members who come from metropolitan areas, or close to them, know the idea has developed that garbage from any one of our cities can be shipped out and dumped somewhere else, or used as fill. There is right now under consideration in the Department of the Environment a technical process, imported from Europe, the like of which is not known on the North American continent. An announcement is supposed to be coming at some time with respect to use of process for the national capital area on a trial basis. The federal government has indicated its intention to contribute to it. I think it could mark a new departure in garbage disposal and the production of industrial energy into the bargain. I wish the federal government would get on with the project. They have taken the position that they wish to lead, and I ask them to lead, not in the partisan sense but in the sense of the importance of this process to the community.

● (1750)

I do not think there is any matter more important to us when we remember that our environment, whether the air, our water or our land, is a very fragile thing and that we have abused it. I suppose this always happens in a nation that thinks in terms of building rather than conserving. Perhaps since the general environment is irreplaceable, and in view of the factors that I have mentioned, we should now think of conserving. I think my colleague has done a great service to us who sit in this House and to the country in bringing forward this proposal, which I am delighted to support.

Mr. S. Victor Railton (Welland): Mr. Speaker, there have been some good presentations on this subject today. This motion is most timely since I do not think anything is more pressing than the preservation of our natural environment.

In the very limited time at my disposal I should like to say two things. I and two other members on this side, in company with three from the other side, went to Washington for one week where we had an excellent chance to study how the United States is protecting the environment. They have set up a huge Environmental Protection Agency which makes impact studies of all construction that takes place in the United States, whether in municipalities, coastal regions or elsewhere. It is a big octopus, and I think we are handling this question better in Canada.

No one should run away with the idea that everything is done better in a bigger country, because it is not. In fact, we had nothing but compliments from the Environmental Council, the Environmental Protection Agency, the Coastguard and the land aggregation committees about practically everything we did in Canada. In many ways we are

ahead of the United States, not only in our research but in the action we have taken as a result of that research.

Take, for example, oil spills. The Coastguard hastened to tell us we had much better clean-up methods than they had thought of in the United States. I refer to those used off the coast of Nova Scotia near Halifax, and I think the same methods are used off the British Columbia coast.

Reference has been made to a council that would deal with air pollution, but I think its terms of reference are too narrow. Water is polluted by industry and by human sewage—certainly the Great Lakes are—and this must be studied too. The study being conducted at Burlington is a model for all countries. The United States sends its people to Burlington to see what is going on, and they give us full marks for what we are doing and say we are ahead of them.

The United States has had to cut back its anti-pollution programs in big cities that pollute Lake Erie, such as Detroit, Cleveland, Buffalo and Toledo, since they are finding them too expensive. I talked about this with my friend the hon. member for Bruce (Mr. Whicher), a while ago and he admitted that we have to cut back too. Much as we would like these anti-pollution devices, we have to keep people warm and we are using more gasoline. Therefore, we must set up certain priorities. We have an excellent research council and good university programs all across Canada. We are not behind the United States or any other country in our attempts to beat this problem. The biggest culprit is the internal combustion engine. It runs on gasoline and the sooner we get an alternative, such as an engine run on hydrogen, the better. A lot of countries are working on this problem today.

As has been suggested, municipal waste is a huge problem. In Massachusetts today there is a plant that separates glass, metal, paper, food and other things found in garbage. Enough money is made from selling this waste glass and metal to run the plant at a profit and to use the residue as combustible material to fuel an electricity plant. This is a wonderful thing. Our own energy department is aware of it, but it is a long-term project. Nevertheless, it is a good way to dispose of our garbage. Enough power is derived from it to light the homes and streets of the municipality and it accounts for a large percentage of total electricity requirements. We should do further research into making use of our waste and making sure it is turned into something that will provide fuel and power at no additional expense to the taxpayer.

Another point I want to emphasize is that pollution controls on cars, smokestacks and so on can be lifted temporarily. We are not choking yet. In certain cities like Los Angeles the pollution is bad, and none of us likes pollution, but I do not think we should get excited about it when we have an energy crisis.

The Acting Speaker (Mr. Laniel): Order. It being six o'clock the hour appointed for the consideration of private members' business has expired. I do now leave the chair till eight o'clock this evening.

At six o'clock the House took recess.

[Mr. Railton.]

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

ELECTION EXPENSES

PROVISION OF PAYMENTS TO CANDIDATES AND REIMBURSEMENT OF PARTIES FOR CERTAIN BROADCASTING TIME

The House resumed consideration of Bill C-203, to amend the Canada Elections Act, the Broadcasting Act and the Income Tax Act in respect of election expenses, as reported (with amendments) from the Standing Committee on Privileges and Elections; motion No. 8 (Mr. Howard), motion No. 9 (Mr. Barnett), motion No. 10 (Mr. Brewin) and motion No. 11 (Mr. Peters).

Mr. Frank Howard (Skeena): Mr. Speaker, just before five o'clock I believe I had reached the point of revealing the story regarding finances and expenditures of certain political parties. I had quoted from the paper by Professor Paltiel and had dealt with the part relating to the Liberal and Conservative parties as a prelude to chapter 3 which concerns the New Democratic Party. The pertinent part which I want to quote now says:

> Manifestly, the two old major Canadian parties were amply supplied with monetary resources in the 1972 campaign and to a degree the New Democratic Party as well experienced a sizeable gain in revenues and spending at the federal office level in the 1972 campaign. While miniscule in comparison with its two leading competitors, this growth permitted the party to wage a campaign replete with airplane tours and media expenditures, similar in shape if not in dimensions with that of its rivals. In comparison with the 1968 campaign expenses of the NDP federal office totalling $216,100, 1972 election expenses at the national party level were $370,644—

A quick calculation with regard to the limits contemplated in the bill show, I think, that those limits are about 11 or 12 times greater than the expenditures made by the NDP. Therefore, so far as we are concerned that limit is inordinately high and unreachable. New Democratic Party expenditures are listed under candidates' deposits, organization, travel organizers, telephone, printing costs, leader's tour, survey, contingencies, and so on. There is an item here under "bad debts", which is something neither the Liberals nor the Conservatives seemed to be bothered with. Including the media expenses, contingencies and so on, the expenditure totals $370,000. I think he indicates something very significant here in terms of the strong difference of structure which exists between the NDP and other parties, because within our budget as listed here there is an item of $84,000 for provincial quotas, that is, the provincial sections of the NDP raise money toward a budget. They raise this money on a quota basis toward a budget at the federal level for federal expenditure. Professor Paltiel points out the significance of this by saying the following:

> The provincial revenue quotas are symbolic of the fact that in contrast to the major parties, the NDP is financed from the bottom up with both individual and affiliated (trade union) membership

fees being paid jointly to the provincial and federal parties, with the former being charged with the support of the latter rather than the reverse.

In other words, within the NDP we are truly a community and constituency-based political organization, a people's party in the full sense of the word. We finance the operation of our party from the community to the provincial level and the federal level, which means the national party. The membership dues I pay go to help maintain the federal office. Conversely, as the financial analysis indicates, the Liberals and Tories collect their money at the top in large chunks and finance the party from the top down. So there is control at the top by large financial contributions.

In the reverse situation, the NDP operates quite differently. There is indicated here, as well, a listing of income for the year 1972 to the federal office of the party through individual and sustaining memberships. That means individual Canadian citizens can belong to the NDP by paying a membership fee voluntarily and by saying they will sustain and finance the party either through an individual or sustaining membership. The sustaining membership may vary from province to province because each province sets what it calls sustaining memberships. In British Columbia at one time it was a minimum of $1 a month. If you become a member and agree to contribute $1 a month you are classified as a sustaining member. The membership, individual and sustaining, in 1972 accounted for $102,000 in membership fees, just about half the total income of the national office. We even had some money at one stage on deposit, and there is an amount of $763 for interest.

Then there is a list of federal general fund expenditures which are related to the convention of the NDP. This list is filed with the federal convention of the NDP every two years and is in fact public information. We are, in terms of disclosure of the source of funds, the only political party that has steadfastly indicated that anybody can obtain this information at any hour—don't come around at three o'clock in the morning because you will have some difficulty getting hold of the treasurer—by looking at the financial records of the party. We regretted this on one occasion in British Columbia, in a sense, when we were taken up on that offer by some newspaper men. They spent so much time in our provincial office during the course of the campaign that they interfered with the conduct of the provincial campaign. Nevertheless, the books were open to them.

Information concerning the source of funds is available to everybody. We have continued to hold that position because we believe that if we are in the business of dealing with the public, the public should know what we are doing and such information should not be hidden behind the fence. We believe in these principles and this is the reason we are moving these amendments in respect of campaign financing. We believe this should apply to all parties. Professor Paltiel further states:

Unfortunately no information has been obtained concerning national level expenditures of the Social Credit (Créditiste) movement in the 1972 campaign.

There was no information available, and no disclosure to Professor Paltiel. This is fine; it is the business of the national Social Credit Party if it does not wish to disclose this information to Professor Paltiel. But there is a very revealing—I was somewhat amazed when I saw it—declaration by Professor Paltiel who says certain things and then this:

—despite the indications that Créditiste agents attempted to collect funds from the business community including the Canadian subsidiaries of American-controlled multinational firms like ITT.

That is the corporation in the United States that is noted singularly for its involvement in the political sphere and for attempting to suppress the rights and freedoms of people in various parts of the world. I think it is shameful that a national party in Canada should be in the position of having gone to an organization of that nature in an attempt to solicit funds. However, that is its business. In any event, that is the basic substance of what Professor Paltiel said after he had made a study of the political parties in Canada.

The Acting Speaker (Mr. Laniel): Order, please.

[*Translation*]

Mr. Laprise: Mr. Speaker, on a question of privilege.

The Acting Speaker (Mr. Laniel): Order, please. The hon. member for Abitibi on a question of privilege.

Mr. Laprise: Mr. Speaker, I just heard the assertions of the hon. member for Skeena (Mr. Howard), which do not surprise me. However, I would suggest that the validity of the statement he just read has never been proven. He is perfectly free to utter such nonsense but, I repeat, it has never been proven anywhere.

The Acting Speaker (Mr. Laniel): Order, please. The hon. member is aware that the privileges of the House are related to the rights of individual members. Assertions, opinions and interpretations constitute a matter for debate and the hon. member will perhaps have the opportunity to answer the hon. member for Skeena in a few moments.

[*English*]

Mr. Howard: Well, Mr. Speaker, I am not much moved by someone saying that something has not been proven. There is a great difference between saying that and saying something is untrue. I know a lot of things about the Social Credit Party in British Columbia, when it formed the government there, which were not proven but were common knowledge concerning its activities in that province. I do not intend to recall them all here. However, I would point out to my friend from Abitibi (Mr. Laprise) that the former premier of the province of British Columbia, Mr. Bennett, while he was premier saw great promise in the hon. member's leader, the hon. member for Témiscamingue (Mr. Caouette), at a national convention of the Social Credit Party and once sought to nominate him as leader. Unfortunately, he lost out to Bob Thompson who went somewhere else. But it is a known fact that the Social Credit Party in British Columbia refused to disclose to its own members the source of its campaign funds in an election campaign. There was a secret fund kept and controlled by the leader of the party in that province. I do not know whether he got money from ITT and other such groups, but it would not surprise me if he did.

• (2020)

All I was reading to the hon. gentleman was what Professor Paltiel said. I do not give any other credence to it. I only know that Professor Paltiel made a careful examination of this subject and it seems passing strange to me that suddenly, months after this document has been known, members of the Social Credit Party in the House rise and say that that was not proven. I accept that it was not proven and the hon. member for Abitibi does not know anything about it. But he is not the whole organization in the Social Credit Party and it may well be that the Social Credit Party at the national level, or at the Quebec level at this stage, operates on the same basis as did the Social Credit Party in British Columbia. The leader of the party in that province kept entirely unto himself and the director of something called the educational fund information about the sources of campaign funds. He did not even disclose it to members of his own caucus or to the legislature. Maybe that is why the hon. member for Abitibi does not know what is going on between his party and ITT and other groups of that sort.

In any event, we are dealing with the question of the so-called limitations on expenditures by national parties in the conduct of a national campaign. I submit, judging from the financial information that has been given out, that in fact these are not limitations. You cannot call it a limitation when you place a limit 2½ to three times the level reached by a particular party, namely, the government party in this case, or twice as much so far as the official opposition is concerned—twice as high as the level they reached just last year. That is not in fact a limitation; it is simply some kind of formula that will permit the Liberal Party to run around the country and say, "Look how grand we are. Look how good and pure we are. We brought in a bill that limits campaign expenditures." That is a lot of rot. This bill does not limit campaign expenditures in the least. The way inflation is going, it may limit campaign expenditures some day in the future; but it will not now and it will not at the next federal election when a party such as the Liberal Party spends at the federal level, as it declared it did, the sum of $1,321,000.

They spend that sum of money and then turn around and say that they want to limit campaign expenditures at the national level by imposing a limit of $4.2 million. That is no limitation; they can squander another $3 million on leader's tours, surveys and other things that go on during an election campaign, and still not reach the limit stated in the bill. The Conservative Party does likewise. So far as the financial experience and history of the NDP is concerned, we will probably never reach that level of expenditure. The total limitation is in the neighbourhood of $11 million for the national campaign. All that excessive expenditure means to the two old-line parties is that they are intent upon following the notion that the more money you spend, the greater is the possibility of buying votes. Certainly that is wrong in our democratic structure, in my view.

The Acting Speaker (Mr. Laniel): Order, please. I regret to interrupt the hon. member, but the time allotted to him has now expired.

[Mr. Howard.]

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I should like to support this group of motions, and I will speak very briefly. One of them is in my name, and they are all to the same effect. They deal with the highly important principle introduced into Canadian federal legislation for the first time, that there should be limits on expenditures by parties as well as limits on expenditures by individual candidates. This is something which we have tried to achieve for a long time, and we are glad to see the principle stated in the section that we are discussing to which the present amendments seek a further amendment. They seek a further amendment for the purpose of making the limitation a rational one.

I concur entirely with the remarks made by my colleague, the hon. member for Skeena (Mr. Howard), that if you set the limit so high that it encourages even greater expenditures than in the past, you are not really setting a limit at all. I had thought that one of the basic purposes of this legislation, in the interest of fairness and so that money should not be a major consideration in the election of members of parliament, was to cut down the expenditures to be made in respect of elections. But the figure that we have here of 30 cents for each voter in Canada, or at least in the constituencies represented by the particular party, means—as the hon. member has pointed out—expenditures of at least $4 million in addition to some of the other expenditures which he listed and which I will not repeat.

In our view, that is no limitation at all; in fact, it is a farce to talk about limiting campaign expenditures, to say that this is one of the purposes of the legislation and then to set the limit so high that it is no real limitation at all—it is a move upward rather than a move downward. The parliamentary secretary in a discussion on a radio program with me today said, and he is quite right, that there is nothing particularly sacrosanct about the figure of 30 cents, nor is there about the other figures we have mentioned in the three amendments. One amendment brought in by the hon. member for Skeena provides for a reduction to 15 cents. The amendment I have introduced strikes a happy mean at 20 cents, and for some reason or other the hon. member for Timiskaming (Mr. Peters) has been rather conservative and has said that we should restrict it to 25 cents.

Mr. Howard: That is what Les Benjamin said.

Mr. Brewin: I do not care whether he said it or not, the motion is in the name of the hon. member for Timiskaming. I think I am entitled to say that between the two extremes of the hon. member for Skeena and the hon. member for Timiskaming I have chosen the happy mean, the *via media*, and I think that is a pretty sensible approach to the matter. We may not know why 30 cents was chosen, and in fact I think the minister disclaimed in the committee any particular knowledge or rationale behind the fixing of 30 cents. All I do know is that it is much too high, and this is a serious amendment trying to make this bill fulfil the goal in which we believe and in which the people of Canada believe, and that is the genuine limitation of party expenses in elections. That is the reason we support this motion.

I stated earlier that my intervention would be brief because I am anxious to see this bill passed, so I will say nothing more except that this is a motion which should be accepted by the House. I prefer my version, but if other versions meet the wishes of the House I will be perfectly happy.

• (2030)

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I am rather sympathetic to the viewpoint of the hon. member for Greenwood (Mr. Brewin) who I know has had an interest in this subject for a long time. I agree that I was being overly generous. The government said 30 cents. We would like any kind of compromise on that figure. I would be prepared to support the figure suggested by the hon. member for Greenwood, and even more pleased to support the figure suggested by the hon. member for Skeena (Mr. Howard). The hon. member for Skeena cuts it in half. That probably means a contribution from the federal treasury of about $1,100,000 to the federal parties, and an over-all sum of $2,100,000 is not a small contribution to make on behalf of the parties. But really when one looks at the amount of money necessary to run an election, one begins to wonder.

We have gone both ways on this particular subject. There was a time in England under the British parliamentary system when a person had to have a certain amount of money before he could become a candidate for office. Over the years it was decided that that was not the kind of limitation which should be placed on people and on the representatives of people. But it is still the type of limitation that is in force with respect to becoming a member of the Senate. It is surprising how many people in Canada today have enough money to meet the criteria to become senators. I believe one has to own $4,000 worth of property. I remember the case of one person appointed to the Senate: he did not have $4,000 and had to borrow it from a finance company on the strength of the salary he was going to get as a senator.

There is no question that over the years many people elected to this House have had to go in hock to finance companies in order to get enough money to run their campaigns. There have been occasions when a constituency organization in my party has had to go to a bank and make a personal loan to one or two people to finance an election campaign. In some cases this is necessary, and may even be desirable. During the depression years, when money was very scarce, people were desperately looking for candidates to represent them rather than the institutions which they believed were causing their difficulties. I well remember one of my constituents telling me he participated in an election in 1933 in one of the poorer sections of the dust bowl in Saskatchewan. He and some of his friends went out and cut cord wood, loaded it on a flat car and sold it for $2 a cord to get enough to finance part of the campaign for J. S. Woodsworth. He also told me about riding around the country on horseback raising money for the local candidate. We have come a long way from that situation because through this bill we are saying that $4.2 million should be provided by the treasury for the conduct of an election.

Of course, this is not a large sum of money when compared with what was spent by the parties in the last general election. Paltiel indicates that the last election cost at least a reported $32 million and may have cost considerably more when the government's expenses in connection with the election machinery are included. I think I have seen the figure of $11 million mentioned to cover that operation. Thus it can be seen that elections are a very expensive proposition. For this reason alone it may be necessary for the treasury to provide money to run elections. If this is so, then I suggest that we start off with as low an amount as possible, and that we put strong limitations on various aspects so that elections do not run into multimillion dollar figures but, rather, that election expenses are reduced to the point where they can be easily scrutinized either by the agent who is going to be appointed or by the auditors who will be going over the accounts of the various candidates.

It is my personal opinion that we would be well advised to provide the individual candidate with the opportunity to mail something to the electors in his riding at a cost of about 8 cents to 10 cents per name, but given in kind rather than through this type of arrangement which could lend itself more to the expansion of expenditures by national political parties than to a reduction of expenditures.

We have heard a lot of argument on how political parties are financed. How the New Democratic Party has been financed has never been a secret. It has been financed by people who had a problem and who decided to join together to end that problem. It is interesting to read in Paltiel's report of the last election of something that surprised him, namely, that the amount of money the NDP gets between elections varies very little from year to year, indicating that the party's supporters are willing to make the same kind of contribution each year in order to see that the party continues as their political spokesman.

The other political parties have tended to adopt more elite ways of raising money. It is interesting to look at the direction in which they are going. A history of the last several elections in the United States shows that the Republicans, the Democrats, and even the Wallace campaign adopted several methods of raising money. In the final analysis, most of these methods of raising money created almost as many problems as they were able to solve with the money that they received. They have included fund raising dinners; this has been copied in Canada, sometimes successfully and sometimes not so successfully. In most cases where they are successful an organization is hired to make the arrangements for setting up the dinner and they are paid a certain proportion of the proceeds for running it. In the United States I gather they were paid 7 per cent or 8 per cent of the net take. These have been fairly successful in the United States but I do not know whether political parties in Canada have gone into fund raising to this extent.

• (2040)

There is a second method that can be bought and of course it has a price, and that is direct mailing. They do not direct mail to all the constituents but have a very elaborate system through which they buy names that they believe would be advantageous. In the last United States election the Democratic Party bought lists of names that were involved in causes—anti-war, anti-poverty and two

or three of the major protest groups. These turned out to be as good fund raising propositions from a business point of view as did the normal register of Democratic voters. On the other hand, the Republican Party found that selecting names by the computer operation at so much a name was much more satisfactory.

This all leads to the problem that most political parties are faced with today, Mr. Speaker, and that is running an election by computer in a computerized society. In the last presidential election in the United States they were able to raise so much money that they had $3 million or $4 million left over. This was available for other purposes, so some bright young people were given sums of money and told to do something with it that would have an effect on the election. They did something with it that had an effect on the election that was overwhelmingly successful but also overwhelmingly disastrous. It was disastrous for the people who did it because of the corruption involved, and it was disastrous for all political parties in the United States and in Canada because of the results that flowed from the use of that extra money.

An election cannot be conducted without money, and it certainly behooves us to have enough money available to at least have the message of a candidate, no matter whether he has a chance of winning, put before the public. To that degree the payment of a sum of money from the treasury is a good thing. At the same time, Mr. Speaker, I think there should be a limitation on that expenditure except for the contribution that an individual wishes to make in a particular riding. As they say, it is true that you have to show the flag in areas where a political party may not have much strength. The Conservatives are having this problem in the province of Quebec—they have joined the New Democratic Party which has had the same problem in that province for many years. My guess is that the Conservatives will be no more successful in showing the flag in Quebec than we have been, but I think it is a fact that they have to do it. If I were a Liberal, I would be scared that neither the New Democratic Party nor the Conservatives are successful in the province of Quebec because that might be to their detriment rather than to their advantage.

Mr. Hurlburt: You had better worry about British Columbia.

Mr. Peters: The hon. member says that we need to worry about British Columbia. We have always felt a certain amount of hope in the province of British Columbia, and this has been going on for many years. I sat with a colleague who had for many years been leader of the CCF in that province and who had come close to forming the government.

Mr. Hurlburt: Never.

Mr. Peters: I should like to inform the hon. member who raised the question that we have been very satisfied in the last year and a half to find that there is now a government in that province.

Mr. Hurlburt: Of sorts.

[Mr. Peters.]

Mr. Peters: We have been able to show the flag for many years in that province, but his party has not done very well there although they may have done a little better than they did in Quebec. However, Mr. Speaker, I do not want to go through all the provinces. We have had very little success in a number of them ourselves, and I do not see any sense in throwing rocks. I suggest that it is a fact of politics that you have to present, as a party, the image of being available in those areas. It is a fact that if people in other parts of Canada believe that a political party is worth while, then you should at least have the right to put forth your program to people in other parts of the country. For this reason I am sympathetic to the idea of providing a sum of money.

Mr. Speaker, it is unfortunate that this should have been mixed up with so many other considerations for I would like this bill to have contained a clause somewhat along the lines that have been suggested; a total, inescapable report clause that would have made it mandatory to make honest reports. It is interesting to note that we have always allowed those people who have lost to get by without making any kind of report. I believe that if the name of the game is to provide reasonable contributions so that the stories of candidates who have something to say can be told across the country, and if a contribution from the treasury will make that possible we should support it. It should be reasonable; it should not be an excessive amount of money. I believe that not too many years ago $4.2 million would have been more than most political parties considered elections should cost. Costs have escalated to the point where we are now spending well over $30 million each election and they are costing $10 million or $11 million to operate. It indicates that we have not kept pace with modern thinking when we allow expenses to go so high.

Mr. Speaker, if that $4.2 million is properly distributed I think there will be an opportunity for some organizations which feel they would like to become political parties to do so. I have been impressed with the way political parties are formed almost overnight. Sometimes they disappear just as quickly, of course. I am thinking, for instance, of the teachers of this nation who a few years ago were all status quo people and never objected whatever the government did. In British Columbia they embraced the Social Credit Party with open arms and loved them to death until that government suddenly decided there was going to be compulsory arbitration. I have been in many schools in Ontario where press releases from Queen's Park were prominently displayed on the bulletin board and were required reading for all the teachers. There certainly was no resentment about that.

● (2050)

We might well see a new political movement started by some of the so-called white collar workers and professional people of the nation. I sincerely hope we are not making it difficult for them to enter the political arena, run as candidates and get their message across to the public. It seems to me that 30 cents is too high. I should like the government to consider 15 cents, which I believe is a reasonable amount. I would be prepared to support the proposition of the hon. member for Greenwood that it be 20 cents.

What we should avoid is getting ourselves into the position the Americans have done. Give us the money, they say, and we can win an election. I was pleased to note that despite these circumstances south of the border, a third party was able to make an impact during the last presidential election there without the funds available to the two major parties. I was pleased that a third party was able to champion a number of causes and rally round it people who were often of dissimilar views but who were ready to support a group which would allow individuals to make a contribution to the political scene without the backing of large sums of money.

Mr. Paltiel indicates that the Conservative Party assessed the possibilities of 50 ridings in Ontario and chose a number to be visited by the leader himself as part of a special attempt to increase support in those ridings. We, too, have hired people to assess the possibilities of ridings and determine in which of them candidates might best be run, and I am sure all political parties have done the same. No people are worse copycats then politicians: if one thinks of something good, another will immediately seek to copy it. We need look no further than the publications which individual members send to their constituents. If someone gets hold of a copy which appears to contain a new idea or involves a new format, it is immediately picked up.

I believe the country would be prepared to see a contribution made to candidates, even a $4 million contribution, if they were sure this was all the election would cost. It may be I get my contributions from the men who work in the mines, or in industry, or on the farms. The other two political parties may get their money from the men who run the multinational corporations. But in the end the money will all come from the men at the bottom. It is they who will pay it, either directly or indirectly. In one case, though, a person makes a donation knowing what he is doing and believing that to do so is in his interest. In the other case they are making an indirect contribution and one which very often will be used against them rather than for them. For these reasons I hope the House will accept the amendment calling for 15 cents.

An hon. Member: Ten cents.

Mr. Peters: My hon. friend brings it down to 10 cents. That sounds like a nice round figure. I wish he had been here when the amendments were being made; he could have moved a reduction to 10 cents. As I was saying, 15 cents represents a little over $2 million, a sizeable amount of money to be made available to candidates for the purpose of carrying on a reasonable campaign. I am aware that it does not go directly to the candidates, but a politician would be very naïve if he did not believe that a contribution made to the central party did not give him at least some measure of political advantage, whether in recognition by the news media or in other ways. I therefore hope the minister responsible for the bill will consider reducing this figure of 30 cents which I and my colleagues believe to be unnecessarily large and not really required for the effective conduct of an election.

Mr. Deputy Speaker: Order. There are four motions before us: No. 8, in the name of the hon. member for Skeena (Mr. Howard); No. 9, in the name of the hon. member for Comox-Alberni (Mr. Barnett), which is identical to motion No. 10 in the name of the hon. member for Greenwood (Mr. Brewin); and No. 11 in the name of the hon. member for Timiskaming (Mr. Peters).

I hope the House will permit me to put the question in this way: Mr. Howard, seconded by Mr. Peters, moves:

No. 8.

That Bill C-203, an act to amend the Canada Elections Act, the Broadcasting Act and the Income Tax Act in respect of election expenses be amended by deleting the words "thirty cents" where they appear in section 13.2(1) of subclause 4(1) and substituting therefor the following:

"fifteen cents".

● (2100)

The motions in the names of the hon. member for Comox-Alberni and the hon. member for Greenwood would delete "thirty cents" and substitute the words "twenty cents". The final motion, in the name of the hon. member for Timiskaming, would delete "thirty cents" and substitute "twenty-five cents". As I indicated earlier, I thought that if a motion carried positively on any divisions that arise from these motions we are now considering, that would dispose of all motions that followed subsequently. Therefore I will put the one in the name of the hon. member for Skeena. All those in favour of the said motion will please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the nays have it.

And more than five members having risen:

Mr. Deputy Speaker: The three divisions, or the two divisions, or the one division, as the case may be, will be deferred until a later date. The next motion is motion No. 12, in the name of member for Comox-Alberni. Since he is not here, I presume there is someone to move it on his behalf.

Mr. Howard: Regretfully, Mr. Speaker, the hon. member for Comox-Alberni has to be, and is, in attendance at the Standing Committee on Indian Affairs and Northern Development which was scheduled to meet at eight o'clock this evening. I have his authority to move this motion on his behalf.

Mr. Deputy Speaker: I think this would probably require the permission of the House, but I gather this would be a courtesy that is normally extended.

Mr. Frank Howard (Skeena), for Mr. Barnett, moved:

That Bill C-203, an act to amend the Canada Elections Act, the Broadcasting Act and the Income Tax Act in respect of election expenses, be amended by deleting the word "not" where it appears in section 13.2(1.1) of subclause 4(1).

Mr. Deputy Speaker: Is a point of order arising?

Mr. MacEachen: Yes, Mr. Speaker. I have one brief comment to make. The hon. member is seeking to delete a

negative in the clause, and on that ground I think it should be declared out of order.

Mr. Deputy Speaker: Is the hon. member for Skeena rising on the point of order?

Mr. Howard: Not really, Mr. Speaker. I was rising to speak to the motion, but I will deal with the point of order. This arose in the committee as a result of the examination of the definition of "election expenses". It relates to the question of amounts paid as election expenses. The definition of "election expenses" is given on page 2 of the bill and is:

(a) amounts paid,

(b) liabilities incurred

(c) the commercial value of goods—

And so on. The words we are concerned with here are "amounts paid". Since I knew the practice existed in varying degrees in different parties, I asked whether the words "amounts paid" included donations or contributions or gifts or transfers of money paid out of the national treasury to constituency associations, the official agent in constituency associations, candidates and so on. Initially I thought it would be included because it was an amount paid out of the treasury of the federal branch of the party concerned. As the definition says further on, one of the purposes of these amounts was to promote or oppose directly, and during an election, a particular registered party, or the election of a particular candidate.

The minister in charge of the bill, the President of the Privy Council (Mr. MacEachen), said no, that was not the intention of the definition of election expenses; the intention was that contributions, donations or gifts from the central funds of the party paid to a candidate or official agent were not to be included in the election expenses. Just in case there was any doubt about it, he said that the government proposed to put into the bill later on an amendment to make doubly sure that this was not to be included. The amendment put in is the one we are now seeking to amend.

Mr. Blenkarn: You are seeking to amend an amendment?

Mr. Howard: Yes.

Mr. Blenkarn: How about an amendment to an amendment that you are seeking to amend?

Mr. Howard: I would have thought that my hon. friend from Mississauga (Mr. Blenkarn) would have been delighted with my grammatical construction in that sentence, which would reflect the education I have received as a result of sitting next to the hon. member for Winnipeg North Centre (Mr. Knowles) who advises us on these matters. The amendment I am seeking to amend is shown on page 9 of the bill. This is the amendment that the government put forward in the committee to clarify and to make sure beyond the shadow of a doubt that this kind of expenditure was not included in the "amounts paid" part of the definition of election expenses. Section (1.1) reads as follows:

[Mr. MacEachen.]

In determining, for the purposes of this section, the amount of election expenses incurred by a registered party on account of or in respect of the conduct or management of an election, there shall not be included any amount in respect of contributions or gifts made by or on behalf of the registered party for the use of candidates at the election.

One way to approach this problem would be to vote against section (1.1.), which would remove it from the bill. I say this because, at the very best, there would be doubt as to whether these would be contributions or gifts made by or on behalf of the registered party for the use of the candidate. We would leave in doubt whether contributions should or should not be included under amounts paid for election expenses.

● (2110)

Certainly there was doubt about this in the minister's mind or he would not have brought forward the change in the first place. Certainly there was doubt in my mind, which is understandable; but then there is also doubt in my mind about all kinds of other questions. There is doubt in my mind as to what "amounts paid" might mean. I know that there was doubt in the mind of the cabinet minister responsible for drafting this bill. He said in so many words, "Yes, there is doubt in my mind." He suggested that the relevant portion should be changed. The parliamentary secretary, the hon. member for Kenora-Rainy River (Mr. Reid), moved the motion and it carried. He was a member of the committee. He wanted to insert the particular clause in question.

I submit that if we negative it, remove it completely, there will be continuing uncertainty as to whether or not such contributions as I have alluded to should be included under amounts paid. The hon. member for Comox-Alberni (Mr. Barnett), the sponsor of this motion, looked at this question carefully. We discussed it among ourselves. We wondered what was the best approach and in the end we felt that an amendment simply to take out the word "not" would be the best way of handling it. The result would not be a direct negative, inasmuch as we should be left with a positive declaration that for the purposes of this section we could determine what are election expenses incurred by a registered party. We would remove any doubt about it. People would know what is meant by amounts paid as defined in the definition section. They would know what those words mean in relation to expenditures. They would know that certain items should be included under amounts paid and certain expenses should be so included. That would be a positive declaration. They would know that there shall be included under amounts paid any amount in respect of a contribution or gift made by or on behalf of the party.

It could not be done the other way, I submit, as much uncertainty would be the result. After all, not all candidates, official agents or chief agents who will perform their functions under this law—incidentally, I hope this will not be the law—will have sat on the committee and heard the involved and detailed discussions that took place. Members in the committee and in the House have alluded to the fantastic input which the committee had in connection with this bill. Even in the minds of committee members who spent hour after hour looking at this question there was doubt.

I submit that if we were to remove this clause we would bring about a great deal of confusion and it would be difficult to figure out what amounts should be included in returns on election expenses. We would not know what amounts of money should be included and what should not be included under amounts paid. Further, even if the parties wanted to do the right thing they would find it extremely difficult to do so. They might do the wrong thing even though they want to do the right thing. For that reason, for the sake of clarity if for no other reason, I suggest this motion must be considered as being in order.

Mr. Deputy Speaker: I thank the President of the Privy Council (Mr. MacEachen) and the hon. member for Skeena (Mr. Howard) for their contributions. I think, in making my determination, I will not be bound by considerations of procedural nicety. As both the President of the Privy Council and the hon. member for Skeena are well aware, the proposed clause before us could have been tackled in one or two ways. Either one word could have been taken out, which would have achieved the result of negativing it, or the whole thing could have been knocked out with a positive motion, which also would have resulted in the clause being negatived.

Therefore, I think this is not a question which the Chair ought to resolve. It seems to me this is a positive matter of principle which the House should determine one way or the other. For that reason, without going at great length into the niceties of it, I would say that the question should be put.

Mr. Howard: Mr. Speaker, on behalf of the hon. member for Comox-Alberni let me say that I am sure he would like to see the subject matter of his motion placed before the House for determination. May I express certain thoughts on his behalf. Let me deal with the sense of the motion. We have just dealt with motions related to limiting expenses. The bill, in a declaratory sense, says that expenditures are to be limited; yet in fact that limit is no limit at all.

The chief agent of a party, and registered agents are authorized under the bill to spend with respect to the conduct or management of an election an amount equal to 30 cents times the number of voters on the voters' list in the riding being contested. In absolute terms, as has been mentioned before, that would permit the party to spend $4.2 million on such an election. We have been seeking to bring about a further limitation with regard to campaign expenses. We have also brought forward suggestions with regard to the manner in which political parties are to keep books once they have concluded their campaign expenditures.

[*Translation*]

Mr. Marcel Roy (Laval): Mr. Speaker, I wish to rise on a question of privilege. I am just coming from the Confederation building. There is no bus service from the Confederation building to the House of Commons. Buses are running in downtown Ottawa but the members' service—

An hon. Member: From Parliament Hill.

An hon. Member: From the Confederation building.

Mr. Roy (Laval): I beg your pardon? There is no service at all, Mr. Speaker. I had to come here with the hon. member for St. Boniface (Mr. Guay), by truck—

An hon. Member: A tow truck.

Mr. Roy (Laval): —bearing licence number D16457 and driven by Mr. Arthur Rochon. We have no service at all as I just said. Mr. Speaker, I rise on a question of privilege because this has to do with services from which electors get the benefit in the final analysis. We have to be here. I came here to work like other members, but the hon. member for Skeena (Mr. Howard) presented a motion yesterday, and it was defeated by 182 to 1. He keeps on with his filibuster. I was hoping, Mr. Speaker, that members would be provided with transportation service from the Confederation building since they cannot come to the House of Commons at the present time. As a matter of fact, the approaches to the Confederation building have not even been cleared up.

● (2120)

[*English*]

Mr. Deputy Speaker: I hope the Speaker of the House of Commons is never responsible for acts of God or for removing them, but I think the Chair would have to recognize that members are not able to take part in the debate tonight because of weather conditions. I think some leeway should be given to them to make their contributions on these points when the House resumes tomorrow, or next week, or the week after, or at some other time.

Mr. Howard: In January or February the weather will be about the same, Mr. Speaker. I have great sympathy with the question of privilege raised by the hon. member. I do not have my office in the Confederation Building. However, I was at the Confederation Building—not that this puts me in any different class from anybody else. I was visiting there. I came out of the Confederation Building and came up that way at about 25 minutes after seven. I did not have occasion to use a truck. I took the old-fashioned way of walking, and I arrived here in ample time.

I do not think that acts of God such as snowstorms and things of that nature should deter members from getting here. I got my feet extremely wet in the process; they are still wet. Nonetheless, I arrived here and my colleague from New Westminster is here as well. I do not know whether he walked, flew or how he got here, but he did get here.

The other reference about conducting a filibuster may be as accurate a statement as the hon. member will ever utter in this House. I am amazed at his perceptiveness, because it took him so long to discover this. Of course, he has remedies available to him and these remedies are also available to the party to which he belongs. Surely one should not be castigated for trying to examine in as close a manner as possible all the fine, intriguing points in this bill which will have a massive effect on the electorate and upon political parties. This is what we are setting out to do in this discussion.

[*Translation*]

Mr. Roy (Laval): Mr. Speaker.

The Acting Speaker (Mr. Boulanger): The hon. member is rising on a question of privilege.

Mr. Roy (Laval): It is not a matter of exercise, as the hon. member said. However, it did give me some exercise, which I appreciated as I am used to it. But I am rising on a question of privilege to ask why the area around the Confederation building was not cleared, as is now being done on the hill. This did give us some excellent exercise however and we appreciated it.

The Acting Speaker (Mr. Boulanger): Order, please. I think that the hon. member has a good argument about snow removal, but I believe that the Deputy Speaker has already ruled on that and I do not consider the point raised by the hon. member as a question of privilege.

[*English*]

Mr. Howard: The amendment before us seeks to deal with the very serious question of campaign fund expenditures. We all know that money is a pretty potent force at election time. We know there is a tendency for candidates, particularly for registered parties, to think that the more lavish they make the brochure, the more money they spend with an advertising agency in preparing television plugs and spots, the more the political parties concerned can sell its image. They tend to draw a distinction in the sense of image which is not very credible. There is an attempt to develop mechanisms that are not designed to promote public discussion, to establish conversation in the community or to enlighten people about the issues in the campaign.

We all know this. No party is very different from another in that regard. They are designed to influence, to manipulate or to have an effect. They are designed to be attractive primarily to the apolitical voter; they are designed primarily for that person in our society, and there are quite a number of them. By my assessment, 20 per cent to 25 per cent of those who vote are within the group that has the general reference apolitical. These people do not pay attention to politics. The campaign expenditures are designed to have an impact upon or influence that type of voter. That type of voter has no sort of involvement or connection with the political process because he does not generally pay any attention whatsoever to politics, government, legislative items, policies, or who did or did not do what in the political arena. It is considered that he is likely to be influenced at the emotional level more than at the mental level, the level of thought, analysis and logic.

We know that it costs a good deal more in production and agency fees if someone is hired to work out a slick, smooth 30-second television shot designed with no other thought in mind than to impress or make an impact upon the voter. One would pay a good deal more for this type of television program than for the more honest one involving a five-minute period or longer in which one converses in detail or in depth about a party's ideas, programs and policies in an attempt by this mechanism to get across a point of view or an understanding to the general public. There is a tendency not to do that sort of thing and there is a tendency toward the other, that is, toward buying advertising expertise. There is a tendency to go to those agencies which spend the whole year around developing ads designed to sell toothpaste or underarm deodorant, or whatever else might be sold by someone who wishes to sell it.

In respect of a political party, this is regrettable. This is not necessarily a severe criticism of a political party but it is a sad commentary, I think, upon the level of political demand in the country if a political party feels it should go to an agency and ask it to make up a package for it, but rather than call it Crest, call it NDP; do not call it Arrid but call it Liberal or whatever. Just substitute the political party's name for the name of the mouthwash and sell it in the same way. That costs a lot of money.

• (2130)

An hon. Member: What would you call it?

Mr. Howard: There is an old-fashioned country word that people use, not only people on farms. I worked in logging camps and underground in hard rock mines, and I know what that word is. It has been used in this House; it appears in *Hansard* at one stage in reference to a speech made by the hon. member for Trinity (Mr. Hellyer) and appropriately declared as such. There is a word for it that I think probably we should not use at the moment, not when one is carefully thinking about what one has to say. It is a word that might be blurted out somewhere, a word that may be euphemistically called male bovine excrement.

Mr. Blenkarn: That is not very parliamentary.

Mr. Howard: It is a perfectly satisfactory parliamentary expression. None of our parties is distinctly different from any other in that regard, in that we tend to find the most expensive way to run an election campaign within the limits of our budget; we tend to move up as high as we possibly can. I am glad the hon. member for Trinity has come here. I made a passing reference to some remarks he made. They were not unkind. They were true, correct and accurate, but not unkind.

In any event, we tend to find within the limits of the money we have available the most expensive things to do in an election campaign. We are not content any longer to run off an old-fashioned, mimeographed bulletin, black ink on white paper. What we want now are two or three-colour jobs, and the slicker the paper, the better; the more crisp and so-called professional it looks, the better. We do not want a campaign brochure but something that looks like Playboy or Cosmopolitan in its visual impact.

Mr. Blenkarn: Did you not see the NDP pamphlet in the last election?

Mr. Howard: I am just telling my friend that no party is distinctly different from any other in that regard.

Mr. Blenkarn: When you have international unions to support you, how can you be different?

The Acting Speaker (Mr. Boulanger): Order. I know it is late in the day, but I think the hon. member knows the rules of the House. When an hon. member has the floor, he has the right to speak and not be interrupted by other hon. members.

Mr. Howard: Right on, Mr. Speaker; thank you very much. It is the hon. member for Mississauga who made those interjections. He is not nearly as competent as was the hon. member for Peel South, when there was a member for Peel South here. The hon. member for Mississauga had an opportunity a moment ago to stand up and be counted like a man with respect to the type of union contributions to which he referred, but he ducked the issue. Why? Because he wanted to continue to protect their source of funds. He was not concerned about cutting off anybody else's source of funds, but he wanted to continue to protect his party's source of funds from south of the border and make sure that no one knew about it and that they could come in by the back door, that it was folded money, unidentifiable money.

Mr. Blenkarn: Mr. Speaker, I rise on a point of personal privilege.

The Acting Speaker (Mr. Boulanger): Order. First I would like to ask the hon. member whether he is rising on a point of order or a question of privilege.

Mr. Blenkarn: On a question of privilege, Mr. Speaker. The hon. member knows full-well that it is only his party that is relying on international union contributions, that these contributions do not come to the PC party, that this party does not rely—

The Acting Speaker (Mr. Boulanger): Order. The hon. member knows very well that this is a point of debate or opinion. I think the Chair must tell him right away that the hon. member who has the floor is the hon. member for Skeena (Mr. Howard).

Mr. Howard: I would have thought the hon. member for Mississauga would have got that message before. I do not want to go any further in that direction. All this information was set down on the record earlier today in great detail, with great clarity and precision, with complete disclosure while the hon. member for Mississauga was not here to listen to it. If he would like to find the truth about that matter, let him read *Hansard*. It is there.

I would get back to the amendment before us. As I said, all political parties have this tendency to produce the most slick brochure possible, thinking that that will have the greatest impact and that it will attract people to vote for us because we are able to present whatever it is we have to present. We have a manner of presenting it that would appear attractive, that would appear as if careful thought had gone into it, that would look appealing to the eye. Our television programs tend to do the same thing. We run newspaper advertisements that are designed not to impart information to the general public about anything, and not to indicate that one party or another has a particular philosophy or a particular policy or a particular program, but designed to leave the impression, in the mind of a voter, of a particular name. We have posters. A classic one is that of a minister of national defence cuddling up to the Prime Minister (Mr. Trudeau) and whispering. This was on a billboard in Winnipeg. It was not designed for any other purpose except to say that the then minister of national defence and the Prime Minister were pretty close buddy-buddies, so much so that they whisper confidentialities to each other in full public view on the billboard.

Mr. Blenkarn: He is in bed half the time when there is an emergency. I guess that is what happens to the Prime Minister also.

Mr. Howard: I have no commentary to make about things of that nature. Those are interruptions from the hon. member for Mississauga. I want to deal with the items that are before us and I hope he will not try to drag the conversation in that direction. I am sure, Mr. Speaker, that you have warned him a sufficient number of times that he should stay in order. Now we come to the matter of how much these national elections are to cost.

Mr. Blenkarn: It will not cost you that much while David and Pierre are together.

Mr. Howard: We want them to cost more. One thing I have noticed about these chatterboxes in the Conservative Party is that they make their most sensible comments from the position in which they are now. It may well be that this is because it is that part of their anatomy that is resting at that particular time.

Mr. Stackhouse: Will you be reading from the telephone directory now? You have not done that yet.

The Acting Speaker (Mr. Boulanger): I wonder whether the hon. member has terminated his speech, or is some interruption keeping him from expressing his ideas? I would point out to hon. members that we are getting closer to the adjournment hour tonight, but still order must be maintained. The hon. member for Mississauga (Mr. Blenkarn) had been asking questions. I would plead with him not to interrupt any more as the Chair is having a hard time following the speaker who has the floor.

● (2140)

Mr. Brewin: May I ask the hon. member a question?

The Acting Speaker (Mr. Boulanger): Does the hon. member for Skeena agree?

Mr. Howard: I would be more than delighted, Mr. Speaker.

Mr. Brewin: This amending motion No. 12 seeks to take the word "not" out of proposed section 13.2(1.1) of subclause 4(1). Would the hon. member who is moving this motion tell us the effect of that? I haven't the vagues idea.

Mr. Howard: Mr. Speaker, I know the hon. member for Greenwood is kind of embarrassed and is trying to get us back on the track again. Probably if I could put it in one sentence it may help to clarify the whole matter. Most times when you seek to take the knots out of something, you unravel it.

Some hon. Members: Hear, hear!

Mr. Howard: That is what we are seeking to do here, to remove one of the knots and unravel, or ravel—I am not sure which is correct not being a person who has done much knitting lately. However, we are attempting to unravel a very involved and complicated bit of political declaration.

An hon. Member: Why don't you try a zipper?

Election Expenses

Mr. Howard: Mr. Speaker, sometimes I cannot hear these comments and I let them go by. But seriously, in reponse to the previous question, what is involved is simply that there is a provision in the bill, that we just dealt with, that says the limitation on campaign expenditures by political parties shall not exceed 30 cents times the number of voters in those ridings within which they run candidates. The key words are that that "election expenses" shall not exceed that amount of money, whatever the multiplication comes to.

We have the figure of roughly $4.2 million if parties run candidates in all ridings. When the matter was being considered by the committee we inquired, with respect to the definition of election expenses, whether or not within that definition there was to be included the amount of money that a registered party, or the central headquarters of a party, the national office or whatever they want to call it, gave as donations or contributions to the various constituencies and candidates. This has ranged anywhere from $4,000 to $7,000 in some areas, averaging $5,000 to $6,000 per candidate for the two old-line parties. There was doubt in the committee whether or not that type of expenditure by a national party was to be included within the definition of election expenses. The President of the Privy Council said so, that it was not to include that. If other words, the limitation on election expenses would be 30 cents times the number of voters on the list, plus whatever a political party wanted to donate to its respective candidates running under its banner in the particular ridings. And for more clarity he moved this amendment, which is now before us as 13.(2)(1.1) on page 9 of the bill, and which says:

> In determining, for the purposes of this section, the amount of election expenses incurred by a registered party on account of or in respect of the conduct or the management of an election, there shall not be included any amount in respect of contributions or gifts made by or on behalf of the registered party for the use of candidates at the election.

We seek to take the "not" out of that so that when it is removed it will clearly say that the 30 cents times the number of voters on the voters' list, whatever total that comes to, will include the contributions that the party makes to its registered candidates. In other words it would have the effect, within the 30 cents factor, of limiting that by the amount the party contributes to candidates. I do not know whether *Hansard* got the last interjection, Mr. Speaker, but the hon. member for Greenwood said that I have got him convinced. So I have got his vote tied up tight. Now I have only to convince some 260 other members of the House.

Looking, for argument's sake, at the Liberal Party, Mr. Speaker, this would not affect the campaign fund expenditures of that party one iota because in the last federal election they expended $1,321,989 to cover radio time and television time, printed media and other advertising, leader's tour, travel, surveys, administration and the like, and in addition to that contributed something in the neighbourhood of $5,000 on the average per candidate running for the Liberal Party.

On just a very rough estimate of $5,000 times 264 candidates, that came to something in the neighbourhood of $1.3 million. So that in addition to the other $1.3 million they spent in the last election campaign, they could make this

$5,000 contribution or donation to each one of the candidates running for the Liberal Party and only come to an amount of $2.6 million, which would still leave ample room for expansion within the $4.2 million available according to the formula in the bill.

I know that revealing this kind of information about a $5,000 contribution on average from the national headquarters of the Liberal Party has caused a number of Liberal members in the House to raise their eyebrows and look in my direction. Obviously they are the ones who did not get $5,000; they got much less. Maybe at that time they were not in favour with the leader of the party, and he figured that if he cut back on these contributions they would not have much chance of getting at him. It is obvious that he did that with a number of members of the previous parliament because they were defeated in that campaign.

Mr. Peters: Maybe that is how he got his $100 million or $200 million.

Mr. Howard: No, he would not have accumulated his $100 million or $200 million that way. With respect to the PC party, again talking in terms of what is indicated with regard to their activities, they also would not be affected one bit because their total expenditure, according to Mr. Finlay MacDonald who was, and maybe still is, their national campaign chairman at the time he provided this information, total PC national office expenditures in the 1972 campaign were $4,520,321 which, if the 30 cents formula were applied, would be just about right where the limit was; and that included the amounts of money allocated to constituencies, or remitted to constituencies, and Professor Paltiel points out that the constituency allocations appeared to average out at $6,600.

• (2150)

Some provinces and their constituencies, like Alberta, were entirely self-sustaining. So what the total contribution was is hard to say from that, except that Mr. MacDonald does say that the total remittance to provincial allotments and constituencies was some $1,748,000—that was the national campaign—bringing it up to a total of $4.1 million.

If we are seriously concerned about trying to effectively and reasonably limit campaign expenses, then we should be thinking seriously about either limiting or reducing the amount of that 30 cents. That can be done by one of those deferred divisions or by taking out the word "not" and saying that we had reached the peak. Both the Liberals and Conservatives, by their own statements, had concluded that that was a peak expenditure last time, and it was a peak position in so far as finding the flow of campaign contributions to the treasury is concerned. I think they will find that the more campaigns cost, the more difficult it will be to raise money. I know that is true of my own constituency and the organization to which I belong. We have found it more and more difficult all the time to raise money.

An hon. Member: No wonder.

Mr. Howard: We have a great deal of difficulty, Mr. Speaker. Somebody says he wondered why, or "no won-

der," or whatever. We believe in the principle that you control and dominate and finance and run a political party from the community, from individual memberships and individual participants. We raise our moneys in Skeena from the contributions of individuals in addition to the membership fees to the party. All of this is tabled. All of it is public information and I have it with me now. If the hon. member for Mississauga wants it, I will gladly get it for him and table it in the House. That is how we obtain our money, purely within the constituency from individual contributions and by running raffles, dances and social events. Lots of people do this. We do not print it and we do not phone IT & T, IBM or any of the others.

Mr. Stackhouse: What about the UAW?

Mr. Howard: My hon. friend indicated UAW. I guess this is a question—do we phone up UAW? I do not even know who UAW is.

The Acting Speaker (Mr. Boulanger): Order. I regret to interrupt the hon. member, but he is not addressing the Chair and I do not know of any rule that he should answer a question that is not officially asked in the House by an hon. member. I should like him to address the Chair.

Mr. Howard: I apologize for that, Mr. Speaker. It was a transgression on my part. I should like to indicate that if anybody wants to get recognized in a formal way and ask questions, I will be very pleased to answer them.

An hon. Member: Next week, too?

Mr. Howard: Certainly next week. In fact, I may have the answers next week. I do not have all the answers right now. Mr. Speaker, that is why we have difficulty in raising money. A few years ago in my constituency I looked at the returns the other candidates had filed. I am sure they looked at mine, and that is all right. I looked at the return filed by the Liberal Party and the return for that campaign within the constituency run by the Liberal Party, and the Liberal candidate showed an expenditure of $5,000-odd. It showed one contribution exactly equal to the expenditures, and the source of that contribution was the Liberal Federation of Canada. I know that the Liberal Party raised money in Skeena in the election campaign, but I do not know where it went. I also know that a lot of Liberal Party members in that riding would like to know because the Liberal Federation of Canada paid the whole shot.

The Conservative Party received contributions some years ago, too. The Conservative candidate in the riding listed his source of campaign funds and one was a contribution of $2,000 or $4,000 from one Frederick Field, and accountant in Vancouver. When the right hon. member for Prince Albert (Mr. Diefenbaker) was Prime Minister and had some authority for appointments, lo and behold, shortly after the election this Frederick Field was made a member of the board of the Bank of Canada and the Industrial Development Bank. We raised the question and Mr. Field said, and I gather quite rightly, "Good heavens; I thought I got here on merit and not by any contribution". It turned out that Frederick Field was simply the treasurer of the Conservative Party in British Columbia at that time. The Conservative candidate had make an error and instead of listing the Conservative Association, or whatever it was, he listed Frederick Field because that was who signed the cheque. It really did not come from Frederick Field at all, but from some unknown source.

We have to seriously face the question of whether we are really concerned about continuing to think that the more money we spend, to more we will be able to influence voters. To continue in that direction, I submit, tends to demean us as individuals, tends to demean political parties and tends to place them in the same class as mouthwash and toothpaste companies. Instead of being the Progressive Conservative Party, it might be Proctor-Gamble next time, or whoever makes those sorts of things. That will be the name that will appear by mistake. The advertising agency, instead of saying "Vote Progressive Conservative" will be saying "Vote Proctor-Gamble". It will not make much difference to the advertising agency which advertises the idea.

[*Translation*]

The Acting Speaker (Mr. Boulanger): I am sorry to interrupt the hon. member but it is ten o'clock.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

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

[*English*]

POST OFFICE—TIME TAKEN FOR SPECIAL DELIVERY LETTER MAILED IN REGINA TO REACH MISSISSAUGA—REQUEST FOR EXPLANATION

Mr. Don Blenkarn (Mississauga): Mr. Speaker, on December 6 I asked the Postmaster General (Mr. Ouellet) if he knew where Mississauga was and how it could conceivably take five days for a letter send special delivery and express, with a 40-cent stamp on it, to come from Regina, Saskatchewan, to Mississauga. There is at least one direct flight per day by Air Canada from Regina to Mississauga. On November 21 a Mrs. Stutt went into the Regina head office of the post office of this government in Regina, Saskatchewan, and deposited with the postmaster's clerk there a letter marked "Special Delivery" and "Express" containing four Grey Cup tickets. Five days later, one day after the Grey Cup had been played at Toronto, that special delivery, express letter was delivered by the postmaster's servant to my constituents, Mr. and Mrs. Douglas Robb in Mississauga.

● (2200)

In answering that question, the postmaster said he was going to spend a lot of money on the Gateway post office in Mississauga: that was the only answer he had. Sir, citizens of this country, relying on the monopoly system of postal delivery, supposedly guaranteed, having spent 40 cents, not 8 cents, on a special delivery express letter,

having spoken to the clerk in the main office in the post office in Regina, find that their letters took five complete days to be delivered—more than five if one counts the whole of the period between the 21st and the 26th. I repeat, this was a letter marked "Special Delivery, "Express" on which a 40-cent stamp had been placed, and there is a direct airline service between the two centres at least once a day.

That is about the worst case I have come across, but it is not the only case. At least once or twice a week I personally write to the Postmaster General, and my constituency office writes to the postmaster's officials in Mississauga several times a week with respect to the kind of mail service the city of Mississauga receives. I want to remind the Postmaster General that Mississauga is larger than the city of Victoria, the capital of British Columbia; that it is larger than St. John's, the capital of Newfoundland; that it is larger than Regina, the capital city of Saskatchewan; larger by far than the city of Charlottetown, the capital of Prince Edward Island; and larger, indeed, than the City of Quebec which is the capital of the fair province of Quebec. Nevertheless, this city receives a postal service upon which the major industries within it cannot rely.

I have communicated to the Postmaster General evidence from the St. Lawrence Cement Company that it takes six days for special delivery of documentation to Mississauga from Chicago. Indeed, the St. Lawrence Cement Company has advised me that in no circumstances would it trust the Post Office of Canada; it would prefer to use the services of special bank courriers for the delivery of mail and important documentation.

Sometimes we in Canada cannot get too enthusiastic about the difficulties facing commercial organizations. After all, they only meet huge payrolls and pay enormous taxes to support such ineffective operations as I have been describing! There are people like Helen Friese who delivered evidence to me showing that it took mail from July 14 to September 10 to get from Port Credit to Toronto.

Mr. Alkenbrack: Shame.

Mr. Blenkarn: I have also received information from councillors of the city of Mississauga that even within the city mail sometimes takes six days to go from the sub-post office at Port Credit to the sub-post office at Malton. There are people who have been residents in my community since it was called the township of Toronto. They bring me evidence that mail in that part of the city of Mississauga still served by rural delivery usually takes seven days to come from Toronto.

This sort of thing goes on and on. Every time I write the Postmaster General about the kind of service Canadians expect, that people in a developed urban location like the city of Mississauga are entitled to receive from their government, I get wishy-washy, beautiful letters. Sometimes the department sends its officials to talk to my constituents. They give them the finest of soft soap. If they would spend half the effort on service that they spend on soft soaping and advertising their new direct service, their guaranteed delivery system, their wonderful six-letter codes, and give this community the kind of service it received with the pony express prior to the steam engine, we would be happy.

● (2210)

[*Translation*]

Hon. André Ouellet (Postmaster General): Mr. Speaker, I would briefly remind the hon. member that Toronto Post Office employees are handling about 5 million pieces of mail a day. I would also remind the hon. member that at this time of the year the employees of my department are handling about 10 million pieces of mail a day. Of course, we admit that errors are possible and I would like the hon. member to think that with a percentage of errors of only one per cent about 200,000 people would be entitled to complain for late mail.

I think that the hon. member has been slightly exaggerating in his speech and if he is in a position to give a few examples of errors I am convinced that with some goodwill he will find that the mailing services have been quite efficient in hundreds of cases. Perhaps he forgets that for one delayed letter 99 others are delivered on time. I think I should also emphasize that throughout the Post Office administration the improvement of our service depends to a large extent on factors independent from my department such as weather, road conditions and delayed planes or trains which are so many factors liable to influence the punctuality of mail deliveries.

There is also the fact that human nature is fallible and mistakes are bound to happen in the handling of mail. But I do not think that the hon. member is in a position to complain mainly because he is from Mississauga and that in reply to his letter I informed him on December 6 that precisely in Mississauga, we would build an ultra-modern post office to sort out the mail automatically, help improve considerably the mail handling and make that service much more efficient.

To my mind, the hon. member must think that everything works properly, under normal conditions. I urge him to make a personal inquiry. He gives me as an example a letter mailed from Regina which reached its destination too late. If tthe hon. member mails his letter before 11 a.m. in Regina, one can normally guarantee delivery in Mississauga on the next day; if the letter is mailed after 11 a.m., in the same city, it will not normally reach its destination the day after the next. In closing, I therefore say to the hon. member that, in most cases, we respect the time limits we set ourselves. When delays occur, unfortunately, we apologize for them. We strive earnestly to improve the service.

Motion agreed to and the House adjourned at 10.13 p.m.

HOUSE OF COMMONS

Friday, December 21, 1973

The House met at 11 a.m.

ROUTINE PROCEEDINGS

[*English*]

HOUSE OF COMMONS

CHRISTMAS ADJOURNMENT

On the order: Motions.

December 19, 1973—The Minister of Transport:

That, when the House adjourns on Friday, December 21, 1973 it shall stand adjourned until Wednesday, December 26, 1973; and

That the hours of sitting on Wednesday, December 26, 1973 shall be 7.00 o'clock p.m. to 10.30 o'clock p.m.

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, I rise on a point of order in connection with this motion having to do with the adjournment of the House. As hon. members may realize, certain discussions have been taking place among representatives of the parties as to an alternative method of dealing with this question. These discussions are still under way and probably will not be completed until some time this afternoon. Therefore I recommend that it would be in the interests of the House and of these discussions if we agreed to defer the calling of this motion to later today. If we fail in our efforts, we will call the motion at that time.

Mr. Bell: We agree.

Mr. Speaker: Is it agreed and so ordered?

Some hon. Members: Agreed.

* * *

INDUSTRY

TABLING OF BACKGROUND DOCUMENT ON A SECTOR STRATEGY FOR FOOTWEAR AND TANNING INDUSTRIES

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, pursuant to Standing Order 41(2), I should like to table a background document in both official languages on a sector strategy for Canada's footwear and tanning industries.

TABLING OF BACKGROUND DOCUMENT ON ADJUSTMENT ASSISTANCE PROGRAM FOR FOOTWEAR AND TANNING INDUSTRIES

Hon. John C. Munro (Minister of Labour): Mr. Speaker, pursuant to Standing Order 41(2) I should like to table copies of a background document in both official languages on the adjustment assistance program for the footwear and tanning industries.

* * *

IMMIGRATION

STATEMENT ON PROCESSING OF APPLICATIONS BY CHILEAN REFUGEES TO COME TO CANADA

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I announced on November 30 in the House that the Canadian government would apply the provisions of Canada's ongoing refugee program to those people who wish to settle in Canada as a result of the situation in Chile. I would like to report on the results of the program to date.

Applications respecting approximately 1,400 persons have been received. One hundred and eighty-four visas have been issued and up to 213 additional visas could be issued once applicants respond to our request that they come forward for their medical examinations. They have had other screenings, so they have been in contact with us. Many of these have indicated that they do not wish to come to Canada until next spring.

Some hon. Members: Oh, oh!

An hon. Member: Why wait for spring?

Mr. Bell: They are waiting for a change in the government.

Mr. Andras: We will have to get the snowplows out for them. An additional 369 persons only require successful completion of background checks before being issued visas. Normally these checks would take about six months but under our accelerated program these have been reduced to one to four weeks on Chilean nationals and two months' duration for others. All applications received to date should be completed by January 31, with many being completed before the end of December. These figures will indicate to you, Mr. Speaker, the results of my statement of November 30 that accelerated immigration processing would take place but that medical and background checks would be carried out.

We are endeavouring to ascertain the number of persons who have been delayed by the lack of transportation. Contingency transportation arrangements are being planned for implementation when and if necessary.

In respect of adjustment and settlement arrangements, a number of groups have come forward with offers of assistance, and I am assured that the situation is well in hand.

Chilean Refugees

• (1110)

Mr. Jake Epp (Provencher): Mr. Speaker, in response to the statement the minister made in the House on November 30 concerning Chilean refugees I stressed at that time that the Progressive Conservative Party had always shown a willingness on the basis of humanitarian grounds and compassionate reasons to accept refugees from other countries who wished to relocate in Canada. We still maintain that position. In his statement on November 30 the minister gave the impression that there were only a couple of hundred people who had expressed a desire to come to Canada. Today his statement indicates there are already 1,400 people who wish to come to Canada.

In my reply to the minister then I expressed the opinion that certain caution should be observed and maintained in respect of Chilean refugees. I raised the question of the nationality of these refugees and whether they were Chileans or in fact people from various Latin American countries who now wanted to come to Canada via Chile. We have not received an answer to that question. We also raised a question and a caution concerning whether or not sufficient security checks were being implemented. At that time we insisted that stringent security checks should be maintained in all cases. The Progressive Conservative Party is not impressed to date with the security practices of the immigration branch. The government has allowed well known criminals and international agitators to come to Canada and find a haven here. This is something the government should look squarely in the eye and take very positive action in regard to it.

The government should also make full disclosure of the specific number of Chilean refugees who have applied to come to Canada, their nationality and what security checks have been maintained. We hold to the position that we are interested in helping genuine international refugees, people who want to come to this country and contribute in a positive way to the social, economic and cultural life of Canada.

The minister also indicated in his statement that the department has accelerated the processing of these applications. I remind the minister that many people who have applied for landed immigrant status from outside Canada and have sponsoring relatives in Canada have waited for years to come to Canada without any positive response from the government. This includes people from the United Kingdom. In the first nine months of this year we had more applications than last year by people wanting to come to this country. I suggest to the government that it should take strong and positive steps in that respect.

Lastly, Mr. Speaker, the entire premise on which the government based its refugee program was the urgency in respect of these people who are political refugees because their well-being and their lives were in danger. Yet today in his statement the minister said that many of these people have indicated they do not wish to come to Canada until spring. Obviously the effect of winter in Canada has already extended to Chile. These people have become aware of it. Where is the urgency if these people can wait until spring? Why do they not come now? I suggest this entire question should be re-examined and a full disclosure made by the minister in charge.

[Mr. Andras.]

Mr. Andrew Brewin (Greenwood): Mr. Speaker, when the minister made his statement on November 30 that the people dislodged by the coup in Chile would be given refuge in Canada and treated as refugees and that their cases would be expedited, we welcomed the announcement. Since that date, and particularly in the last few days, I have been receiving, as no doubt other hon. members have, information from Santiago, from Panama, from Honduras and from Mexico of delays and in some cases destitution amongst those who have applied to come to Canada.

There are three causes mirrored in the minister's statement. The first is the delay in medical checks; second, the delay in background checks and, third, difficulties of transportation. We are told that, out of 1,400 persons who have applied, 184 visas have been issued and up to 215 additional visas can be issued when medical examinations are completed. I would like to ask the minister how many persons have actually come to Canada and how that number compares with the over 700 who have arrived in Sweden and France from Chile.

We all appreciate the necessity of background checks, but I see a striking contrast between background checks, which are said to take four weeks in the case of Chilean nationals and two months for others, and what happened at the time of the flood of Hungarian and Czechoslovakian refugees when background checks took a day or two and those people, out of humanitarian reasons, were allowed to enter this country. I suggest that the process of background checks must be speeded up or a simpler method found. I would like to ask the minister also whether the medical staff is adequate. I am informed it is not, that one of the reasons for the delay is an inadequate medical staff to check on those who have applied, at our invitation, to come to Canada.

The minister said in his statement that "we are endeavouring to ascertain the number of persons who have been delayed by lack of transportation." Why at this stage, months after this situation arose, are we still endeavouring to ascertain whether or not transportation is available? Other countries have provided airlifts. I suggested on November 30 that we could provide airlifts. I ask the minister again: Why have we not had a greater sense of urgency in dealing with the question of transportation rather than endeavouring now, months later, to ascertain the number of people who have been delayed by lack of transportation?

There is another serious problem that has arisen. I understand that, with respect to at least some of these refugees, the military junta in Chile has set a deadline, the end of this year, and while we dilly-dally around the possibility of some of these victims of the coup coming to Canada may be cut off by the junta itself. The minister shakes his head. I would be glad to hear from him at some stage whether in fact that deadline exists. It certainly did exist, but if it has been changed I am delighted to hear it.

We still require the utmost sense of urgency if the minister's good intentions are not to be frustrated and if Canada's reputation in the international field is to be maintained as we hope it will be.

[*Translation*]

Mr. Charles-Eugène Dionne (Kamouraska): Mr. Speaker, I have just been given the minister's statement. I note that he wants to keep the House informed about the activities of his department. I also note that the accelerated program is helping to speed up the decisions. Moreover—and this surprises me somewhat—the statement says about the procedures to follow:

—these have been reduced to one to four weeks on Chilean nationals and two months duration for others.

● (1120)

I understand that these are special circumstances and especially in the name of humanitarian feelings, we do not object to helping people in trouble. However, we must not forget that Canada has a yet unsolved unemployment problem. We should therefore take care of the many people that we shall be bringing in from foreign countries, as this will certainly not help our unemployment situation.

It is also in order to mention, since this has happened before, that we should take some precautions to prevent Canada from becoming a shelter for political refugees who could contribute in bringing trouble to the Canadian people.

Once again, we do not object to this for special cases after the background checks have been made, but we should act with a lot of prudence.

* * *

SPORTS

VIOLENCE IN JUNIOR HOCKEY—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Roch La Salle (Joliette): Mr. Speaker, I rise under Standing Order 43 to ask the unanimous consent of the House to move a motion of urgent and pressing necessity of which I have notified the responsible minister.

Considering that it is the duty of each Canadian citizen to see to the constant improvement of our national sport, hockey and that among juniors brutality if not violence seems to become the main attraction according to certain recent reports, I move, seconded by the hon. member for Vancouver South (Mr. Fraser):

That this House unanimously invite the minister responsible for amateur sports in Canada to consider the possibility of a thorough inquiry regarding violence among juniors, in order to make those involved in junior hockey in Canada understand that for young people, at that stage, hockey should be in the first place a training school in the best interests of our national sport.

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

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity, so the motion cannot be put.

Mr. La Salle: Mr. Speaker—

Shortage of Sorel Metal

Mr. Speaker: The hon. member for Joliette.

Mr. La Salle: I have not really heard those who oppose my motion. I felt the whole House had agreed.

Mr. Speaker: I shall inquire again. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent.

* * *

[*English*]

INDIAN AFFAIRS

SUGGESTED HALTING OF CONSTRUCTION OF JAMES BAY HYDROELECTRIC PROJECT—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, I rise pursuant to Standing Order 43 on a matter of pressing and urgent necessity to the negative people of James Bay. Since the Supreme Court of Canada has decided not to hear the appeal of the James Bay Indians against continued construction of the massive hydroelectric project which Mr. Justice Malouf describes as causing irreparable damage to the native population, I move, seconded by the hon. member for Rocky Mountain (Mr. Clark):

That this House instruct the Minister of Indian Affairs and Northern Development to arrange with the Quebec government for an immediate halt to construction until such time as an acceptable political settlement of the Indian claims can be negotiated.

Mr. Speaker: The House has heard the motion proposed by the hon. member for Kingston and the Islands. It requires unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There does not appear to be unanimity.

* * *

INDUSTRY

SHORTAGE OF SOREL METAL—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity having regard to the critical shortages of sorel metal in this country, a commodity on which many industries are heavily dependent. Therefore, I move, seconded by the hon. member for Dauphin (Mr. Ritchie):

That the shortages of sorel metal be referred to the Standing Committee on Finance, Trade and Economic Affairs and furthermore that the government give immediate consideration to taking interim measures to ensure an adequate supply of this commodity.

Mr. Speaker: This motion also requires the unanimous consent of the House under Standing Order 43. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity.

ORAL QUESTION PERIOD

[*English*]

SUPPLY AND SERVICES

CF-5 AIRCRAFT—MANUFACTURE BY CANADAIR—LAWSUIT BY NORTHROP CORPORATION AGAINST FEDERAL GOVERNMENT

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I should like to direct a question to the Minister of National Defence. Did the government, prior to the recent legal action by the Northrop Corporation of Los Angeles, undertake consultations with officials of Canadair Limited of Montreal and with the Northrop Corporation with a view to ascertaining why the licence to build the CF-5 fighter aircraft in Canada has been cancelled and, if so, what was the outcome of those consultations?

Hon. James Richardson (Minister of National Defence): Mr. Speaker, this is a matter that is being handled by my colleague, the Minister of Supply and Services.

Mr. MacKay: Mr. Speaker, I should like to direct a supplementary question to the Minister of Transport but since he is not here I will address it to the Minister of Supply and Services or the Prime Minister. I should like to know whether the Prime Minister or—

An hon. Member: Here he is.

Mr. MacKay: Mr. Speaker, my question is for the Minister of Transport. Will the minister assure the House, in view of the current situation involving this controversy with the Canadian aerospace industry through Canadair and through the action of the United States Northrop Corporation and the possible lawsuit involving the Canadian aerospace industry and Canadair, that he will not proceed to have Air Canada involved through Comstock in this particular industry at this time?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, this is something which is now being considered, the relationship between Comstock and Air Canada. No decision has been taken yet but this is something we are actively considering now.

[Mr. McKenzie.]

CF-5 AIRCRAFT—POSSIBILITY OF LAWSUITS ARISING FROM SALES TO OTHER COUNTRIES—FINANCIAL PLANS TO MEET COST OF AGREEMENT

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I have a supplementary question for the Minister of Supply and Services. Did the minister make the cabinet aware of the possibility of lawsuits if sales agreements were entered into with other countries in this regard, and were there any financial contingency plans for meeting the eventual cost of this CF-5 agreement?

[*Translation*]

Hon. Jean-Pierre Goyer (Minister of Supply and Services): Mr. Speaker, this is an important matter, although it remains of an administrative nature. A few weeks ago, I made a firm bid to the Northrup Corporation. I even invited them to join the federal government in bringing this conflict before Canadian courts, the difference in interests being so significant. This concerns the sale of aircraft to a foreign country.

As to the conversion of F-5s into CF-5s, Northrup Corporation is instituting proceedings against the federal government. Perhaps I should add that Canadair, a subsidiary of an American corporation, is also involved.

It is unfortunate that we should have to go to court, but this is the option of the Northrup Corporation.

There is a third factor in this conflict, which concerns compensation to the Canadian industry. I feel this is very important, and we shall have to defend our rights, as far as this factor is concerned.

[*English*]

CF-5 AIRCRAFT—ALLEGED MISHANDLING OF FUNDS BY CANADIAN COMMERCIAL CORPORATION IN SALE TO VENEZUELA

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, I have a supplementary question for the Minister of Supply and Services. Having regard to the 1972 report of the Auditor General that the Canadian Commercial Corporation mishandled public funds from the Venezuelan sale, what steps has the government taken to correct this flagrant misuse of the taxpayers' dollars?

[*Translation*]

Hon. Jean-Pierre Goyer (Minister of Supply and Services): Mr. Speaker, I do not accept the premises of the hon. member, but we are now studying the report of the Auditor General and in due course I can comment on it.

[*English*]

CF-5 AIRCRAFT—CABINET APPROVAL OF NEGOTIATIONS FOR SALE TO FOREIGN COUNTRIES—EFFECT OF PRODUCTION LICENCE CANCELLATION

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, may I direct a supplementary question to the Minister of Supply and Services. Was cabinet approval obtained for the negotiations with foreign countries for the sale of the CF-5?

[*Translation*]

Hon. Jean-Pierre Goyer (Minister of Supply and Services): Mr. Speaker, I was not responsible for the department at that time. I shall therefore consult the files and report to the hon. member.

[*English*]

Mr. Reynolds: Mr. Speaker—

Mr. Speaker: Order, please. This is the fourth, fifth or sixth supplementary to the original question. We should try to move on. The hon. member will be recognized and then the hon. member for Selkirk.

Mr. Reynolds: Mr. Speaker, may I direct one final supplementary to the Minister of National Defence. How will cancellation of the CF-5 production licence affect Canada's defence plans?

Hon. James Richardson (Minister of National Defence): Mr. Speaker, it will not affect them in any way.

CF-5 AIRCRAFT—EFFECT OF NORTHROP LAWSUIT ON PLANS TO CHANGE ROLE FROM FIGHTER TO TRAINER

Mr. Doug Rowland (Selkirk): Mr. Speaker, may I direct a supplementary question to the Minister of National Defence. Is the present situation going to result in an alteration of Department of National Defence plans to change the role of the CF-5 from that of a fighter aircraft to that of a trainer?

Hon. James Richardson (Minister of National Defence): No, Mr. Speaker.

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IMMIGRATION

CHILEAN REFUGEES—STEPS TO EXPEDITE MEDICAL AND BACKGROUND CHECKS OF THOSE WISHING TO COME TO CANADA

Mr. Andrew Brewin (Greenwood): Mr. Speaker, my question is for the Minister of Manpower and Immigration apropos the statement he made a few moments ago. What steps has he taken or does he contemplate to expedite the medical and background checks of those who have applied to come to Canada from Chile, either directly or indirectly?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, with regard to medical checks the problem, quite frankly, has been that some of the applicants who have been processed in other ways and have been asked to come forward to complete the whole processing, by virtue of undergoing medical checks have chosen not to do so. We are equipped to handle these medical checks very quickly indeed and are keen to do so. With regard to background checks, in some cases these take a little longer. We are taking special measures and we have augmented our staff down there to accelerate this process as well, although we want to exercise the necessary thoroughness in that process.

Mr. Brewin: I referred to the fact that at one stage, at any rate, the military government of Chile said they were fixing a deadline of December 31 for some, if not all, refugees who sought to leave the country. The minister indicated that was no longer the case. Can he tell us what the situation now is?

Mr. Andras: Mr. Speaker, the accurate information we are getting is that the military government of Chile had indicated to all embassies in Chile that people in the embassy itself who were there as a safe haven had to be prepared to leave by December 11, and all diplomatic posts were instructed to submit lists of people in their care to the military government of Chile with regard to applications for safe conduct. Our embassy, which now contains some 55 people, submitted its list on December 10 with applications for safe conduct, and we have not had a response from the government of Chile. We anticipate that the response will come within two weeks from that period. We have, I might say, booked 80 seats on a Canadian Pacific Airlines flight on December 31 in anticipation of a possible need to get these people out of Chile. However, we cannot take them out until the government of Chile gives us safe conducts for them.

CHILEAN REFUGEES—REQUEST FOR NATIONALITY OF APPLICANTS TO COME TO CANADA AND NUMBERS SEEKING TEMPORARY HAVEN OR PERMANENT STATUS

Mr. Jake Epp (Provencher): Mr. Speaker, may I direct a supplementary to the Minister of Manpower and Immigration concerning the statement he made today. Can the minister break down the nationality of the approximately 1,400 applicants whose applications have been received by the department to date?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I had that information with my statement but I sent it to *Hansard* and I regret that I do not have the actual breakdown. I will get it for the hon. member and make sure that he has the information very quickly.

Mr. Epp: Mr. Speaker, may I ask another supplementary in the same vein. While the minister is furnishing that information, would he also indicate what numbers have indicated a desire to come to Canada as a temporary haven and how many have applied to come to Canada to receive landed immigrant status and eventually Canadian citizenship?

Mr. Andras: Mr. Speaker, the bulk of the applications to which I referred are applications for permanent residence, that is, for landed immigrant status. There are some people, particularly in the Canadian embassy, who do not wish to do so. For instance, of the 55 people in the embassy in Santiago only 29 have indicated a desire to come to Canada. The rest are seeking haven somewhere else, and that is the situation we are exploring. Among the rest there is a variation in numbers, particularly among those who are in camps outside Chile. Those we do not consider to carry the same degree of urgency, in the sense that they are not in Chile itself and they are, contrary to other

reports, being looked after in the way of accommodation, food, shelter, pocket money and that sort of thing.

* * *

[*Translation*]

TRANSPORT

MEASURES TO KEEP ST. LAWRENCE RIVER OPEN THIS WINTER TO ASSURE OIL DELIVERIES TO MONTREAL

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I have a question for the Minister of Transport.

Is he considering taking the necessary measures to further facilitate winter navigation on the St. Lawrence River up to Montreal and thus ensure as far as possible the transportation of oil products up to the Montreal harbour and continue to fight the price increase of oil on the Quebec market this winter?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, all depends on the Ship Traffic Branch. Was the hon. member thinking about the navigation on the Lower St. Lawrence River up to Montreal or from Montreal up to the Great Lakes? There is quite a difference between those two things. I am not sure of the meaning of this question.

Mr. Laprise: Mr. Speaker, I have a supplementary question. I meant the Lower St. Lawrence traffic up to Montreal. My supplementary question is the following: Does the minister intend to meet shortly the officials of the St. Lawrence Pilots Federation so as to discuss this possibility with them?

Mr. Marchand (Langelier): I must inform the House that the St. Lawrence pilots did not ask to see me. Surely I have no intention of writing them and ask for a meeting. I have no objection in case they have problems. The traffic of ships on the St. Lawrence River has considerably increased over the last few years. Ten years back only 150 ships entered the gulf. Today over 2,000 sail through it during winter. Of course this depends on the market requirements and also on the economic situation of sea transportation.

Mr. Laprise: Mr. Speaker, a supplementary question. I am told that the St. Lawrence Pilots Federation has sent a cable to this effect to the Minister of Transport who says he has received no news. Could the minister check whether he has received this cable?

[*English*]

Mr. Speaker: Order, please. The hon. member for South Shore.

MEASURES TO ACHIEVE MORE EFFICIENT INTERCITY TRANSPORTATION IN ORDER TO CONSERVE ENERGY

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I wish to direct my question to the Minister of Transport. In view of possible fuel shortages in Canada this winter and the prospect that these shortages may extend for some time to come, has the minister given any consideration to implementing immediately plans for more efficient intercity transportation as a means of conserving energy?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I thank the hon. gentleman for having given me notice of this question. There is no doubt this is something that we would like to do and we will do it wherever it is possible. We have been negotiating with Ontario for better service between cities. Maybe we can do it with other provinces. Of course, the only thing is that we cannot change these things overnight.

Mr. Woolliams: Not with this government, at any rate.

Mr. Marchand (Langelier): Not even with yours, Sir, I regret. When we decide to build new track, new locomotives or new cars, that takes some time. I think the idea behind the question is one we must retain and work on very seriously.

Mr. Crouse: Has the Minister of Transport made any proposals to cabinet for new intercity transportation facilities? If so, what response has he received from his cabinet colleagues?

Mr. Marchand (Langelier): Mr. Speaker, I am about to produce a very long memorandum to cabinet on all transportation problems in Canada, including this one.

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ENERGY

OIL—INDICATION BY GOVERNMENT TO SYNCRUDE REGARDING PRICING POLICY TO BE APPLIED TO PRODUCT

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. I should like to ask him what indications he has given to the principals of Syncrude with regard to the pricing policy to be applied to their product?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I answered a question of the hon. member for York South on this point about a week ago, indicating that our expectation with regard to pricing over the long run for Syncrude and for similar projects would be that a price would be available to make the product marketable and economic from their standpoint, very much in the terms set out by the Prime Minister in his statement to the House. One of the specific assurances we gave them was with regard to the question of shutting in capacity, namely, that given the importance of economics to a synthetic crude plant they would not be subject to be shut-in as a conventional well would be.

● (1140)

Mr. Stanfield: Given the significance of any such communication to Syncrude, or its principals and the light this might shed on the government's policy with regard to the pricing of oil from the tar sands, would the minister be prepared to table the letter he has written to Syncrude or its principals on this subject?

Mr. Macdonald (Rosedale): Yes, Mr. Speaker, I shall be glad to do so. I will see that translations are made and have the document prepared. I had been expecting that the government of Alberta, which announced the project originally, would have been making a public statement on this matter. However, I shall be glad to table the letter.

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INDIAN AFFAIRS

REQUEST THAT FEDERAL GOVERNMENT ASK QUEBEC TO HALT CONSTRUCTION OF JAMES BAY POWER PROJECT UNTIL NATIVES' CLAIMS SETTLED

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, I have a question for the Minister of Indian Affairs and Northern Development. Since the Supreme Court of Canada, in a three-two decision has decided not to hear the appeal of the James Bay Indians against continued construction of the massive hydroelectric project now under way in Quebec, will the federal government use its clear constitutional authority in relation to Indians and lands reserved for Indians to demand that the Quebec government order a halt to construction until such time as an acceptable political settlement of native land claims can be negotiated?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): I do not think the law provides that the government may substitute itself for the court. I know the Indians have rights. I have stated this and I have helped them to go to the courts. Once more, I state my view that the only way to get out of this difficulty is through a just and reasonable settlement. I am urging the Indians and the Quebec government to agree to such a settlement. I am working to this end, and I hope both parties will accept what is reasonable.

Miss MacDonald (Kingston and the Islands): Since the minister will not undertake to use his good offices to have current construction halted—

Some hon. Members: Oh, oh!

Miss MacDonald (Kingston and the Islands): —will he at least assure the House that he and his negotiators will give immediate consideration to the matter which the James Bay Indians list as their No. 1. priority, that is, the significant modification of the plans for the LG-1 dam?

Mr. Chrétien: Mr. Speaker, I should like to correct the hon. member. I have been negotiating on this matter at least three or four times a week. I have been involved. I have been in Montreal, I have been in Quebec. And I have been attending the House of Commons. I am doing my utmost.

Some hon. Members: Hear, hear!

Mr. Chrétien: As I have already stated, I think that for the sake of a good settlement we should not try to make this a political matter. We do not need any back-seat drivers in this case.

Some hon. Members: Oh, oh!

Miss MacDonald (Kingston and the Islands): What the minister needs, Mr. Speaker, is a good front-seat driver.

Mr. Stanfield: Arrogance!

Miss MacDonald (Kingston and the Islands): In connection with the negotiations the minister purports to have undertaken, I wonder whether he can report any progress to the House.

Mr. Chrétien: I am glad to report that proposals have been made by the Quebec government to the Indians and that the Indians are studying those proposals. Quebec has appointed a negotiator who knows about the Indian problem, my former assistant deputy minister. They are talking about the matter, and I do not want to say too much about it because I am not keen on publicity; all I want is to resolve this difficulty.

Some hon. Members: Hear, hear!

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INDUSTRY

PROPOSED TAKEOVER OF MACDONALD TOBACCO COMPANY BY UNITED STATES FIRM—GOVERNMENT ACTION TO PREVENT

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, my question is directed to the Minister of Industry, Trade and Commerce. It follows a question I asked in the House yesterday concerning the takeover of the Macdonald Tobacco Company by R. J. Reynolds of North Carolina. The statement the minister made in the House yesterday did no more than indicate voluntary guidelines with respect to takeovers which occur in the interim period. Since, according to the minister, this takeover is not yet complete, would he tell us what specific steps he intends to take with regard to this takeover which will mean foreign domination of this important industry?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): As I believe I indicated yesterday, I have already taken a step. I asked the representatives of the firm to come to Ottawa. I have met with them and have asked them a number of questions. I am now waiting to hear further from them.

* * *

[*Translation*]

SPORTS

VIOLENCE IN JUNIOR HOCKEY—REQUEST FOR INQUIRY

Mr. Roch La Salle (Joliette): Mr. Speaker, I wish to direct a question to the minister responsible for amateur sport in Canada, the Minister of National Health and Welfare.

In view of recent reports of violence between junior hockey players, does the minister intend, if possible, to undertake an in-depth inquiry into this situation so that junior hockey becomes a school of leadership instead of violence, as is the case at present?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I am concerned with this situation and I intend to discuss shortly with the Canadian Amateur Hockey Association the possibility of taking measures of a special nature or, at least, in addition to those already taken in this regard.

[*English*]

Mr. John Fraser (Vancouver South): Mr. Speaker, I have a supplementary to the minister on the same question. Has the minister considered whether there is any federally-funded money going into amateur junior hockey which could be withdrawn if the organizers of amateur junior hockey are not prepared to cut out some of the violence and cease encouraging brutality in our national sport?

Mr. Lalonde: Mr. Speaker, it is not my habit to work with threats and blackmail against people who are receiving funds from the federal government. I believe they are reasonable people and I hope that in negotiating and discussing the matter with them we can arrive at better results than by using threats to cut off public funds.

Mr. Fraser: The minister refers to blackmail. I ask him whether, in view of the obvious public concern about what is happening, the organizers of amateur junior hockey should not be informed that the public will not continue to support them with taxpayers' money unless they clean up their game?

Mr. Lalonde: I said in French before the hon. member spoke that I hope to meet with representatives of the Canadian Amateur Hockey Association in the next few days to discuss this very matter. I repeat, however, I do not think that when dealing with responsible citizens we should confront them with the threat of cutting off public funds at the first opportunity. I think there are better ways of dealing with people.

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CAPE BRETON DEVELOPMENT CORPORATION

COAL MINERS' ACCIDENT RATE—REQUEST FOR INQUIRY

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, I wish to direct a question to the Minister of Labour. In light of information that in the coal mines operating in Cape Breton under the Cape Breton Development Corporation the accident rate in 1971 stood at the appalling figure of 109 per cent and that in 1972 it was 90 per cent, can the minister tell the House why he has not conducted an inquiry into this very serious situation?

● (1150)

Hon. John C. Munro (Minister of Labour): Mr. Speaker, I thank the hon. member for giving me notice of his question. I would advise him that officials of my department have been working very closely with management, union leadership and so on at Devco for some considerable time in regard to the accident rate which the hon. member has identified and which is very disturbing indeed. Various efforts have been made. I am not complaining about lack of co-operation, but the accident rate has not come down, as is well evidenced by the figures. As a result, I have decided to appoint a commissioner of inquiry to look into the situation. We are working out the terms of reference for the commissioner with management and the union leadership, and we are getting co-operation in that regard.

Mr. Muir: Mr. Speaker, I wish to thank the minister for his reply but may I put a supplementary question. First, how soon does he think the commissioner will be appointed and get under way with his investigation? Second, in view of the fact there were between 2,600 and 3,000 employees in 1972 and there were 2,300 accidents, 1,900 of them disabling, would the minister send officials from his department to Cape Breton immediately to ensure that safety standards are being adhered to and so the number of human beings being maimed and slaughtered will be reduced as quickly as possible?

Mr. Munro (Hamilton East): Mr. Speaker, I would repeat that it was prior to the hon. member bringing this situation to my attention in the House that action was taken by my department, in co-operation with other departments, to do something about this. The negotiations and discussions have not materially reduced the accident rate and this is the reason I decided to appoint a commissioner of inquiry. As to when this will be done, all I can say is it will be done very immediately indeed. I expect the appointment to be made within the next few days; if not, within the next two weeks.

Mr. Muir: I am sorry, Mr. Speaker, to have to take the time of the House again, but this is a very important matter. I should like to ask a further supplementary question of the minister. The minister stated that he has been attempting through his officials to reduce the number of accidents by negotiating. Can he advise me what reaction he has received from the officials of Cape Breton Development Corporation, and to what have they laid the cause for such a tremendous increase in the number of accidents? Also, are they co-operating to reduce the number of accidents?

Mr. Munro (Hamilton East): Mr. Speaker, I think the hon. member is aware of this situation so far as the Cape Breton Development Corporation is concerned. All I can say is that we cannot complain about lack of co-operation from Devco management, or from the union leadership for that matter. I think there is a genuine desire on the part of both to reduce this accident rate. Some of the problems may be very deeprooted indeed, and it is because of this that we hope a commissioner of inquiry will be able to get to the bottom of them.

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ROYAL CANADIAN MOUNTED POLICE

ALLEGED UNAUTHORIZED INVASION OF APARTMENT OF PAUL DESBIENS—RESULTS OF INVESTIGATION—SUBSEQUENT ACTION

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I should like to ask the Solicitor General a question. Several weeks ago I raised the matter of the unauthorized invasion

by the RCMP of the apartment of Mr. Paul Desbiens, in which Mrs. Desbiens was technically assaulted in her bath. A senior RCMP official in the Ottawa area publicly stated that the Solicitor General would reply in the House. Therefore I ask the minister whether the investigation has been completed, and what action has been taken to redress this regrettable intrusion?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, I had an answer here for several weeks waiting for the hon. member to follow up the matter with me, but I do not have it with me this morning.

Some hon. Member: Oh, oh!

Mr. Allmand: But let me say this. There were two Mr. Desbiens, father and son, who lived in the same building. When the police came to press a charge against the son for possession of narcotics, they were directed to the father's apartment. They went to the apartment with a warrant and went into the bathroom, but as soon as they saw the lady there they left. The police left immediately, Mr. Speaker. There was no assault.

Some hon. Members: Oh, oh!

Mr. Allmand: They apologized and then went to the neighbouring apartment and served a summons on the right Mr. Desbiens.

Mr. Peters: Mr. Speaker, I hope the Solicitor General is not representative of the RCMP or of justice in this country. It is very easy to make fun of the situation, but the facts are that no warrant was presented. The police did not leave, they searched the apartment—

Mr. Speaker: Order, please. The hon. member is now engaging in debate and he has been recognized for the purpose of asking a supplementary. Perhaps he should ask his supplementary. I seek the co-operation of hon. members; we do not appear to be moving very quickly this morning. I hope we will have as few supplementaries as possible so that more questioners can be given an opportunity to ask a question this morning.

Mr. Peters: Mr. Speaker, I rise on a question of privilege. I personally visited that apartment shortly afterwards.

Some hon. Members: Oh, oh!

Mr. Bell: Explain.

Mr. Peters: What the minister states is not correct. That apartment was searched. All the possessions in that place were searched. There was no warrant. I am suggesting that I have this knowledge personally. Therefore I would ask the minister to reconsider this matter and have a full investigation made in a serious manner. This is a citizen of Canada whose rights were transgressed. I believe an investigation will indicate that some action should be taken against the officers who made this intrusion without a warrant.

Some hon. Members: Hear, hear!

Mr. Allmand: Mr. Speaker, I have checked this matter thoroughly. There was a warrant. The warrant was issued by a magistrate in Ottawa. When the police went to the apartment building, which is to be torn down very shortly for an urban renewal project, there were no names on the doors or below in the apartment lobby. They went upstairs and asked a lady they saw, who was Mrs. Desbiens herself, the wife of the son, where the apartment was. She directed them to the apartment that they entered. They entered that apartment and started searching around. There was no one there. They opened a door, found the elderly Mrs. Desbiens in the bathroom, apologized and left, and then were redirected to the right apartment.

Mr. Peters: That is a lie and you know it.

Mr. Speaker: Order, please.

Mr. Allmand: They went and put the warrant before the right man and the matter is now before the courts.

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

Mr. Speaker: Order, please. I will recognize the hon. member who wants to rise on a question of privilege. The minister has given a statement. The hon. member for Timiskaming on a question of privilege has also given a statement which brings out facts that are different than those reported by the minister. The minister has repeated his facts. Obviously there is a necessity for the matter to be looked into, but I really do not think that it can be settled by an exchange of questions of privilege during the question period. If the hon. member for Timiskaming seeks the floor on a question of privilege I will, of course, recognize him. But I would hope that some way can be found for the matter to be cleared up without taking up all the time in the question period on questions of privilege.

Mr. Peters: Mr. Speaker, the facts the minister states are not correct. I personally was there. If the minister wants me to indicate that he is dishonest, I can be pushed into that, Mr. Speaker. I state that the names were on a number of mail boxes in the vestibule and that the numbers are clearly in very large letters on the doors of the apartments. I state this from my own knowledge, Mr. Speaker, and I ask that the minister treat this matter seriously, re-investigate and ascertain the facts.

● (1200)

Mr. Speaker: Order, please. I do not think I should recognize the minister. We have heard the same report twice from the minister and the hon. member's report. I do not think we should hear it a third time, either from the member or from the minister. The minister rises on a point of order.

Mr. Allmand: Merely on the point that the member accused me of lying. He said that I was a liar. It was pretty clear on my earphone. I think he should withdraw that. I made this statement based on the report given to me. Like him, I have not investigated the matter myself. It is a pretty large country and we have many policemen. I refuse to accept his allegation that I am telling lies in the House.

Mr. Speaker: Certainly, it is against the rules of the House—this has long been established—for any member to accuse another member of lying. I did not hear the hon. member say that. I would have to rely on *Hansard*. I would hope we would not get into that kind of a situation. If the hon. member has, of course, made that accusation, he would have to withdraw it.

Mr. Peters: I did not say the minister was lying. I said I could be pushed—

Some hon. Members: Oh, oh!

Mr. Peters: I said I could be pushed into that. Mr. Speaker, I think *Hansard* will clearly indicate that I said "that is a lie," and there seems to be some difference of opinion as to the facts. I did not say that the minister was a liar but that the report he gave was a lie.

Mr. Speaker: Order, please. The distinction may be somewhat subtle. The hon. member has the right to question the accuracy of a report made to a minister. He cannot question the honesty of another member giving that report. I think it should be made clear that the hon. member states that he did not accuse the minister of lying or that the statement made by the minister is a lie. If the hon. member confirms my understanding of the situation, I do not think there is any necessity for withdrawal, but that should be made very clear. I hope this is what the hon. member will confirm to the Chair.

Mr. Peters: That is what my intention was, and I am sure *Hansard* will bear out that that in fact took place.

Mr. Speaker: There are three minutes before the end of the question period. The Chair recognizes the hon. member for Winnipeg South Centre.

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URBAN AFFAIRS

REQUEST FOR INCREASE IN FEDERAL SHARE OF COST OF RAIL LINE RELOCATION IN VIEW OF ENERGY CRISIS

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, my question is for the Minister of State for Urban Affairs. Due to the transportation crisis being caused by fuel shortages, will the minister now consider increasing the 50 per cent federal government cost-sharing formula for rail line relocation in Canadian cities in an effort to promote intercity rail transit in co-operation with the municipalities and provinces?

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, I think that would be best answered when legislation is introduced.

[Mr. Allmand.]

EXTERNAL AFFAIRS

LEAKAGE OF DOCUMENTS—POSSIBLE CHARGES AGAINST EMPLOYEE RESPONSIBLE—MAINTENANCE OF CONFIDENTIALITY

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, my question is addressed to the Secretary of State for External Affairs. I have asked before about the investigation into the improper disclosure of documents. I think the House would like to know if charges have yet been laid in this matter under the Public Service Employment Act for failure to honour the terms of the oath of secrecy which public servants are obliged to take under that act before being assigned to positions of confidence?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, no charges have yet been laid. The investigation is continuing.

Mr. Munro (Esquimalt-Saanich): I have a supplementary, Mr. Speaker.

Mr. Speaker: I will recognize the hon. member but we have just about reached the point where I have to call orders of the day.

Mr. Munro (Esquimalt-Saanich): Mr. Speaker, I should like to ask whether the Secretary of State for External Affairs is satisfied that the course being followed in this matter will be a positive response to the recommendations of PAFSO, the professional organization bringing together the officers of this department who are anxious, as I am, for obvious reasons, and as all Canadians are, that everything be done to ensure that proper confidentiality is maintained in diplomatic communications and that the integrity of the foreign service is preserved?

Mr. Sharp: Yes, Mr. Speaker. I must say I was extremely gratified to see the resolution that was approved by the Professional Association of Foreign Service Officers which supports the position that he and I have taken in the House, and most members, I hope.

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FOOD PRICES

STATEMENT BY CHAIRMAN OF REVIEW BOARD—POSITION OF GOVERNMENT

Mr. James A. McGrath (St. John's East): Mr. Speaker, I had a question for the Minister of Consumer and Corporate Affairs but in his absence I will direct it to the Minister of Finance. In light of the statement made yesterday by the chairman of the Food Prices Review Board to the effect that Canadians would have to learn to live with high and rising food prices, I ask the Minister of Finance if this reflects the policy of the government and, if not, does the government intend to ask for her resignation?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I would like to see that statement in full context and refer that question to my colleague to whom she reports.

[*Translation*]

AIR TRANSPORT

ACCIDENT INVOLVING AIR GASPÉ PLANE—MEASURES TO ASSURE SAFETY OF PASSENGERS

Mr. Alexandre Cyr (Gaspé): Mr. Speaker, I have a question for the Minister of Transport.

As a result of the numerous accidents Air Gaspé has had, of which the most recent occurred Monday, and in view of the answer the minister gave the House on the 19th, does he intend to take emergency measures to ensure the security of passengers on that eastern Quebec airline?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, we have asked Air Gaspé to appoint an air comptroller immediately. The company has had repeated accidents and the security of its passengers is threatened. If the company does not submit to our requirements, we will doubtless have to decide whether or not to cancel its license.

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[*English*]

PUBLIC SERVICE

REQEST FOR HOLIDAY ON DECEMBER 24—GOVERNMENT POSITION

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I should like to direct a question to the Prime Minister. In view of the fact that there is only one working day between this weekend and the statutory holiday of Christmas day for public servants, and because at Christmas it is better to give than receive, will the Prime Minister advise the House whether the government will give public servants Christmas eve as a day off and not require the opening of offices in order to facilitate travel and family planning?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I must advise the House that I am not the minister responsible for the public service, but I will discuss the matter with the minister to see what the facts are and to consider the suggestion of the hon. member.

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SPORTS

COMMONWEALTH GAMES IN NEW ZEALAND—CANADIAN REPRESENTATION—ALLEGED PROMISE OF PAYMENT TO EDMONTON FOR BRITISH COMMONWEALTH GAMES

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, my question is for the Minister of National Health and Welfare. In view of the fact that New Zealand is having the British Commonwealth Games in February, will the minister advise the House who in his department is to represent Canada at the British Commonwealth Games in New Zealand?

Hon. Marc Lalonde (Minister of National Health and Welfare): I would hope, Mr. Speaker, if it is possible, that indeed I will have the honour to represent Canada on that occasion.

Mr. Paproski: Mr. Speaker, I have a supplementary. Because it is better to give than receive, would the Minister of National Health and Welfare please tell the House when he expects to give that $15 million to Edmonton for the British Empire Games which the former Minister of State, Pat Mahoney, promised to Edmonton a couple of years ago?

Mr. Lalonde: As usual, Mr. Speaker, the hon. member is wrong.

Mr. Paproski: Mr. Speaker, I should like to just say the minister is wrong. I was at a meeting in Edmonton at the Jubilee Auditorium when the former Minister of State said explicitly to 2,700 people in Edmonton that the federal government would soon give them $15 million for the British Commonwealth Games. That was before the last election.

Mr. Speaker: Order, please. The Chair will recognize the hon. member for Scarborough East and then call orders of the day.

* * *

DRUGS

GOVERNMENT POSITION ON LEDAIN COMMISSION RECOMMENDATION CONCERNING MARIJUANA

Mr. Reg Stackhouse (Scarborough East): Mr. Speaker, my question is also for the Minister of National Health and Welfare. In view of the recommendations of the LeDain Commission, I wonder whether the minister would give the House the assurance that the government is not planning to seek legalization of marijuana, cannibis and such drugs?

• (1210)

Hon. Marc Lalonde (Minister of National Health and Welfare): The government's position on marijuana was expressed last year by my predecessor, and I have stated since then that the government continues to endorse the position stated by the government last year. So there has been no change in the government's policy. I hope that in the course of the next year we will be able to produce appropriate legislation to bring into effect the proposed changes that were put forward by my predecessor.

Mr. Stackhouse: Is the House to interpret the answer of the minister as meaning that the government will extend the legalization of these drugs?

Mr. Lalonde: I would only refer the hon. member to the well-known and oft-repeated statement that has been made during the course of the last year. The policy is the same as it was. The hon. member should not attempt to distort the situation by allegations such as the ones he is making.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. The hon. member rises on a question of privilege. He will be recognized for that purpose, after which, as I said, we will have to call orders of the day.

Mr. Stackhouse: Mr. Speaker, in my question I made no allegations. I asked for clarification but all I can say is that I received evasion.

Some hon. Members: Oh, oh!

Mr. Lalonde: Mr. Speaker, may I say in answer to the hon. member that there is no need for clarification. The position was stated categorically by the government last year and there has been no change in policy. If there is any confusion, it is only in the hon. member's mind.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. That is again debate. During the question period there have been a number of alleged questions of privilege which were debates over alleged facts. I suggest to hon. members that this is not always helpful. I think the Chair should be allowed to call orders of the day. The hon. member for Scarborough West rises on a point of order.

Mr. Harney: Mr. Speaker, this morning, in answer to a question from the hon. member for Exquimalt-Saanich (Mr. Munro), the Secretary of State for External Affairs (Mr. Sharp) stated that in so far as the matter being investigated by his department is concerned, the investigation was continuing. On November 29, as recorded on page 8250 of *Hansard*, the minister said, in a statement the investigation:

—I am confident that we have identified the person responsible for the leaks. That person is being informed. The long established procedures for dealing with such cases will now be followed.

My point of order is very simply this: Which of the two statements by the minister is the correct one?

Mr. Speaker: I would have difficulty in ruling that that is a legitimate point of order. I have to suggest to the hon. member that again that is debate. Orders of the day. The hon. member for Skeena (Mr. Howard) rises on a point of order.

Mr. Howard (Skeena): Mr. Speaker, my point of order is that the Minister of National Health and Welfare (Mr. Lalonde), in response to questions about drugs and the LeDain Commission—whether or not he knows it, and he should if he does not—is attempting to mislead the House.

Some hon. Members: Oh, oh!

Mr. Howard: I want to put on the record my reason for making that statement and why it should not be permitted. He made reference to a policy statement made last year. That policy statement was made by the former Minister of National Health and Welfare, now the Minister of Labour (Mr. Munro), and right alongside of him was the then Minister of Justice, now the Minister of Finance (Mr. Turner), who repudiated that statement and said that it did not reflect cabinet policy. What the hell is cabinet policy?

Mr. Speaker: Orders of the day.

[Mr. Speaker.]

GOVERNMENT ORDERS

[*English*]

ELECTION EXPENSES

PROVISION OF PAYMENTS TO CANDIDATES AND REIMBURSEMENT OF PARTIES FOR CERTAIN BROADCASTING TIME

The House resumed, from Thursday, December 20, consideration of Bill C-203, to amend the Canada Elections Act, the Broadcasting Act and the Income Tax Act in respect of election expenses, as reported (with amendments) from the Standing Committee on Privileges and Elections, and Motion No. 12 (Mr. Barnett).

Mr. Thomas S. Barnett (Comox-Alberni): Mr. Speaker, the House has under consideration motion No. 12 standing in my name which would remove one word from the proposed Clause 13.2(1.1) of the Canada Elections Act. It was moved on my behalf last night by the hon. member for Skeena (Mr. Howard), who at that time explained to the House that I was serving at a meeting of the Standing Committee on Indian Affairs and Northern Development which was considering Bill S-4.

The hon. member for Skeena laid some of the groundwork for the consideration of this amendment, but I would like to make a few remarks on it today. The amendment does have an effect upon the whole question of what I have considered to be one of the objectives of the bill we have before us, namely, to bring some reasonable limitation on the amount of the expenditures that would be incurred in the conduct of general elections in Canada. The particular subclause which we have under consideration, as I understand it, was introduced to the committee at the instigation or on behalf of the President of the Privy Council (Mr. MacEachen). If I understand him correctly, according to the mover, it was introduced for the purpose of clarifying to a certain extent what is involved in the actual definition of election expenses. Whether or not it does that, is in my view a debatable question.

I think one can argue fairly successfully that rather than clarify, it tends to confuse the whole matter of what are or are not legitimate election expenses and the whole question of at what maximum level those expenses should be set. The preceding subclause, which was in the original bill as it received second reading in the House, had to do with placing a limitation on the total expenses that a political party can incur in Canada, and in particular with reference to the period during which we have a general election. It purports to set the limit of those expenditures at a maximum of 30 cents multiplied by the number of names appearing on the preliminary lists of electors in the total number of constituencies in which that particular party is putting forward an official candidate. One can debate the question as to whether or not the 30 cents multiplied by the number of electors does, in fact, bring about a realistic attempt to reduce the total expenditures which have been escalating in recent years by leaps and bounds.

But leaving that question aside, this subclause which I am seeking to amend provides that the factor of 30 cents multiplied by the number of electors, does not apply to money contributed by a political party, and the phrase

used in the subclause is "for the use of Candidates". I have been looking rather carefully at that question. When I say that there may be confusion rather than clarification, I must say that when one thinks of what is meant by the expression "for the use of candidates" in the election, one is led to wonder exactly what it does mean. It does not say for expenditure by the candidates. It does not say that that money is to form part of the money put in the hands of the official agent of a candidate. It does not say if party X makes a contribution of $10,000 to a candidate that that $10,000 must be spent as part of the election campaign of that candidate in that constituency. In fact, it does not say that the candidate would have to spend all of it, or any of it.

● (1220)

So, Mr. Speaker, if one considers this proposed subsection in relation to existing section 62 of the Elections Act in its present form, it must be realized that certainly the latter is of long standing in that act. This section is one which is very well understood by anyone who has been involved in elections because it is the section which has to do with the appointment, by a candidate, of an official agent, and the official agent's duties. It further sets out the requirement that payments made before, during or after an election by a candidate, or on behalf of a candidate, with certain exceptions, must be channeled through the official agent.

One must also look at this proposal and its import in relation to proposed section 61(1) of the Elections Act, which would be inserted immediately before section 62 if it passes. This provision relates to the amount of money that may be spent for a candidate's campaign. Mr. Speaker, when I try to put all these things together, and try to understand what the effect of this exempting proposal, which was inserted by the committee, would be, I must say that they all do not seem to go together very well.

The ceiling which is proposed of 30 cents per elector, as has been pointed out in previous discussion, makes provision for a sum of money running into a number of millions of dollars, certainly far beyond any kind of money which my political party has had at its disposal in an election. If the reports quoted and the statements made by earlier speakers in this debate are correct, it is a sum that approximates the maximum kind of expenditures that the Liberal party and the Conservative party have been able to make in past elections. When you consider the figure of $4 million or $5 million, whatever it may be, in relation to this proposed amendment, then it really appears that this proposed subclause as it stands is an escape hatch. I think it can be argued that it completely removes the ceiling from the amounts that a political party can raise and can dish out during an election. I submit that that is not in accordance with what some people have suggested is an objective of this bill, namely, to place some reasonable limit on the kind of money that Canadian citizens, directly and indirectly, are to be called upon to put forth during the conduct of an election.

The whole rationale of the debate that developed in this parliament, and in the country, about the limitation to a reasonable size of election expenses, is a recognition of the danger that if we allow a situation to continue in which elections are simply won by money rather than by the espousal of political ideas to gain the confidence of Canadian electors, then we are really striking pretty hard at the roots of democracy. So, Mr. Speaker, it is in that light that I have looked at this proposal which would exempt moneys given to candidates for their use. It is because I feel that the idea that they should not be included in the total which a political party is allowed to spend is wrong that I have put this amendment on the order paper.

Different parties have different methods of running elections. I do not think the House should seek to pass an Elections Act which would run counter to the particular arrangements which various political parties have worked out over a period of time for the conduct of elections, such as the way in which their candidates should be supported or, for that matter, the way in which they have decided that the funds necessary for the conduct of an election are to be raised and distributed. So, I am not prepared to quarrel with the inclusion of this clause, because if a political party wants to provide certain funds from its central body to candidates in constituencies X, Y and Z, my inclination is to say that that is its business.

In my constituency, we usually get a statement saying that we are expected to raise a certain quota of funds to assist the central agency of the party to carry on the general campaign across the country, so that the flow of funds has always been the other way. But if a political party chooses to have its structure so organized, and its fund raising so set up that it wants to send money from a central pot to candidates in constituencies, then so far as I am concerned I am prepared to allow it to continue to operate in that fashion. But if we are talking about a ceiling on election expenses, for the life of me I cannot see why that kind of money, spent by a political party, should be any more exempt from the general ceiling than any other kind of expenditure by that political party. That is why the removal of the word "not" would, in my opinion, be an improvement to the bill.

● (1230)

I noted, Mr. Speaker, that some points of order were raised at the outset of the discussion on this amendment when it was moved on my behalf by the hon. member for Skeena (Mr. Howard), to the effect that the simple way to deal with the matter, if one does not like this section, rather than remove the word "not", was to vote against it. I was quite pleased that this was not considered a valid point of order. That was not the question at all. It is not a matter of voting for or against the total proposition that is involved. What we have before us through my amendment is not the question of whether a party should send funds to candidates but the simple proposition that those funds should be part of a total allowable ceiling of expenditures of a political party in the country. I think this is a valid question and that the House should consider it.

The ambiguity lies in the phrase "for the use of candidates". I would not make an issue of this if the House would agree to put the amount so contributed within the total ceiling. In other words, if the party chooses a person to run as a candidate in a constituency who cannot take time off to devote himself to a campaign, I suppose there is nothing immoral in a political party sending him $10,000 so that he can devote himself to it. As the act stands now,

it would be up to the candidate to decide whether he turned all or part of those funds over to his official agent or whether he used them to replace income lost during the election campaign. I think that has been done in the past in respect of some candidates in some political parties. I am not going to quarrel with the disposition of the funds by a candidate, whether he spends them or puts them into his own pocket, as long as he abides by the provisions of section 62 of the act and does not spend more than $2,000 of his own money for personal expenditures without going through the official agent. I suppose that can be considered to be the business of the candidate, and any transaction that involves funds which he does not so spend could be considered to be left as business between him and his particular central party organization.

To suggest that a political party can give $5,000, $10,000, $50,000 or $100,000 to a candidate which he does not have to spend, and which the party does not have to account for as part of their total allowable expenses in a campaign, is making a mockery of the avowed intent of putting a ceiling on expenditures of political parties.

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member but the time allotted to him has expired.

Some hon. Members: Continue.

Mr. Deputy Speaker: He could, of course, continue if there were unanimous consent.

Some hon. Members: No.

Mr. Deputy Speaker: There is not unanimous consent. The hon. member for Timiskaming (Mr. Peters).

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I was very interested in the discussion that took place last night on this particular amendment. I was particularly impressed when my colleague who was discussing this matter, and another colleague who had sat on the election expenses committee, were asked for an explanation of the term "election expenses". Up to that point, I was not very sure what the discussion was all about, so I was pleased to learn I was not the only one who was confused about the amendment. I gather that the difficulty with that particular clause is not so evident if the clause is read in total, but the difficulty is rather that it cannot be read separately, in a vacuum. It must be read with clause 2 of the bill which sets out the meaning of election expenses. If we set out those election expenses, which the clause refers to as amounts not included in election expenses directly, it in fact fits into the category of allowable election expenses. If the clause is read in its entirety, it would appear that the word "not" should be inserted, but if it is read in conjunction with the election expenses section of the bill, which is the major section of the bill, then I agree that probably the wording is incorrect.

I presume, Mr. Speaker, that there will be a number of amendments to this bill, either in this place or in the other place. I am going to be very interested in the debates in the other place to see whether they make the decision as to what our election espenses will be, and how we conduct the business of running elections, since the members in that place are really in a preferred position in that regard.

I do believe that if the hon. member for Skeena (Mr. Howard) is right, and his explanation was fairly lucid, in saying that if, for the purposes of this section, the amount of the election expenses incurred by a registered party in respect of the conduct of an election there shall not be included any amount in respect of contributions made by or on behalf of the registered party for the use of candidates at the election—has a relationship to election expenses, then if you put the word "not" in it means that it will be included and it would make absolutely no sense.

● (1240)

The people in my area found it difficult to define election expenses. They do not quite know what should be classed as a receivable, and what should be classed as an item payable. I am sure that other members, other candidates, as well as official agents and other officials, have run into this problem. What about the contribution I make to myself as a candidate? For instance, I may provide myself with an automobile and other facilities. Most of the signs in my area are made by the silk screening process, and most of the silk screening is done on my premises. I have a large garage which can be used for that. Obviously, if someone else were to do this, it would be classed as an expense. As I do this myself, it really does not cost me much. I am providing the facilities for printing, which, in any event, I would not rent out or use for any other purpose. So, such signs might be classed as a gift. They would not be a contribution. In any event, it would be difficult to include that item under election expenses.

It is also difficult to include volunteer help under the heading of election expenses. I know that this bill does not require voluntary services to be included, but that applies to a certain limit. In my election campaigns at any rate, and this applies to many members of my party, voluntary services are more valuable than money contributions or gifts in kind. Often, without volunteer help we could not run elections. Without volunteer organizations there could be no political parties, because such organizations really are fundamental to the existence of our political parties.

Another difficulty that I have encountered, and this applies no doubt to other candidates, concerns contributions over which one has no control. I notice that there is still in the bill, under the election expenses part, a section relating to the provision of light refreshments and to the mailing of all types of promotional material and so on. The light refreshment question has caused many of my party difficulty. This applies equally to the Social Credit Party. For instance, when organizing election campaigns in New Brunswick, have they not run into the problem of seeing the other big parties passing out 26 ounce bottles on different corners of the street? It is well known that in a certain by-election, the people who came out of one polling booth were handed a bottle from a vehicle standing not far from the polling station. Those light refreshments became quite a factor in that election. Many members of my party, in contrast to voters, have not viewed with favour the consumption of alcoholic beverages. For that reason and, also because of lack of money, we have not provided beer, wine or liquor parties.

I have attended political meetings in an area where my party has no representation. Actually, political meetings there are community affairs. The people like to listen to

the candidates of all political parties. They like to go down to the town hall, where they are served sandwiches and liquor. They are given shot glasses for the liquor. Obviously, somebody buys the liquor, and somebody provides the sandwiches. When I objected to the liquor, I was told that is the way things were done in that community and, while I was there, that is how they continued to be done. So far as I know, that is the way things have been done down there ever since. To my mind, however, the light refreshment did not consist of the whisky. It consisted more of the sandwiches. Similarly, I am not in favour of bottles of whisky being handed out as people leave the polling booth. That is not light refreshment. Of course, in one part of New Brunswick, where this practice has gone on, the people are so faithful to their political party that, if they are Liberal supporters, they will go to only one vehicle handing out refreshments, and if they are Conservative supporters, they will only go to the other. Under no circumstances will these people accept a bottle from the wrong vehicle.

I am surprised to see the light refreshment provisions retained in the bill. I would have thought that the hon. member for Skeena (Mr. Howard) would have given some attention, when studying the bill, to a clearer definition of light refreshments. In the last election light refreshments were given out in a certain hotel. The hotel keeper was very happy, until he discovered that there was a considerable unpaid bill. Now, he is not quite as much in favour of that practice. I do not think that the serving of refreshments will be enough in future, as the electorate of Canada is too well informed now to be bought that cheaply. If the term, "light refreshments" means what I think it ought to mean, it would not be necessary to clarify the relevant section. As it now is, I think this section is wide open. It really indicates that any amount would be permissible. I suppose these amounts have been increased largely over the last few years.

● (1250)

The figures given by Professor Paltiel show that the amounts received by the Conservative and Liberal candidates from their central offices were between $6,000 and $6,500, though the situation appears to be different in Alberta as far as the Conservatives are concerned. They have been self-sufficient, a sign, I suppose, of an affluence in that province which is not shared by all others. One thing with which we ought all to agree is the payment of $200 to help parties establish a national image across the country during an election. I am sure the New Democratic Party would ensure that this contribution is considered as part of its election expenses and that it is recalculated on the basis of a contribution from the riding. The Liberal Party will have difficulty in getting candidates in a number of areas, I imagine. It will probably have difficulty getting candidates in Alberta, in British Columbia and in the Maritimes. I suppose the Liberal Party usually puts across a national image more easily than other parties, but I believe it will be harder for them to do this in the next election.

A lot of money could be spent if we allowed this section to be wide open. It is all very well to take out the "not" and make this section an election expense similar to those under section 2, but if we leave the words "shall not" in place, it means that it is in a separate section and a contribution can be made in a totally different way and this may not be in the interest of holding a satisfactory election. If we were to apply a limit to these contributions from one particular source I think we would be able to continue to operate on the basis of a local organization which would represent a constituency, but if we leave the section as it is, without the "not" and it is not considered to be an election expense, we shall be able to finance—

Mr. Barnett: We are all in a knot.

Mr. Peters: Well, it is a very knotty problem. It seems to me that some political parties will be operating their constituency organizations under this section from national headquarters and that there will be no need for any support at all from the riding for candidates. If this restriction is applied it may hurt the NDP. In the past, we have run candidates in areas where there was absolutely no chance of getting a major proportion of the vote. This has been done by other parties, too. Candidates who certainly did not get one per cent of the vote have run against me on a number of occasions. I certainly believe they had the right to do so.

An hon. Member: One o'clock!

Mr. Deputy Speaker: I imagine it could be called one o'clock according to some of the clocks here. In any event, the hon. member's time has expired.

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

The Acting Speaker (Mr. Laniel): When the House adjourned at one o'clock it was considering motion No. 12 in the name of the hon. member for Comox-Alberni (Mr. Barnett). Is the House ready for the question?

Some hon. Members: Question.

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

Some hon. Members: Yea.

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

Some hon. Members: Nay.

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

Motion No. 12 (Mr. Howard, for Mr. Barnett) negatived.

The Acting Speaker (Mr. Laniel): I declare the motion negatived. If the House agrees, we will now proceed to motion No. 13, in the name of the hon. member for Skeena (Mr. Howard).

Election Expenses

Mr. Frank Howard (Skeena) moved:

No. 13.

That Bill C-203, an act to amend the Canada Elections Act, the Broadcasting Act and the Income Tax Act in respect of election expenses, be amended by adding the following as sub-section 13.2(3) of sub-clause 4(1):

"(3) Where the registered party is guilty of an offence against this Act by virtue of subsection (1) any officer, or registered agent of the registered party who directed, authorized, assented to, acquiesed in or participated in the offence is a party to and guilty of the offence and is liable on conviction to a fine not exceeding twenty-five thousand dollars and to imprisonment for a term not exceeding one year or to both."

He said: Mr. Speaker, in the Canada Elections Act there are a number of sections dealing with offences against the act. Some specify the punishment; other make a general reference to a certain penalty that will follow if a person is found guilty by the courts of an offence against the act. The general section providing for penalties for offences against the act is section 78. That section provides that a person who offends against the act is liable upon summary conviction, unless otherwise spelled out specifically, to a fine of not more than $1,000, or to imprisonment for not more than one year, or both. By way of indictment, which I understand carries a more severe penalty, the penalty provided is $5,000 or not more than five years, or both.

The bill sets up a so-called limitation on election expenditures which we examined at great length yesterday and may examine at great length in the future. It provides that the limitation on expenditures made by a registered party shall not exceed a certain amount, which I have roughly calculated to be $4.2 million.

The bill also provides that where that limitation is offended against, or over-reached, or where the registered party makes an expenditure during an election campaign in excess of $4.2 million, the registered party is guilty of an offence and liable on summary conviction to a fine not exceeding $25,000. I cannot find in the elections act in terms of fines anything approaching the severity of this fine of $25,000. The Act speaks in terms of a $1,000 fine in one instance for tearing down a poster. It also speaks of a $5,000 fine for some other offence, and $1,000 in another area, as maximum fines, and so on. The $25,000 goes far and beyond, in terms of potential fines, anything contained in the Election Act at the moment. Therefore, I assume that the drafters of the bill felt that if a party had exceeded the limitation imposed by the act of 30 cents times the number of voters on the voters list they should establish a pretty severe punishment, a little more than the normal slap on the wrist concept that many Canadians are faced with. This is a maximum fine not exceeding $25,000 to the registered party.

● (1410)

I can conceive of a situation taking place where, in the course of an election campaign, the campaign intensifies during the last two weeks. Then, the moment of truth is approaching. It is a time when parties and candidates have a closer assessment of their chances. They have been involved in a month or a month and a half of campaigning. They have conducted surveys, have listened to what voters have said, have assessed the reponse at meetings and so on, and have received a pretty good assessment of their chances. Likewise, the interest of the general public increases. I can quite easily conceive of a situation arising whereby in that last week a political party may assess that its chances of forming a government are 50-50. That party might conclude that if, during that last week, it could just get its leader out on another cross-country tour this might swing the tide in its favour.

[The Acting Speaker (Mr. Laniel).]

For instance, during the 1968 federal election campaign the Liberal Party desperately tried to get the newly chosen Prime Minister (Mr. Trudeau) into every nook and cranny of Canada because he was its most valuable asset. We realize he was a little reluctant to engage in a kind of an auction of himself and his personality, but that was the intention of the Liberal Party at that time. In 1972, that situation was somewhat reversed because some people did not wish to be associated with the Prime Minister. In any event, during the last week of a campaign a party might feel that it had reached the limit or close to the limit of expenditures permitted under this legislation but might decide that perhaps it should spend another $100,000 or $200,000 on the campaign in order to get the party leader to all the uncertain spots, to all the dangerous areas that could swing the election. If that were done, it could be an offence under the act.

I can quite readily conceive of some people sitting down and saying, "Well, if we pour this extra $100,000 or $200,000 into the campaign we are almost guaranteed to form the government and all we are faced with is a fine of not more than $25,000, so let us take the gamble because we won't be fined until after the election anyway". This offence would not be discovered until after the return were made and the books totalled, at which time it would be ascertained that the limit had been exceeded. The prospect of obtaining office would be more attractive and the party might decide to gamble. That is not an impossibility. It may be only a lone voice in a political party that would advocate this, but it is not an impossibility. I have taken the wording of my amendment basically from the foreign investment bill which contains references to officers of the corporation. What the amendment says is that if a registered party exceeds that $4.2 million limit on its expenditures, in addition to the party being liable to a fine of $25,000 there should be some responsibility fall on the shoulders of the officers of that party; there should be some deterrent factor with regard to the individual officers because a political party just does not operate without human beings.

A political party is an entity which is comprised of many people. There is a fluidity to it; there are the personnel, the employees of the political party, the officers and so on. The political party remains intact but still has within it, to make it function and keep it alive and moving, human beings. The amendment says that where the registered party has been found to exceed the limits proposed, not only it, the registered party, shall be liable to a fine, but keeping in mind that it will be the officers within that registered party who will take the steps to spend the money, any officer or registered agent of the registered party—and remember that these words I quote now are taken directly from government legislation which just passed this House—

—who directed, authorized, assented to, acquiesced in or participated in the offence is a party to and guilty of the offence and

is liable on conviction to a fine not exceeding $25,000 and to imprisonment for a term not exceeding one year or to both.

I think if we are to enact legislation of this nature, which we consider to be so important, so valuable and so extraordinary that it must have attached to it a fine of an extraordinary level, namely $25,000, which is far in excess of any other fine contemplated anywhere else in the Election Act, we should also include the companion step, in recognition of the fact that a party will spend beyond the limitation in this legislation only if individual human beings, officers or agents operating within the party, take the deliberate step of seeing that money is appended above that limit. In that case, when the officer or agent of the party takes that deliberate step, and therefore either directs or authorizes the action which results in the over-expenditure in the violation of the law, or if he assented to it, acquiesced in it or participated in it, then that individual also should be faced with some kind of punishment.

● (1420)

In another section of the act—and this is the penalty which exists right now in terms of jail sentences—if a person is guilty of taking down, covering up, mutilating, defacing or altering any printed notice that is the official notice issued under the authority of the Chief Electoral Officer, not party campaign notices about meetings or posters but official notices, he is liable to a jail term not exceeding two years. If a person is guilty of another offence such as for argument's sake, tearing down another person's or party's election poster, then he is liable to a one-year jail sentence on summary conviction. If a person tears down an opponent's election poster or paints a moustache or eyeglasses on the picture, and I have seen that happen as have other hon. members, or if a poster of one party is placed on top of and thus covers up the poster of another party, then he can be arraigned in court and sentenced to a jail term of one year. That is what the Canada Election Act provides. We, as legislators, are saying that if you paint a moustache on somebody else's poster, then you have defaced it and you can go to jail for a year for that. It sounds stupid and ridiculous, but it can happen under the law. We, as legislators, say that we can send a person to jail for a year for simply playing around with someone else's election poster.

When it comes to the limitation of the total expenditure of a party in a national election campaign, when it comes to the over-reaching of the amount which the law says shall be the limit of permissible expenditures, to which we have already attached a fine of up to $25,000 for the party which is greatly in excess of any other fine for any other activity under the act, surely it is not asking too much to say that any officer or agent of that party who directed or agreed to that violation of the law of parliament should be liable to a jail sentence also. That is all the amendment asks. I think it goes further and recognizes also that a political party does not do anything unless an individual officer or agent, a person or a group of people, decide to do something. An aircraft cannot be chartered to take the leader of a party across the country to visit this nation's centres during an election campaign unless someone telephones to make the reservations, arrange to pay the bill, or set up the itinerary. It will not happen by itself. There can be no offence against this act unless an individual takes the step to do it.

It is true that there may be an accidental violation of the act. It may well be that the treasurer or whoever does the bookwork has knowledge—and this information will be made available to him by the Chief Electoral Officer who will publish it in the *Canada Gazette*—of the number of registered voters on the preliminary list so that every registered party will be able to say: "There are X number of voters. If we multiply that by 30 cents, we can predict precisely to the penny what the limitation of our expenditures is liable to be." It might well be that a commitment is made to do a certain thing, based upon the expectation that it will cost a certain amount of money, and then you find that it will cost you a little more. It is quite easy for that to occur. Unforeseen things develop, postage rates can change or freight rates can change or you can make a verbal commitment about going someplace by aircraft or by some other means and you might find that the rates have changed and you might have to pay more for the fare. It could be that a registered party will cut things so finely that in spite of its close reference to the limitation imposed upon it, it finds some unknown contingencies which will make it accidentally go over the limit, and instead of spending $4.2 million—and I think a party would have to stretch itself quite a bit to reach that level—it will spend another few hundreds dollars or few thousand dollars.

The party will then be arraigned in court and its officials will put up a defence. This is what lawyers tell me happens. The officials will say in court: "Your Honour, this was accidental. We had assessed all the circumstances but we finally discovered in the last week of the campaign that either the airline company had raised its rates or gasoline prices had gone up and we had not anticipated it. We had made a commitment and we could not get out of it. In any event, it was necessary for that campaign, so we went ahead with it and we over-reached ourselves by a small percentage of the total amount of money to which we are limited". I gather, from what lawyers tell me, that that is the reason the bill now says: "liable to a fine not exceeding $25,000". I understand that those words give the judge or the court the opportunity to assess, on the basis of evidence presented, whether it was a deliberate over-spending or an accidental over-spending over which no one had any control. Then the judge could say: "Technically you are guilty of an offence under the act, but I fine you $1" or "I give you a suspended sentence". This means the court has agreed that it was accidental.

● (1430)

But where there is an instance of flagrant abuse of the limitation section of the act, for whatever reason, and this can be proven, and it can be also proven that an officer of the party took part in that deliberate over-reaching, then given those conditions some kind of punishment should be visited on that individual, just to make him that more careful and respectful of the will of parliament when parliament says to registered parties that there shall be a limitation. It does not matter what that limitation is determined to be because as you know, Mr. Speaker, there are a number of amendments on the order paper, the votes on which have been deferred, and it may not be 30 cents by

the time this bill gets through. It might be 15 cents. Quite frankly, I doubt very much whether this will be the case, but it is a possibility. But whatever limitation is determined, an officer or a registered agent of the party should not be allowed to deliberately flout the law and over-reach that limitation without having any punishment inflicted on him as an individual. I am sure that if an officer of a party, under the law as it now is, did that deliberately, he would get bad publicity.

Certainly, the fact that a charge would be laid against a registered party for violating proposed section 13.2(1) would mean that somebody representing that party would have to appear in court, probably the chief agent from the sound of this bill, and give evidence as to what took place. And if the bill remains the way it is, then despite whatever evidence that registered agent gives to the court there can be no penalty or punishment imposed upon that individual according to the terms of this bill, but only a fine not in excess of $25,000 against the party. I am quite sure that a political party would not like that kind of publicity. I would feel extremely ashamed and embarrassed of the party I belong to if it reached a position where it violated this proposed section and its chief agent, or president, had to go to court and say, "Yes, Your Honour, we are guilty." That person would probably not be the chief agent the next day, or if he were the president he would not remain so very long. I just do not think the threat of adverse publicity that would accrue to a registered party as a result of violating the limitation imposed on it is sufficient deterrent, and neither did the government think it sufficient deterrent, because it was the government which proposed the potential $25,000 fine in the first place.

The Standing Committee on Privileges and Elections spent hours and hours, week on end, during the past month or so, examining this bill in great detail, in fact in so much detail that it is almost impossible to follow the full reasoning by reading the committee proceedings. The committee would consider a particular subject matter, postpone further consideration of it to another day, and in the intervening time deal with another subject matter. One could not follow the flow of its consideration of a subject without jumping back and forth through the records of the committee proceedings. But having been a member of the committee, and remembering what went on previously, I was able to follow the flow. Anyway, the committee discussed this aspect for hours on end, and unanimously felt that the prospect of adverse publicity which would accrue to a party if it violated the limitation section was not sufficient, that there needed to be something else. The committee was unanimously of the view that something else needed to be the threat of a fine, not exceeding $25,000, against a registered party. The committee did not consider the question of a jail term against the officers of the party, although I am sure a number of committee members thought about it. However, the committee did not examine that question in a formal way.

There are many other pieces of legislation to which we can look for guidance and for precedents in respect of this matter. The Foreign Investment Review Act which was passed recently by this House was the one from which I got this proposed section. Under that act, parliament said that if a corporation violated certain of its provisions, and if any officers or agents of the corporation acquiesced in, directed, authorized, assented to or participated in anything that led to a violation of some sections of the act, those officers were to be singled out as individual persons who would be liable to jail sentences.

There are other statutes with such provisions in them. I have not looked for them specifically, but in the committee I posed a question to Mr. Gibson, the chief of the draftsmanship section of the Department of Justice, about the Combines Investigation Act, and asked whether it did not include the possibility of both a fine against a corporation and a potential jail sentence for a corporation's officers or agents who violated the provisions of the act. My recollection is that he said this was so, and he also made reference to other acts such as the Corporations Act.

We are also entitled to wonder whether or not a jail sentence, or the threat of a jail sentence, is the proper potential form of punishment for violation of laws of this nature which, unlike sections of the Criminal Code, do not involve direct transgressions against persons or property. If you violate the Criminal Code by stealing something from somebody, you have violated his property. If you offend against the Criminal Code by assaulting somebody, you have violated or injured that person. The Criminal Code concedes that those offences of theft, murder, breaking and entering and invasion of persons and property in one way or another should carry a potential jail sentence within the discretion of the court. But in the area of violation of a law which does not directly impinge upon property or persons, we are entitled to ask whether the same concept of a potential jail sentence should apply. That would be a reasonable area to explore.

● (1440)

One could argue that point with respect to this amendment if it were dealt with in isolation, if that were the only area in the Canada Elections Act where a violation would result in a potential jail sentence, but it is not the only area. I do not want to go through the whole act but there are many offences, such as disorderly conduct, upsetting a public meeting, tearing down posters, carrying weapons on election day, appropriating, personation, voting in the name of another person, telegraphing I think it is called in Quebec, all these violations of the Elections Act—infringement upon the democratic right of those who are eligible to vote—all those offences carry either a fine or a jail sentence or both. Some judges put a combination of, say, a six-month sentence and a $500 fine.

Because those penalties are in the Elections Act, and because we talk in terms of imprisonment for one year or two years or five years depending on the activity, we are not breaking new ground. We are not saying that we are seeking to do something unusual or different from everything else in the Elections Act. We are simply trying to carry forward the concept of potential jail sentences which exists already and apply it to another offence against the act which the government has determined is severe enough to carry with it a potential fine of $25,000 against the party. We say that the officer or officers or agents of that party who acquiesce or take part in or who are responsible for that expenditure or violation should be punished in some way, a simple punishment of not exceeding one year. Of course, that is an arbitrary figure and it

could be for some other period of time. I am not saying that one year is inviolable and not subject to change. I simply picked one year because that is the sort of medium range penalty that exists in the act for a general violation for which no specific penalty is provided under section 78.

I suppose one could have used the words, "is guilty of an offence against this act". If that were the case, then the offender would come under the proscriptions of section 78.1. That is another way of doing it. I do not think it really matters except that the potential fine in section 78.1 is less than it is here, and less than that which was conceived by the minister in drafting the bill in the first place.

Some hon. Members: Question.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, in the last few minutes I have been looking over the responsibilities being created in this bill amending the Elections Act, the Broadcasting Act and the Income Tax Act. We are again faced with the problem of some person being designated by legislation as having a legal position and being then in a position, as a representative of a party, of doing something that, in effect, will be an offence against one of the amending sections of either the Elections Act, the Broadcasting Act or the Income Tax Act.

This person, Mr. Speaker, is acting on behalf of the party and is a recognized official of that party. On page 8 of the bill section 13.2(1) reads as follows:

> The chief agent of any registered party that, through registered agents acting within the scope of their authority as such or other persons acting on behalf of the registered party with the actual knowledge and consent of an officer thereof, incurs election expenses on account of or in respect of the conduct or management of an election that exceed in the aggregate the amount determined by multiplying 30 cents by the number of names appearing on all preliminary lists of electors at the election for the electoral districts in which there is an official candidate who has the endorsement of the party, is guilty of an offence against this act.

To some extent, Mr. Speaker, I disagree with the previous speaker because it seems to me that this is putting a great deal of responsibility on someone who may or may not—this is not very clearly defined in the bill as so many things are not and I suppose we will be relying on practice established from precedent—have the authority. It is not clear who this person may be, or the extent of the responsibility that he will have within the party. In some cases, this would be an honorary position and in other cases we will be talking about the paid political organizer or chief officer of that political party. It will depend to quite an extent on which type of agent is being considered whether they should be involved in the liability that the party may have.

The hon. member for Skeena (Mr. Howard) was speaking about specific offences committed by an individual in his right as an agent of a candidate. His liability is totally within his own responsibility, then. It seems to me, Mr. Speaker, in looking at the agent representing the national party who may be making decisions for a large number of areas, and who may think that he is providing the amount of money necessary and made possible by this law, we may in fact find that there are other factors over which he has no control. While it may be advantageous to levy a fine against the party, I am not sure that an officer of a political party who may not have too much control over what is done elsewhere should be held accountable. I am not a lawyer, but I can see that the court would have to determine questions relating to the degree of responsibility, how extensive that responsibility is and on whom the burden of responsibility is to rest.

● (1450)

What would happen, for example, if the officer of a political party, in anticipating a letter of recommendation to a candidate, were to make an allotment to the candidate of 30 cents times the number of constituents on the voters' list, only to find at the last minute that there is no letter of endorsement of the candidate from the party, and that the candidate, therefore, does not enjoy the support of the party? That agent, who had in good faith made available moneys in keeping with the law, would find himself in difficulties. Of course, in some cases, the allocation of moneys might be connived. These things might be done without the knowledge of the agent. It seems to me that since an officer might not be able to control what is done, he should not be held accountable for actions which might be violations under the part of the act we are considering. Even though certain actions might warrant a party being fined $25,000, I do not believe that the officer, in such circumstances as I have alluded to, ought to be considered as being guilty of an offence which warrants his incarceration.

The chief agent will be appointed by the party, and he may delegate certain powers and functions to those under him at the constituency level. In my opinion, too many people will be involved in certain kinds of decisions to warrant an individual being held responsible for a situation in which the party may be subject to a fine.

I am sure that many members of parliament do not know how much money was raised for their national organization, or how much the national organization distributed to individual ridings. Often, the official agent, or agents appointed by him, will not know quite how much money has been voluntarily donated for the campaign of the candidate in the riding. Therefore, as it is possible that certain offences may be committed on behalf of a party, the party obviously must have some type of machinery with which to protect itself. Actually, very few people in politics in this country do what is done in the United States, sell their souls for a job, or for a cause they believe in.

In my experience, most mistakes have been mistakes of oversight. They would not warrant a person's being sent to jail. Someone at the national level is to be responsible for providing 30 cents for each voter on the voters' list in 264 constituencies, or thereabouts. That calculation will be made in good faith on the basis of information which has been supplied to the officer. If a mistake is made, I suggest that it should not be considered as an offence which would warrant the incarceration of that individual. If there is to be a penalty, the party should pay. The concept of the guilt of the individual and the culpability of the party should be separated.

There are some extreme penalties in the act that I should like to see softened. Specifically, I am referring to

that part of the Elections Act which says that if a candidate has been charged with and convicted of an electoral offence, he shall not run as a candidate in subsequent elections. That provision should be tempered, by limiting the prohibition to three elections, or something like that.

The bill provides for the appointment of a chief agent. He and other officials at the head of the party no doubt will be enthusiastic in dreaming up actions to be taken on behalf of the party. Certain people will be appointed to carry out those actions. They will have responsibility, without much of the control. I suggest that we should consider, at a later stage, taking away the privileges of those who are guilty of infractions. That is to say, we should say that such person cannot be a candidate or participate in any official function thereafter in an election. This type of penalty is provided in other sections of the act. We have used it freely when an offence is charged and proven. I believe, though, that the amendment would be difficult to enforce.

● (1500)

I am sorry I did not have an opportunity to sit on the committee and take part in the discussions which took place there. I am aware that many hon. members who have sat in this chamber in the last few days do not really care how the Elections Act is amended. They are obviously not interested in it. They will probably depend on others to read it if necessary. This probably is why candidates are usually given a large number of copies of the act; hopefully, someone around them will sit down and read it and make the life of the returning officer easy. In my view there will be only a limited number of people interested enough to learn all the intricacies of the job they undertake. They are likely to take on the job with the same attitude as some of the young Americans who worked in the election campaign there and who went from A to B without giving any consideration to the philosophy behind democratic election machinery.

While I am sympathetic to the point the hon. member for Skeena (Mr. Howard) is making, I am afraid that if this penalty were applied it would be easy to show that the party itself was not responsible, that someone or another had exceeded his authority and as a result the party should not have to pay the $25,000 fine. Rather, the person who actually committed the offence would likely be incarcerated. Again, we need only look south of the border to find that most of the principals involved in the unfortunate incident there are not likely to be faced with jail sentences, but a lot of "small fish" are in line for jail sentences. Out of the whole "plumber" organization, the only people who are in jail after conviction are bums and petty crooks, while the people who organized this whole Mafia-type structure are still walking around, some of them holding high government positions.

So while supporting the amendment, I fear there will be a tendency on the part of the courts to rap the people who are not fully aware of their responsibilities and that the $25,000 fine will be imposed in very few instances. We are talking here about money distributed from the general purse. It appears to me that if a political party spends an extra amount—

[Mr. Peters.]

Mr. Deputy Speaker: Order. I regret that the time allotted to the hon. member has expired.

Mr. Thomas S. Barnett (Comox-Alberni): Mr. Speaker, the report stage of a bill is an important part of our proceedings and might be regarded as an opportunity to take what used to be called a sober second look. Those of us who have worked on committees know that in dealing with complex and lengthy legislation there is often a desire to dispose of the clauses without too much delay. In most cases, the committee does a good job. Many who have taken part in this debate have referred to the good work done by the committee which dealt with this particular piece of legislation.

The fact remains that the report stage does give us an opportunity to consider once again this legislation which is, in many ways, an experiment. It is not surprising that the hon. member for Skeena (Mr. Howard) should have discovered at the end of the committee's work that there are still a number of questions which require consideration. The amendment before us is a good case in point. In a word or two, it is designed to prevent buck-passing.

As we all know, political parties are somewhat amorphous aggregations of people, and on occasions certain people in the organizations do take actions for which others may suffer the consequences. In the bill before us, as I understand it, there is provision that if an offence is created by the chief agent of a registered party which involves overspending of the legal limits, the party itself becomes liable to a fine of $25,000. There are some questions here as to the extent to which parties are incorporated when a party is charged and fined. If I understand the proposal in the bill correctly, before the party can be charged and fined the chief agent would have to be found guilty of an offence.

● (1510)

There is a possibility that the situation with respect to the chief agent may be covered by section 78 of the act, which states that if there is no other provision in the act regarding the penalty for an offence, certain penalties will apply if a person who is charged is found guilty. The position outlined in this proposal for having registration of parties, chief agents and other agents puts a particular responsibility on that individual. As I understand it, the onus would be on the registered agent. As the bill stands without this amendment, the registered agent would have to be charged under section 78 and convicted; the registered party would then be liable to a charge and, if convicted, subject to a penalty not exceeding $25,000. It may be true that the chief agent is primarily legally accountable, but I submit this leaves open the possibility that other people associated with the party who have not assumed a particular responsibility under the Elections Act for the spending of funds might take action which indirectly would make the party and registered agent guilty of an offence under the act.

The amendment proposed by the hon. member for Skeena makes it clear that officers of the party other than the registered agent will be liable for such acts if the party commits an offence. This seems to be a useful proposal to tighten up the whole operation if, in fact, any party does play fast and loose with the law relating to a ceiling on

election expenditures. Hopefully, there will never be an occasion in Canada, if this bill becomes law, for any such charges to be laid; but nevertheless it is pretty elementary that in passing laws of this kind some provision is made for penalties to be levied against those who may in fact violate the act.

Therefore, I think the House should commend and give recognition to the hon. member for Skeena for having seen this loophole, which I think will tend to make for a greater sense and degree of collective responsibility on the part of people who hold office within a political organization. In other words, it will mean that the person who happens to be selected and appointed as registered agent will not be the only fall guy if in fact a party is found guilty of violating the spending limitations set out in the act.

For this reason, I think the hon. member for Skeena has come up with something that apparently must have been overlooked by the committee in its detailed analysis of this matter. Therefore, I suggest the House acquiesce to the motion and agree it would be an improvement to the provisions of the act that we are proposing to bring into being.

The Acting Speaker (Mr. Boulanger): Is the House ready for the question?

Some hon. Members: Question.

The Acting Speaker (Mr. Boulanger): All those in favour of the motion will please say yea.

Some hon. Members: Yea.

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

Some hon. Members: Nay.

The Acting Speaker (Mr. Boulanger): In my opinion the nays have it. I declare the motion negatived on division.

Motion No. 13 (Mr. Howard) negatived.

Mr. Howard: On a point of order, Mr. Speaker, there are standing in my name notices of motions Nos. 14, 15 and 16. I do not intend to proceed with those motions.

The Acting Speaker (Mr. Boulanger): If I understand correctly, the hon. member wishes to withdraw motions Nos. 14, 15 and 16. Is that agreed?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Boulanger): Motions 14, 15 and 16, as requested by the hon. member for Skeena, are dropped.

Motions Nos. 14, 15 and 16 (Mr. Howard) withdrawn.

Mr. Brewin: Mr. Speaker, I am glad to say that I will not move motion No. 18. While I am on my feet, I might include motion No. 19 and motion No. 32.

The Acting Speaker (Mr. Boulanger): Motions 18, 19 and 32, as requested by the mover, will be dropped. Is that agreed?

Some hon. Members: Agreed.

Motions 18, 19 and 32 (Mr. Brewin) withdrawn.

● (1520)

Mr. Howard: Mr. Speaker, I think the next motion is No. 20, with which I do not intend to proceed. I also do not intend to proceed with motion No. 21, largely because I think it would be out of order. I might mention, on behalf of the hon. member for Comox-Alberni (Mr. Barnett) because I happen to have the floor, that he does not wish to proceed with motion No. 22. I will stop there. The hon. member for Scarborough West (Mr. Harney) wishes to assert his authority.

The Acting Speaker (Mr. Boulanger): As hon. members have heard, the hon. member for Skeena (Mr. Howard) asks that motions Nos. 20, 21 and 22 be dropped. Is it agreed?

Some hon. Members: Agreed.

Motions Nos. 20 and 21 (Mr. Howard) withdrawn.

Motion No. 22 (Mr. Barnett) withdrawn.

[*Translation*]

An hon. Member: Speak French!

The Acting Speaker (Mr. Boulanger): I think that I could speak French, but I believe that hon. members also have the right to use either official language, as they wish.

[*English*]

The next amendment is motion No. 23 in the name of the hon. member for Scarborough West (Mr. Harney).

Mr. Harney: Mr. Speaker, it was my intention to rise to say I will not move the amendment standing in my name, motion No. 23, even though the virtue of the amendment is obvious. I am willing to let it go, Mr. Speaker.

Mr. Speaker: The hon. member for Scarborough West wishes to withdraw the motion now before the House. Is it agreed?

Some hon. Members: Agreed.

Motion No. 23 (Mr. Harney) withdrawn.

Mr. Speaker: The next motions to be considered are Nos. 24 and 27.

Mr. Howard: Mr. Speaker, I rise to get the floor through a device known as a point of order. I have had a number of discussions and consultations, and with the permission, consent and advice of the hon. member for Comox-Alberni (Mr. Barnett) I might say that he has decided not to proceed with notice of motion No. 24. The hon. member for Assiniboia (Mr. Knight) has the same view in respect of notice of motion No. 25. The hon. member for Timiskaming (Mr. Peters) has the same view in respect of motion No. 26. The mover of motion No. 27, the hon. member for Regina-Lake Centre (Mr. Benjamin), makes the same request and indicates the same intention. The hon. member for Comox-Alberni has decided not to proceed with motion No. 28.

On my own behalf, in respect of motion No. 29 I think it should not be proceeded with. Motion No. 32 is already withdrawn. I think if my suggestions are accepted, the next motion would be No. 33, which I believe should not be proceeded with. This is the subject matter on which I raised a point of order earlier on the question of the Governor General's recommendation in respect of the provision in the bill to which this proposed amendment relates. If we cannot proceed with that, this leaves me in the position of seeking to move notice of motion No. 34.

Mr. Speaker: I gather there is agreement, consent and advice, as the hon. member suggests, to withdraw motions Nos. 24 to 29 inclusive, and motion No. 33. Is this agreed?

Some hon. Members: Agreed.

Motion No. 24 (Mr. Barnett) withdrawn.

Motion No. 25 (Mr. Knight) withdrawn.

Motion No. 26 (Mr. Peters) withdrawn.

Motion No. 27 (Mr. Benjamin) withdrawn.

Motion No. 28 (Mr. Barnett) withdrawn.

Motion Nos. 29 and 33 (Mr. Howard) withdrawn.

Mr. Speaker: The next motion is No. 34.

Mr. Frank Howard (Skeena) moved:

That Bill C-203, an act to amend the Canada Elections Act, the Broadcasting Act and the Income Tax Act in respect of election expenses, be amended by deleting the words "twenty per cent" in subsection 63.1(1) of clause 10 and substituting therefor the words:

"seventy per cent"

He said: Mr. Speaker, the argument in support of this amendment has been engaged in on many occasions in the past, and from the suggestions put forward and conversations I have had outside this chamber it would appear that everyone expresses agreement with the logic of it. Therefore I will leave my remarks at that.

Mr. Speaker: Is the President of the Privy Council (Mr. MacEachen) rising on a point of order?

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, I am rising on a point of order or to deal with the substance of the amendment. As hon. members will realize, clause 10 of the bill provides that in order to secure reimbursement of election expenses, a candidate must obtain a number of votes at least equal to 20 per cent of the number of valid votes cast in the electoral district.

The hon. member for Skeena (Mr. Howard) obviously has put down an ironic amendment to increase that figure to 70 per cent. A following amendment of the hon. member for Greenwood (Mr. Brewin) would reduce it to 10 per cent. In the proceedings of the committee on privileges and elections it was put forward by a number of hon. members that some readjustment ought to be made in respect of this figure. It was suggested that 15 per cent might be more appropriate. It was impossible to produce an amendment at that stage because the limit had been established in the royal recommendation from His Excellency. I undertook, as members of the committee will recall, to reconsider this point and, if a different decision were reached, to seek a further recommendation from His Excellency. I have since recommended that the number "20" be changed to "15".

I believe, Your Honour, there is a recommendation in your hands to that effect, so that it would be possible to move an amendment to reduce the 20 per cent to 15 per cent. That is authorized by the recommendation from His Excellency.

Mr. Brewin: Mr. Speaker, I want to say, in view of the remarks we have just heard from the President of the Privy Council, that my amendment No. 35, which is by no means ironic in intent, will be withdrawn. I shall not proceed with it.

Mr. Speaker: Order, please. I am advised by the President of the Privy Council that I have in my hand the amended royal recommendation. It is not apparent that it is here, but I assume that the recommendation has been obtained from His Excellency which makes it possible to move an amendment to the motion before us.

Mr. Knowles (Winnipeg North Centre): The Chair must take the minister's word for it.

Mr. Speaker: The hon. member for Winnipeg North Centre (Mr. Knowles) has a valid point; I have to take the minister's word for this. My understanding, also, is that the amended royal recommendation was to take into account the very valid point of order raised by the hon. member for Skeena (Mr. Howard) a few days ago, so that eventually the House will be apprised of the terms of the amended recommendation. Is it my understanding that an amendment will be moved to the motion now before the House?

Mr. MacEachen: Mr. Speaker, I would move, seconded by the President of the Treasury Board (Mr. Drury):

That the figure "70 per cent" be reduced to "15 per cent."

Mr. Speaker: The House has heard the amendment to the motion. Is it the pleasure of the House to adopt the said amendment?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: I declare the amendment carried on division.

Amendment (Mr. MacEachen) agreed to.

Motion No. 34 (Mr. Howard), as amended, agreed to.

● (1530)

Mr. Speaker: It is my understanding that motion No. 35 is dropped. Is it agreed?

Some hon. Members: Agreed.

Motion No. 35 (Mr. Brewin) withdrawn.

Mr. Speaker: Next is motion No. 36 in the name of the hon. member for Comox-Alberni (Mr. Barnett).

Mr. Howard: I wonder if I could go through the same procedure which I used earlier, with respect to motions Nos. 36 and 37 standing in the name of the hon. member

for Comox-Alberni (Mr. Barnett) and motion No. 38 in the name of the hon. member for Timiskaming (Mr. Peters). Then we could go on to a couple of motions of the hon. member for Scarborough West (Mr. Harney). At the moment I cannot proceed beyond motion No. 38. I would request that the motions to which I have referred be withdrawn.

Mr. Speaker: Is it agreed that motions Nos. 36, 37 and 38 be withdrawn?

Some hon. Members: Agreed.

Motions Nos. 36 and 37 (Mr. Barnett) withdrawn.

Motion No. 38 (Mr. Peters) withdrawn.

Mr. Speaker: We are now on motion No. 39 in the name of the hon. member for Scarborough West (Mr. Harney).

Mr. Harney: Mr. Speaker, I take it that we are now on motion no. 41.

Some hon. Members: Withdraw.

Mr. Harney: Mr. Speaker, I would like to move this motion.

Mr. O'Connor: Mr. Speaker, I rise on a point of order. My copy of the order paper indicates that motion No. 39 stands in the name of the hon. member for Comox-Alberni (Mr. Barnett). Could you read the motion so we could clear up the confusion as to whose amendment it is?

Mr. Speaker: The hon. member for Scarborough West (Mr. Harney) moves motion No. 39 as follows:

That Bill C-203, an act to amend the Canada Elections Act, the Broadcasting Act and the Income Tax Act in respect of election expenses, be amended in clause 14 by deleting in line 37 at page 29 the period and adding the words:

",providing

(*a*) none of the allocation is to be used in amounts of less than four minutes of broadcasting time where the broadcasting undertaking that he is licensed to carry on is a television station, and

(*b*) in any other case, no more than one third of the allocation is to be used in amounts of less than five minutes of broadcasting time."

He said: Mr. Speaker, I rise to speak to this amendment for a few minutes, mainly because most of the debate on the amendments to this bill has not dealt with the section of the bill which deals with the Broadcasting Act. This motion, and another one standing in my name, consists of only two amendments which have to do with an extremely important section of the bill and I think that the point of the amendments at least should be put before the House.

As the bill stands now, the Broadcasting Act would be amended to provide that 6½ hours of broadcasting time on radio and television be allocated among the parties. Of this time that is taken up by the parties, the cost as to 50 per cent shall be reimbursed by the public. I think it is important to note that this is certainly a major departure from past practice in Canada. For the first time in our history the public will be subsidizing the propaganda activities of the political parties over the electronic media.

I think it is important to realize that a considerable amount of money will be involved. In the last election I think it is fair to say that close to $2 million was spent by the political parties on advertising on radio and television. If that pattern is followed, and even assuming no increase, we can expect the public will have to subsidize the propaganda activities of the political parties to the tune of $1 million. Political parties being what they are, and particularly given the kind of feelings that they have during elections, find themselves forced to try to counter the activities of other political parties to the utmost.

If the political parties know—and they will certainly know—that their opponents will be spending as much as they can on television and radio, and if they know that what they are spending will be subsidized to the tune of 50 per cent, we can expect there to be virtually full use of the 6½ hours allocated and allowed under the bill.

In the last election, the Canadian public was exposed to a rather new and disturbing phenomenon. In elections before the 1972 election it is true that political parties made use of spot ads. I refer to spot ads to distinguish them from top time on radio and television. In the last election the political parties, one in particular, vastly increased their use of spot ads. A spot ad lasts from 30 seconds to a minute and it is operated and produced in much the same way that a soap commercial or a toothpaste commercial is produced. The whole idea is to get a name across, to get a brand sold. All that can be done in 30 seconds is to try to influence the voter into some kind of preconditioned reaction.

We all know how advertising works or is supposed to work, and we all witnessed in the last election a considerable increase in the use of that technique. The justification that has been presented for the subsidy on the part of the public purse for radio and television time is that this radio and television time used by the political parties would allow the voters, first of all, to become aware of the issues in the elections and also to know what stands the various parties take with regard to these issues.

I would say that is a very laudable justification. We all agree in the House that it is good for the public to be appaised of the issues during an election; it is good and necessary for the public to know where the parties stand on these issues and to hear the parties explain why they stand where they do. On the basis of these justifications, I am sure no one would object to a subsidy given to the political parties so they can inform the public about the issues and about their stands on the issues.

However, in this bill there is no provision which would prohibit, or even lessen, the use of the spot ad, and it could be possible—I suggest that it certainly will be more than possible; it will be highly probable—that the political parties, and I include my own, will bend to the advice of those people who advise us all in matters of publicity, namely, the advertising agencies. Their advice will be simple and clear. It will be to this effect: Use whatever time you are given in spot ads because the radio or the television talk does not have that kind of impact. With spot ads you, the political party, will be able to saturate the voters' attention.

I think it is important to point out that if the political parties proceed to use this time in spot ads, toward the end of the election the voter, when it comes to watching television or listening to radio, will hear very few com-

mercials except those commercials presented by the political parties. I hesitate even to sketch for you what the reaction of the voter will be when that time comes. I suspect that he will be indignant. I certainly would approve of and understand the indignation of John Q. Public. You can imagine him when the next election comes, sitting before his television set and, rather than seeing his usual beer and toothpaste commercials, seeing the utter and complete repetition of the commercials put forward by the political parties. He will have total justification for asking: Is that why I am subsidizing the political parties? Is that why my money is being given to them so they can tell me about the issues? They are not doing that at all; they are trying to brainwash me.

● (1540)

The point of my amendment is really very simple, Mr. Speaker. It would prohibit the use of spot ads on television for election purposes at election time within the confines of this bill and it would also limit the use of spot ads, not prohibit them, on radio. The object of the amendment is obvious and I think I have given the justification behind it.

What I would urge upon members of the House is serious consideration of the amendment which I am putting forward. If consideration is not to be given favourably, I at least wish to warn the public of what will happen to them in the next election. In effect they will be treated as if they were morons: the political parties will assume that the best way to treat and condition them is in the same way as Pavlov's dogs which slavered at the mouth when a bell was rung. I do not think the average Canadian citizen is anything like Pavlov's dogs and he certainly deserves to be treated much more humanely and as though he had some intelligence.

The point behind the subsidy is to bring the voter into full contact with the issues. Without my amendment the bill would allow the political parties to spend the money for which they will be reimbursed in the way their publicity agents tell them will be the most effective way. I would hate to have the view of humanity that PR men and advertising agencies have. You can tell that view easily, judging from the kind of drivel to which they subject people in the form of television and radio ads. At the very least, I am appealing to the members of the various political parties to say that they have a much higher appreciation of their fellow citizens. I hope my appeal does not fall on deaf ears and that this amendment will receive some support.

[*Translation*]

Mr. Speaker, we are all aware of the effectiveness of publicity on radio and television. Some of us could well say: It should be understood that people are not convinced by 30 or 60 second advertisements on radio and television. But there are always some people who are. If they are not, they are still affected in some way by this publicity, because if they were not, the large companies which buy advertising time for soap, toothpaste, beer or gasoline, would not spend their money in this way.

It should also be noted, Mr. Speaker, that the items which we consider as essential are rarely publicized on radio or television. There are no advertisements about houses for sale. Food products are not advertised either because people usually know such things are valuable and necessary. Knowing people cannot be influenced by a 30-second or one minute advertisement as far as important things are concerned, producers of such things usually do not advertise on radio or television. As a rule, there is advertising of products that are not necessary, things that are, one may say, trash, things that are not very important in life. On television, we can see advertising on things usually useless, or if they are not useless, it is almost impossible to see the difference between products of one brand and those of another. That is why individuals or corporations that spend money for advertising on television advertize mainly valueless products.

Politics is what sells the idea, Mr. Speaker, because after all politics is something very important, it has to take care of the nation's welfare and future. Now we shall see politics, party leaders and parliament members reduced to the level of toothpaste and Kentucky Fried Chicken.

The object of my amendment is to prevent such a thing, Mr. Speaker. That is what we should prevent, by taking seriously the object of the bill which merely says that the public want to be informed. And to enable the public to be better informed, we are going to grant subsidies to political parties. Without this amendment, such a policy would not be implemented and that is why I am asking members to consider it seriously, failing which the object of the bill would not be reached.

[*English*]

Mr. Speaker: Is the House ready for the question on motion No. 39?

Some hon. Members: Question.

Mr. Speaker: Is it the pleasure of the House to adopt the said motion? All those in favour will please say yea.

Some hon. Members: Yea.

Mr. Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Speaker: In my opinion the nays have it. I declare the motion lost.

Mr. Harney: I believe there are five members who stood.

Mr. Speaker: I see, in effect, only four and a half, one member not being in his seat—and that is not quite enough. I declare the motion lost on division.

Motion No. 39 (Mr. Harney) negatived.

Mr. Speaker: Order. I wonder if I might take one moment before we proceed with consideration of the item before us to refer first to the amended royal recommendation which has now arrived and is in my hand. It contains the amendments referred to by the President of the Privy Council (Mr. MacEachen) which meet both requirements, I am sure, to the satisfaction of hon. members. Perhaps it is not necessary to read it at this time in order that it be accepted by the House.

HOUSE OF COMMONS

MR. PETERS—ALLEGED UNPARLIAMENTARY REMARK DURING TODAY'S QUESTION PERIOD

Mr. Speaker: I should like to refer very briefly to an incident which took place this morning when we had a few alleged questions of privilege, one of them involving an exchange between the hon. member for Timiskaming (Mr. Peters) and the Solicitor General (Mr. Allmand). During the course of the exchange there were words spoken by the hon. member for Timiskaming from his seat and I said at the time that I would look at the record. However, pending this the Solicitor General indicated he was charging that the hon. member had said that he, the Solicitor General, lied. The hon. member explained that he meant it was not the minister who was uttering the lie but that the statement that was given to the minister was in itself a lie.

• (1550)

I have looked at the record, and certainly what the hon. member said is substantiated in it. His explanation, when he was called to order, was: "Mr. Speaker, I think *Hansard* will clearly indicate that I said that is a lie, and there seems to be some difference of opinion as to the fact. I did not say that the minister was a liar but that the report he gave was a lie."

I still have some hesitation about hon. members using such strong language even in the case of a report given to the House by a minister or another member; but certainly there is a distinction. It is important that all hon. members should realize it is incumbent upon the Chair to ensure that there is respect among members. No member, whether on one side of this House or the other, whether he be minister or not, frontbencher or backbencher, should be accused by another member of dishonesty, of intentionally misleading the House or of lying to the House. I think that is important. The hon. member has given his explanation and the Chair is willing to accept it. The minister is not here but I think he would accept it in the same way that I do. I therefore consider the incident closed.

I will now recognize the President of the Privy Council (Mr. MacEachen).

Mr. MacEachen: Mr. Speaker, in accordance with an order made earlier this day, I wonder if we could now revert to motions to deal with the motion in the name of the Minister of Transport (Mr. Marchand).

Mr. Speaker: Is it agreed?

Some hon. Members: Agreed.

Motions

ROUTINE PROCEEDINGS

HOUSE OF COMMONS

CHRISTMAS ADJOURNMENT

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, I do not propose to proceed with the motion at this time, having considered an alternative motion which has been discussed and which I think will have the support of all members of the House. Maybe I should briefly summarize the contents of the motion before reading it.

It would provide that upon the adjournment of the House today, it would stand adjourned until January 3 next. Then it provides that there be a method for dealing with three items on the order paper. The first is the export tax bill, providing that it would be dealt with in not more than three days; the oil allocation bill, providing for two more days of committee consideration, not more than three days at report stage and not more than a further day at third reading; then dealing with the election expenses bill it provides that the report stage and third reading be disposed of without further debate or amendment. Mr. Speaker, I could read the motion; or should Your Honour read it?

Mr. Speaker: I am not sure whether it was intended to make this motion before we had completed consideration of the four motions which are still to be called on the election expenses bill, Nos. 40, 41, 42 and 1. If this motion is put and carried it will mean we should immediately thereafter put the election expenses bill motions without further debate. I should like to have this question clarified before the motion is put.

Mr. Howard: Mr. Speaker, I would think that because we are in the midst of these report stage amendments and one or two of them require a bit of explanation, particularly motion No. 1 with respect to a position hoped to be taken on the vote at third reading of the election expenses bill, we should either hold off the motion of the President of the Privy Council (Mr. MacEachen) for a House order or dispense with private members' hour between four o'clock and five o'clock in order to provide an opportunity for the report stage amendments to be cleared up.

Then we could take a few minutes to put forward a position which some hon. members want to place on the record regarding their position with respect to third reading stage, even though when the order is passed and we return there would be no debate.

Mr. MacEachen: Mr. Speaker, I sought the floor before four o'clock in view of the possibility that I might not be able to get it after four o'clock. It is quite agreeable to me, and I am sure to other hon. members, to suspend private members' hour—but with the understanding that we return to this motion before five o'clock.

Mr. Bell: Mr. Speaker, we would co-operate in this suggestion, but the hon. member who was going to speak on private members' hour is standing by and we want to preserve that hour, or most of it. We would not mind cutting into it by five or ten minutes.

Motions

Mr. Speaker: I wonder whether a compromise could be reached respecting the motion in the name of the President of the Privy Council. I think that it is the will of the House that we proceed with private members' hour. We would put the hon. member's motion, but before that have an agreement that perhaps by 4.15 p.m. these proceedings be terminated. At 4.15 p.m. we would then proceed with the motion standing in the name of the hon. member for Athabasca (Mr. Yewchuk). Is this agreed?

Some hon. Members: Agreed.

Mr. Speaker: If this is agreed, we will put the motion now.

Hon. Allan J. MacEachen (President of the Privy Council):

That when the House adjourns on December 21, 1973, it shall stand adjourned to January 3, 1974, provided always that if it appears to the satisfaction of Mr. Speaker, after consultation with Her Majesty's Government, that the public interest requires that the House should meet at an earlier time during the adjournment, Mr. Speaker may give notice that he is so satisfied, and thereupon the House shall meet at the time stated in such notice, and shall transact its business as if it had been duly adjourned to that time;

That, in the event of Mr. Speaker being unable to act owing to illness or other cause, the Deputy Speaker or the Deputy Chairman of committees shall act in his stead for the purpose of this

That fifteen minutes before the ordinary hour of adjournment on the third day that Bill C-245, an act to impose a charge on the export of crude oil from Canada, to impose an oil export tax under the Excise Tax Act and to allocate certain of the revenues derived from the oil export tax, is taken into consideration, all questions necessary for the disposal of the said bill at all remaining stages shall be forthwith put and decided without further debate or amendment;

That the Standing Committee on National Resources and Public Works be instructed to report Bill C-236, Energy Supplies Emergency Act, following two further days of consideration thereof;

That, at fifteen minutes before the ordinary hour of adjournment on the third day that Bill C-236 is considered at the report stage, every question necessary for the disposal of the said bill at the report stage shall be forthwith put and decided without further debate;

That, at fifteen minutes before the ordinary hour of adjournment on the first day that the motion for third reading of Bill C-236 is taken into consideration every question necessary for the disposal of the third reading of the said bill shall be forthwith put and decided without further debate or amendment;

And that, when the order is next called for consideration of Bill C-203, an Act to amend the Canada Elections Act, the Broadcasting Act and the Income Tax Act in respect of election expenses, every question necessary for the disposal of the report stage and of the third reading of the said bill shall be forthwith put without further debate or amendment.

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

Mr. Bell: Mr. Speaker, we took part in these negotiations and everything seems to be in order. However, as everybody in the House knows, we had serious objections to Bill C-236. There has been some agreement reached in committee on the bill, and I think it would be helpful to have on the record now the thoughts of the Minister of Energy, Mines and Resources (Mr. Macdonald) on that agreement.

[Mr. Bell.]

Mr. Macdonald (Rosedale): Mr. Speaker, I think it would be a little difficult to put that agreement on the record because 25 or 30 amendments were discussed in some detail. If the House really wants me to do so I will take them seriatim through the amendments. Perhaps the hon. member would clarify what he wants me to do. I can be as full or as limited as he desires.

Mr. Baldwin: Mr. Speaker, I would not want the minister to clarify them all—we will have a few minutes in 1974—but I should like him to clarify the understanding with regard to clause 11. The others are all right. I think we should have an understanding of the position agreed to on that clause because the agreement limiting debate on Bill C-236 is founded on the understanding which the minister and I reached in this respect.

Mr. Macdonald (Rosedale): Mr. Speaker, I would remind the House that clause 11 provides for the declaration of an emergency. If the House is sitting seven days after an emergency has been declared, or seven days after the House recommences if the House was not sitting at the time, a notice of motion to debate an order to approve the declaration of an emergency would be set down. Thereafter there would be an opportunity for the House to debate the motion for four sitting days, and at a quarter to ten on the fourth day the question would be put. If the motion is carried, then the allocation program is put into effect in accordance with the statute. If the motion is not carried, then of course the declaration and the mandatory allocation program would cease to be in force and effect. Is that a fair statement?

Mr. Baldwin: I think that is it, basically. We have some ironing out of commas and semi-colons and dashes, but I think that is basically the arrangement. I should like to lay down one more condition in so far as it is possible to do so. On the days that will be set aside for debate on Bill C-236, will the government House leader give his undertaking that the government will not restrict the full use of those days for this debate? There are some ways in which the government can introduce other measures. We are talking about full days of debate when Bill C-236 would be considered by this House.

• (1600)

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise to say a word or two about the motion which the President of the Privy Council (Mr. MacEachen) has moved. It represents points on which the representatives of the parties have agreed. I think hon. members generally should know that not everyone is completely happy with the motion. Everyone engaged in a give-and-take exercise and the terms of the motion represent the compromise which we reached. I think there will be general satisfaction over the result, as we will not be spending Christmas Eve here on the floor of the House of Commons.

The only other point I wish to make is that since the passing of this motion is based upon the assumption that consideration of the report stage of Bill C-203 will be completed this afternoon, and as we have provided for no debate taking place on third reading, I hope that the 4.15 p.m. order will not be pressed too severely because one or

two of my colleagues may want to say a few more things on the bill.

I think if it is understood that the hon. member for Athabasca (Mr. Yewchuk) is to have one hour, whenever it starts, everybody would be much happier about this motion.

Mr. Macdonald (Rosedale): Mr. Speaker, I wish to further clarify one element which has been referred to. With regard to the declaration, if it occurs when parliament is not sitting the understanding would be that the order would be set down as soon as parliament reconvened. There would be no obligation to disrupt the recess or prorogation period for the purpose of bringing parliament back at an earlier time.

Mr. Baldwin: Mr. Speaker, there is some misunderstanding here. It is our understanding that if there is a national emergency—I do not want to debate this because now is not the time to do so—that emergency would warrant the recalling of parliament. We agree that if in the course of an election campaign a national emergency is declared, obviously the matter would be left to the mandate of the people: the people would make the decision. On the question of the recall of parliament, perhaps the minister and I can work out something to do with the timing of that recall. We are not prepared to let the matter go on the basis that parliament will only come back two or three months after the national emergency has been declared. We do not think that is right.

Mr. Macdonald (Rosedale): Mr. Speaker, I was speaking from the draft supplied to me by the hon. gentleman, which is in the terms I suggested. If the hon. member has any different understanding of it, I will have to speak to him about it.

Mr. Bell: Mr. Speaker, we have run into a difficulty. I do not know whether it is possible for the hon. member for Peace River (Mr. Baldwin) and the minister to confer quickly. Perhaps we could hold in abeyance final approval of the motion because the question raised is crucial to our position on the matter.

Mr. Speaker: Obviously, as there is a desire on the part of some hon. members, including the hon. member for Peace River, to consider the motion further and to have further discussions, perhaps the motion should not be put immediately.

Perhaps we could return to the consideration of motion No. 40, Bill C-203, which I believe was about to be called a moment ago, on the understanding that as soon as we have completed consideration of the motions on this bill the hon. member for Athabasca (Mr. Yewchuk) will bring forward his private members' business.

The hon. member for Winnipeg North Centre (Mr. Knowles) asked that the 4.15 p.m. order not be applied strictly and that we give one hour to the hon. member for Athabasca. It should be remembered, however, that there is to be royal assent some time later this afternoon, so that the hon. member for Athabasca may not have an hour.

Mr. Yewchuk: Mr. Speaker, I would not be agreeable to delaying beyond 4.15 p.m. consideration of private members' business. I think we should proceed with private member's hour at that time, as agreed upon.

Mr. Speaker: Is this agreed?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

ELECTION EXPENSES

PROVISION OF PAYMENTS TO CANDIDATES AND REIMBURSEMENT OF PARTIES FOR CERTAIN BROADCASTING TIME

The House resumed consideration of Bill C-203, to amend the Canada Elections Act, the Broadcasting Act and the Income Tax Act in respect of election expenses, as reported (with amendments) from the Standing Committee on Privileges and Elections.

Mr. Speaker: The next motion is No. 40 standing in the name of the hon. member for Scarborough West (Mr. Harney).

Mr. Harney: Mr. Speaker, I rise in order to withdraw motion No. 40, standing in my name.

Motion No. 40 (Mr. Harney) withdrawn.

Mr. Speaker: Next comes motion No. 41.

Mr. Barnett: Mr. Speaker, I should like consent to withdraw this motion.

Some hon. Members: Agreed.

Motion No. 41 (Mr. Barnett) withdrawn.

Mr. Speaker: We shall now proceed to consideration of motion No. 42 standing in the name of the hon. member for Comox-Alberni (Mr. Barnett).

Mr. Thomas S. Barnett (Comox-Alberni) moved:

That Bill C-203, an act to amend the Canada Elections Act, the Broadcasting Act and the Income Tax Act in respect of election expenses, be amended by deleting, in paragraph (b) of section 99.4 of clause 14 the words "between the hours of six a.m. and nine a.m., 12 p.m. and 2 p.m. and 4 p.m. and 7 p.m." and substituting the words:

"between the hours of six a.m. and eight p.m."

He said: Mr. Speaker, I will be brief. The reasoning behind this amendment and the point I wish to make is this: I believe the committee succumbed to what I would describe as an urban orientation with regard to prime radio time. I have brought forward this amendment to stress that in some areas of the country some of the hours which are not included in the bill as it stands may be more desirable. That is my only point. Unless other members wish to debate it, I will not pursue it further on this occasion. I felt the point should be made at this time in the House.

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

Some hon. Members: Question.

Mr. Speaker: All those in favour will please say yea.

Some hon. Members: Yea.

Mr. Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Speaker: In my opinion the nays have it.

And more than five members having risen:

Mr. Speaker: The division will be deferred. We shall now consider motion No. 1, standing in the name of the hon. member for Skeena (Mr. Howard) which is as follows:

That Bill C-203, an act to amend the Canada Elections Act, the Broadcasting Act and the Income Tax Act in respect of election expenses, be amended by deleting the words "Election Expenses Act" in clause 1 and substituting therefor the words:

"Election Expenses and Subsidies to Political Parties Act."

Mr. Frank Howard (Skeena): Mr. Speaker, as the mover of this motion may I say that it gives us an opportunity to put some thoughts on the record. Let me say that I, for one, the hon. member for Comox-Alberni (Mr. Barnett) and others are opposed to the concept of providing subsidies out of the public treasury to political parties and candidates. The hon. member for Comox-Alberni, particularly, would like to say a few words and I am sure the House will not be seriously offended if he talks until 4.15.

Mr. Thomas S. Barnett (Comox-Alberni): Mr. Speaker, I had not expected such generosity from my colleague from Skeena (Mr. Howard). As the bill is to pass third reading stage without debate, perhaps I might make one or two comments. Although I recognize that this bill is a step in the right direction in the limiting of expenses and the reporting of the sources of campaign contributions, I feel that if we carry through the idea of subsidizing political parties and candidates from the public purse, in the long run we shall be acting against the best interests of the political parties themselves. Once the people of Canada become aware of this, I think they will express their opposition to this concept with increasing vigour. For that reason, having weighed everything in the balance, we have brought forward this amendment. It deals with a basic concept which I, for one, cannot agree to support which is included in the bill.

I am agreeable to providing services for candidates, such as franking privileges which would be useful for the mailing of information to voters in one's constituency. But once we adopt the concept of providing reimbursement directly from the public treasury to candidates of parties we shall be encouraging candidates to spend more money so that they can get more money back. By so doing we should be introducing a retrograde element in our electoral system. It is an element which I think is wrong and which I intend to oppose with my vote on third reading, if I have the opportunity.

● (1610)

Mr. Speaker: Is the House ready for the question? Those in favour of the motion will please say yea.

[Mr. Speaker.]

Some hon. Members: Yea.

Mr. Speaker: Those opposed will please say nay.

Some hon. Members: Nay.

Mr. Speaker: In my opinion the nays have it. I declare the motion lost on division.

Motion No. 1 (Mr. Howard) negatived.

ROUTINE PROCEEDINGS

HOUSE OF COMMONS

CHRISTMAS ADJOURNMENT

Mr. Speaker: We shall turn now to the motion which stands in the name of the President of the Privy Council (Mr. MacEachen).

Mr. Bell: Mr. Speaker, may I make a suggestion? The principals involved on both sides of the House are negotiating very hard. There is a good mood, so perhaps we could hold over any decision until after the private members' hour.

Mr. MacEachen: Could we agree to put the motion at five o'clock?

Mr. Speaker: The President of the Privy Council will remember that there is royal assent at 4.45 p.m.

Mr. Knowles (Winnipeg North Centre): Don't let him in.

Mr. Roche: I should like to know whether there is to be any opportunity for debate on the third reading of the election expenses bill. I urge the government House leader to provide for at least one day's debate on third reading.

Mr. Speaker: I believe there is a reference to that in the order. Is it the wish of the House that I read the motion? Some hon. Members suggested I should dispense with reading it. The motion has been put and will, I gather, be reconsidered at 4.45 p.m. after the private members' hour.

* * *

THE ROYAL ASSENT

Mr. Speaker: I have the honour to inform the House that I have received the following communication:

Government House,
Ottawa 21 December, 1973

Sir,

I have the honour to inform you that the Honourable Roland A. Ritchie, Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate chamber today, December 21, at 4.45 p.m. for the purpose of giving the royal assent to certain bills.

I have the honour to be,
sir,
Your obedient servant,
André Garneau
Brigadier General
Administrative Secretary
to the Governor General

[*Translation*]

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

PRIVATE MEMBERS' MOTIONS

[*English*]

AGRICULTURE

SUGGESTED STEPS TO CONTINUE FAMILY FARMS

Mr. Paul Yewchuk (Athabasca) moved:

That in the opinion of this House the government should consider the advisability of taking steps to reduce or reverse the continuing depopulation of rural areas in particular through the introduction of short and long-term measures to save the family farm.

He said: Mr. Speaker, it is almost a year since I placed this motion on the order paper. There have been certain changes affecting agriculture since that time, but the motion still applies today as it did a year ago. I have always felt that agriculture is one of our most important primary industries and is very vital to the Canadian economy. Indeed, I would go so far as to say that it is the backbone of our country's existence. It, therefore, is a direct responsibility of the federal government not only to support this industry to the maximum extent it can but to implement policies which will guarantee its continual expansion and growth.

Presently we are in the middle of a world food crisis. World food shortages and higher food prices to Canadians make it all the more important to realize that any policy other than one of expansion in agriculture is completely unacceptable. Although Canada is becoming a highly industrialized nation, we must continue to produce food because that is certainly one of the things that we can do best. Until very recently it was something we did best in a manner which provided sufficient food not only for Canadians but also for export.

The year 1969, one year after the inauguration of the present government and its policies, was the turning point in Canadian agriculture because that was the year in which for the first time in our history we actually imported more agricultural products than we exported. In other words, the policies of the present government were so filled with disincentive to produce that which we used to do best—and which we can still do best—that it became an unprofitable business to the point at which, in order to provide an adequate food supply to Canadians, we had to buy from other countries.

Even today we are short of commodities which we are well able to produce, but we do not see the kind of policy changes that are required in order to correct this inequity. The first example that comes to my mind is dairy production. We are not producing enough of certain dairy products; there has been a marked decline in our dairy production since the implementation of policies which are now in existence.

Over the past ten years we have seen a continuing depopulation of rural areas because of lack of incentives by way of adequate financial return to the producers. Between the years 1966-71 there was a daily loss of 44 people from the farm to urban centres in the three prairie provinces. This works out to the migration of over 16,000 people per year from the farm to the city in the three prairie provinces. It means the loss of over 4,000 farm families. The core of the problem is, without any doubt, the fact that net farm income has been continuously declining.

Because of the world food shortage in the past few months, however, gross farm income has increased significantly and for the first time in many years farmers felt that they were getting a fair return for their product. However, this feeling of satisfaction did not persist very long when immediately on the heels of increased farm income followed spiralling increased farm costs which have now surpassed the increased income.

The price of machinery continues to rise unchecked in spite of the statements made by the Minister of Agriculture (Mr. Whelan) that he has implemented most of the recommendations of the royal commission on the price of farm machinery. This minister has given us assurances that farm machinery prices would not rise unreasonably, yet his assurances have been followed by spiralling costs. The price of fuel to power farm machinery has also gone up substantially. The price of fertilizer, another big item on the farmer's expense list, has nearly doubled in the past year or two.

If you recall, Mr. Speaker, nearly a year ago or, to be more exact, last February, we called for a freeze on prices, incomes, profits, etc. which would not apply to the price of agricultural products at the farm gate. If this suggestion had been implemented at that time, when farm product prices were quite good but inflation had not yet struck so fiercely as it now has, the farmer today would be in a much better economic condition. The Liberals and the NDP scoffed at our proposal. In addition they took action to cut the price of meat and the price of wheat, and the farmers' opportunity for a fair return quickly vanished.

While the government can argue that our farmers are doing as well as any other farmers in the world, that kind of argument carries no weight with me. The fact is, the policies of the present government have been extremely detrimental toward the farmer and his income. I would not complain too much if the policies were at least neutral; if they didn't improve things on the farm but also didn't make things worse. But, in fact, the policies of this government have caused the western Canadian farmer to lose millions of dollars in direct revenue. I am, of course, referring to the LIFT program which was introduced by the minister responsible for the Wheat Board, the hon. member for Saskatoon-Humboldt (Mr. Lang) and was

later followed by the grass incentives program. These programs resulted in a massive reduction in wheat production. To be more exact, in 1969 total wheat production was 652 million bushels; with the implementation of the LIFT program, 1970 production was down to 312.5 million bushels, a reduction of some 340 million bushels.

With the implementation of the grass incentives program which followed, production was further curtailed and has not recovered to 1969 levels even to this date. In 1971 we were 142 million bushels short of the 1969 figure; in 1972 we were 139 million bushels short, and in 1973 we were 43 million bushels short. This totals, Mr. Speaker, to a reduced production of wheat, which occurred as a direct result of deliberate government policy, of 664 million bushels between 1970 and 1973 inclusive.

● (1620)

The price of bread wheat today is approximately $5.70 a bushel; the price of Durum is approximately $8.95 a bushel. A rough calculation indicates that about 17 per cent of our production is Durum, while about 83 per cent of our production is of the bread wheat or the slightly less expensive variety; or, we can round it up by saying one-fifth is Durum and four-fifths is the other bread variety of wheat. If we calculate the loss of income to the prairie farmer in terms of dollars since the present minister became responsible for the Wheat Board, we can easily see that he has done irreparable damage and harm to the wheat producer.

A quick calculation, at today's prices, of the loss due to decreased production of Durum wheat of 133 million bushels at $8.95 a bushel amounts to approximately $1.2 billion; decreased production of other bread wheat of 531 million bushels, at approximately $5.70 a bushel, amounts to approximately $3 billion. In short, by one stroke of his pen the minister responsible for the Wheat Board, the hon. member for Saskatoon-Humboldt, has reduced income to the western wheat farmer by $4.2 billion since he has become minister responsible for the Wheat Board. If for no other reason, that reason by itself is sufficient cause not only for having him removed from the cabinet but for having him exiled from the country as well.

Mr. Danforth: That is a little strong.

Mr. Yewchuk: It may be strong, but consider how many years it will take western agriculture to recover that kind of loss. The injury caused is no less than if the same minister had dropped an atomic bomb on each of those three provinces. Western Canadian farmers cannot forgive him for this kind of tragic blunder in policy and planning. There is no doubt that this kind of policy has resulted in many more people leaving the farm in disgust to seek a better life elsewhere.

Other policies that this government has enacted since it has come to power have been mainly to increase interest rates on loans available to farmers, and introduction of the small farm development program. The small farm development program itself has been in operation in Alberta since September, 1972, and in Manitoba and Saskatchewan since June of 1973; in other words, since last summer. This small farm development program has only had the effect of increasing the process of depopulation of rural areas.

[Mr. Yewchuk.]

As a direct result of this program, 251 farmers in the three prairie provinces received assistance to expand their farms in order to make them more economically viable. Also as a direct result of this program, 1,247 farms were disposed of, and the same number of farm families were displaced from their homes only to be faced with a whole set of new problems such as relocation, possibly vocational retraining, procurement of new housing, etc. But, most important of all, they have had to give up a way of life which they had chosen to follow because that way of life was no longer possible under the present regime.

Obviously, new policies are required, policies that are deliberately designed to increase financial returns to farmers in order that they may return to the land or remain on the land. They must be policies to guarantee the farmer a fair price for his product. They must be policies to encourage new farmers to start farming operations if they are interested in that vocation. They must be policies to encourage vigorous marketing of Canadian agricultural products and to cut substantially the inflated overhead costs that the farmer must now bear as a result of the uncontrolled inflation that has gripped our country in recent months.

Policies must be short-term, mid-term and long-term. Short-term policies could be based on an incentive subsidization, but they can only be short-term. Long-term policies must be based on a vigorous marketing system and the production of an abundance and variety of high-quality Canadian agricultural products. By this method, stability of a fair return to the producer can be achieved as well as reasonable prices to the consumer.

From the consumer's point of view, the only way to ensure a stable food cost is to ensure adequate domestic agricultural production. At the same time it must recognized that farmers are entitled, and indeed must be able, to receive reasonable profit from this increased agricultural production. If there is no profit in production, production will decrease, thereby increasing even more our dependency upon imports to supply our needs. That can only mean higher food costs to consumers.

To sum up, there is no doubt in my mind that the tremendous loss of income to farmers has been a direct result of government interference in the private affairs of farmers. Farm policies must be drawn up in close consultation with the producers, not by backroom bureaucrats. Policies must be designed to allow a farmer to do what he can do best, which is to produce. We had the spectacle in 1969 of the minister responsible of the Wheat Board touring his own province and other provinces and hearing the same complaints from the farmers about the amount of grain they could grow. What the farmers wanted him to do was to find markets; instead, his decision was to cut production. That is an example of direct government interference in the affairs of farmers which has resulted in severe damage to their incomes.

In my view, production can best be achieved in the agricultural sphere through following the principles of free enterprise, which incorporates the incentive of "the harder you work, the better is your financial return." I believe that the farmer should be given the opportunity to play a large role in the solution to his problems, through his own efforts and through the efforts of his farm organi-

zations. Neither today or in the future must we again allow government legislation that creates a disadvantage to farmers in any region of the country. We must never again allow a program like LIFT to contribute to the destruction of the agricultural industry. The farmer should have the inherent right to manage his farm operation as he sees fit, and he should have access to appropriate farm management training if he requires it.

If supply management and farm marketing boards are to be established, the decision to do so must be made by the commodity groups themselves. If these basic and simple principles are followed, agriculture will recover and the agricultural way of life will survive. If the present policies of the government are followed, agriculture will not survive.

● (1630)

[*Translation*]

Mr. Marcel Lessard (Lac-Saint-Jean): Mr. Speaker, in the few minutes the hon. member for Athabasca (Mr. Yewchuk) used in support of his motion, I would have expected, as my colleagues surely did, from a man like him, with as much personality and university training, that the positive would have had the upper hand on the negative. But he chose to stick to the pessimistic side of things, to the negative, and hold the government responsible for all agricultural problems.

Mr. Speaker, the purpose of the motion of the hon. member is good. I agree fully with its wording, in that sense that the government must surely study the problem of the exodus from the land, the decreasing number of farms and the resulting social and economic problems.

I feel we are unanimous in this House in deploring the rural depopulation. We deplore it for a number of reasons. First because it is a social problem at the level of the individuals and families concerned, and second because it gives rise to immediate economic hardship. It is mainly an economic problem and a long term danger. As in the past, but certainly to a greater extent in the future, governments will be called upon to share in the efforts to stop this tendency and find means to quiet down this unrest. It goes without saying that we, as members of this House, must all be behind this.

However, I cannot buy the statement made by the hon. member that this government is responsible for the rural depopulation which started ten years ago, specifically in 1963. He was very careful in choosing that year, for it was in fact in 1963 that the Progressive Conservative Party was defeated and replaced by the Liberal Party. He claimed that this unrest did not exist before 1963. I must regretfully revive his memory and ask him, although he is still very young, to go back a little further in the past, let us say, 10, 15, or even 20 years. Let us go back to the 1940's at least, when the war broke out. At that time, of course, industries developed throughout Canada. Naturally the war caused a certain manpower shortage. Young people particularly had many career opportunities in fields other than farming. These young people left the farm. The movement of the population from the farming and rural sectors did not start ten years ago, but 30 or 40 years ago. This phenomenon is not unique to Canada. It is international, American, Canadian, European, Mr. Speaker. The government cannot therefore be blamed for the situation.

On the other hand, I agree with the hon. member when he says we must press the government, the provincial-federal institutions to think of the best measures possible to keep rural people where they are and help farmers find adequate people to take over. But that, Mr. Speaker, can happen only with one policy, a policy providing farmers with a sufficient income to justify their investments and the amount of work they have to put into their farm. And that is where the basic problem lies.

If farmers are unable to get a sufficient income or one that can be compared to that of other groups of society, why should they have to keep on sacrificing themselves? Why should we, as Canadians, require that 10 or 15 per cent of the Canadian people should sacrifice themselves by working seven days a week, 10 or 12 hours a day, by investing hundreds of thousands of dollars, by taking great risks in order to provide the Canadian people, the consumers as a whole food supplies adequate as to the quantity and quality and, as everybody hopes, at very low prices?

Such an equation, Mr. Speaker, is simply impossible. We the Canadian people must decide to pay the price of the food we want to be, adequate as to quantity and quality. That is the essential condition if we want to keep farming people in rural areas. To providing the farmer with the necessary help in his work, is the essential condition to make sure that he will able to keep with him his sons, his children who will replace him later on. And that important question of the family farm, Mr. Speaker, that we uphold in a stirring way, I would like to defend it myself! What is exactly a family farm?

If it is the family farm of 25, 40 or 50 years ago, when this type of farm was handed down from grandfather to father to son, without this debt being incurred—and I emphasize this point—as has been the case now since the last generation, if this is the type of family farm that the hon. member means, then I would remind him the following: the owner of the family farm today does no longer wants that this situation be perpetuated. He is the one who decides that his farm is worth $100,000 and who requires the future owner to pay that amount. Of course, the latter must go into debt, if the required capital is not available to him. If it is, he must make this investment. And then, the family farm can no longer be maintained in the same conditions. I wish, Mr. Speaker, we could do so. I wish we did, because it really was a good formula, but is it realistic to advocate such a formula in 1973? That is impossible. Let us be realistic, we cannot contemplate to go on using this formula. Then, we should accept that fact and consider how this farm operated by a family will continue to exist. Mr. Speaker, I ask the government, and I am not the only one, as several of my colleagues do so, to develop a new policy that will enable the son, the young farmer, the young man who is talented and willing to go into that industry which is vital for our economy, to get a start because his father will not be able to give him the $20,000 or $25,000 he needs.

● (1640)

If he does not have this amount of $5,000, $10,000, $15,000, $20,000 or $25,000 according to the size of the business he intends to buy, he will not conceivably get started in agriculture. Even with the best talents and the best will in the world he will not be able to get a start. His attempt is doomed to failure. First, our present legislation will not allow him to do it and there are no credit sources available for large farms.

So it is absolutely necessary to develop a new farming policy. Today, I appeal to all members because it is a top priority item for any government. This government should, during the next session, if possible, introduce a bill to make available the amounts necessary to get the young farmers started. The terms might vary. Of course, the applicant shall have to meet some criteria to qualify. It is quite normal.

I think we should allow young men 20 years or 25 years old who have the potential and particularly the will to go into farming, to get the credit and the money they need because if we do not, Mr. Speaker, more and more young people will quit farming. I should like to sound a note of warning to everybody and it is not a matter of political partisanship, but if we fail to do it now, it will be very expensive to bring people back to farming later.

The price we should pay today to keep young farmers and help them to carry on their trade is extremely low compared to what we will have to pay five, ten or fifteen years from now if we wait that long to bring people back to farming.

This is a real challenge to us Canadians, it is a great responsibility to discharge. If we are to provide the canadian people of tomorrow with a production adequate in quantity and quality and sufficient to help other countries, we have very soon to establish a bank that will provide the funds required by the young people who wish to have that kind of help. Some young people want to work in agriculture, I know some who do. Some study agriculture in technical schools. They want and they say: Tomorrow I graduate. I would like to go into agriculture but I can't afford to buy my father's farm, my uncle's, that of the neighbour, or the guy who will leave it because he has no one to take over.

That is the fundamental question we have to answer, Mr. Speaker. We should not blame the minister. Yet, the hon. member blamed solely the minister in charge of the Canadian Wheat Board. In closing, I would like to point this out: In 1973—and this was published in western farm news papers, amongst other by the one we received this week—western producers will have had the highest income ever in Canada. To my mind, instead of criticizing him we should pay tribute to the minister for his good work and foresight.

The blame for some of today's problems must not be laid exclusively on a minister. I think that the minister has done a tremendous job. It is inconceivable and unacceptable that he be held responsible. He has indeed been superb.

In concluding, I want to point out a glaring contradiction in the hon. member's remarks. On the one hand he said that this sad state of affairs was the result of government interference with the freedom of farmers. And on the other, had he said that government interference should be increased.

A choice will have to be made. Farmers have been provided with the tools, and it is quite freely, Mr. Speaker, that they will choose, now and in the future, to use them. We do not intend to lay down any conditions. We merely, and surely, want to help them, and I am positive that all the parties will agree on that point.

[*English*]

Mr. Yewchuk: Mr. Speaker, I wanted to ask the hon. member a question. He said that many things need to be done. Since his government has been in power for ten years, I wonder whether he could tell me why all these things have not been done as yet?

Mr. Lessard: Is the hon. member asking me what we have done in the last ten years? Is he asking me to enumerate the list of achievements, before the House today, in the few seconds left to me in accordance with the order made by the House? Let me tell him that it would take me the rest of the hour, and even then I would not finish listing the achievements of this government. Let me tell him also that we could have done much more if we had had the support of the official opposition, instead of continual opposition.

Some hon. Members: Hear, hear!

Mr. Deputy Speaker: Order, please. Perhaps hon. members should deal with this matter in the spirit of Christmas. I understand the messenger from the other place may be a little late in arriving, so the hon. member for Lac-Saint-Jean (Mr. Lessard) might be given extra time to reply to the question. In any event, I think the House should be advised that we may be sitting for a few minutes longer. We will see what happens.

Mr. Lessard: Mr. Speaker, I have not yet completed my speech.

Mr. Deputy Speaker: The hon. member for Athabasca (Mr. Yewchuk) wishes to rise on a point of order.

Mr. Yewchuk: Mr. Speaker, if you are going to let the hon. member continue to speak, I might as well put another question to him.

Some hon. Members: No.

Mr. Yewchuk: The other question is: What action will this government take to compensate the western farmers for the $4.2 billion loss which was created by the minister responsible for the Wheat Board through his programs?

Mr. Lessard: The best answer to this question is that the premise of the question is inaccurate. I was here three years ago when that action was taken by the government, and I am sure many members here remember all the questions that were raised by the opposition. For hours they blamed the government for the surplus in production, for the huge pile of grain on the prairies. They asked what the government would do with that.

Mr. Lang: Record sales.

Mr. Lessard: Hon. members must remember the kind of revenue that accrued to farmers in 1973. Let us remember that we passed a bill in the House permitting western farmers to defer tax on their current year's revenue until next year.

Some hon. Members: Hear, hear!

Mr. Lessard: Is the member ready to accept that farmers should have their previous revenue added to the present year's revenue, and thus have to pay higher taxes? Certainly not. Never has a government done so much, so fast, to solve the situation. Perhaps the hon. member does not remember those years, but many hon. members here do. If he wants me to answer the question about what the government will do to assist the western farmers to recoup what he calls a loss, let me tell him that it was not a loss.

Mr. Nowlan: Mr. Speaker—

Some hon. Members: Oh, oh!

Mr. Nowlan: —I do not understand the reason for the catcalls on the other side. I think that they are looking for Santa Claus in the chimney and he is not there yet. I am not prepared, as a member of the House, to listen to a bunch of gosh-darn frivolity in reply to a sane, sensible and serious question.

Some hon. Members: Oh, oh!

Mr. Nowlan: I believe that the hon. member for Lessard—

Some hon. Members: Oh, oh!

An hon. Member: Lac-Saint-Jean.

Some hon. Members: Hear, hear!

Mr. Nowlan: —the hon. member for Lac-Saint-Jean (Mr. Lessard) made a very uneloquent exposition regarding the situation in Canada. The only problem with the hon. member is that he became lost in the water and never came to shore. He is not even in tune with the Nativity message. He does not know where the manger is, and even if he did the cows would not have him—because there are other hon. members in the House who know more about agriculture than the hon. member for Lac-Saint-Jean. One of them is the hon. member for Wetaskiwin (Mr. Schellenberger). I say that, instead of hearing this frivolity from the hon. member for Lac-Saint-Jean, we should hear other members who can give a full, clear and objective discourse on the problems of agriculture in Canada. That is my point.

• (1650)

Mr. Deputy Speaker: Order. This is a question of privilege on which the Chair might be permitted to meditate during the Noel season. In the meantime I recognize the hon. member for Lac-Saint-Jean for the conclusion of his speech.

Mr. Lessard: Mr. Speaker, I would just like to say one word about the hon. member for Annapolis Valley (Mr. Nowlan). There are hon. members who are highly qualified to speak about agriculture. I hope he knows enough to disqualify himself from being one of their number. Knowing the hon. member for many years in this House, I think he should be left out of that group.

Returning to the constituency of Lac-Saint-Jean, the name does not imply that we have only a lake there. There is quite a piece of land in the constituency and I have lived and worked with farmers for many years so I know enough to appreciate their work and problems. I admit that I am not an expert. I do not pretend to be one. Having listened over the years to all kinds of forecasts from supposed experts in this House, particularly those on the opposition benches, I can say that the results up until now have not been good. In fact, opposition forecasts have frequently been wrong. With respect to expertise, I say that we should rely much more heavily upon members of the government front benches.

[*Translation*]

I would like to conclude my remarks, but as agriculture is a most interesting subject and as I express myself more easily in my mother tongue, I would prefer obviously to go back to French and summarize the situation a little. I would say that the measures which have precisely enabled agriculture to get better results within the last few years were put forward by a former Minister of Agriculture (Mr. Olson) who is no longer in the House. Such measures were improved by another Minister of Agriculture (Mr. Whelan), by a minister responsible for the Canadian Wheat Board (Mr. Lang) and by a government which, day after day, through positive policies and action has allowed agriculture to become more viable. In order to solve the fundamental problem, namely that farmers may stay on farms, they would have to be assured—

[*English*]

Mr. Yewchuk: On a point of order, Mr. Speaker, the hon. member is clearly abusing the rules of the House. He has been speaking for nearly 15 minutes in response to a question. We have other members who wish to speak in this debate. I wish there were some way of shutting him up.

Some hon. Members: Oh, oh!

Mr. Speaker: May we have order, please. My understanding is that the hon. member for Lac-Saint-Jean (Mr. Lessard) has the floor for 20 minutes under the Standing Order, and I am advised that there are two minutes left to him.

Mr. Lessard: Thank you, Mr. Speaker; and I intend to use my full time.

[*Translation*]

Mr. Speaker, I would like to point out in those two minutes that one measure among others has been put forward by the government to control rural depopulation and it is the policy for the development of small farms. If we consider how the provinces have used that policy up to now, what were the first provinces to sign those agreements, we note that there were the western provinces, because they are perhaps more active in that field with the agreement of provincial governments, as they saw in that

formula an opportunity to control rural depopulation, while allowing the establishment of profitable units.

This policy makes it possible to keep the rural population on the farm even though not directly involved in farming production. Those people have grown up, lived and worked many years in a farming district. I think that, if they could do so and if it were profitable, they would like above all to continue to live in that environment and work as much as possible in the farming sector. I think that the hon. member's proposal deserves our support, but what he had to say—

Mr. Speaker: Order. I regret to interrupt the hon. member but his time has expired.

[*English*]

Mr. MacEachen: On a point of order, Mr. Speaker, I wish to say that certain discussions have been continuing and I think it might be worth while, before we give up in despair, disagreement or futility to agree that when we return from the royal assent we suspend our sitting until the call of the bells and resume at that time to deal with the adjournment motion or motions. At least we will have an opportunity to make another effort, and even if we fail we can say that we have failed after a final effort.

Mr. Bell: Mr. Speaker, we agree with that. Perhaps if we were to walk very slowly to the Senate it would give the negotiators some more time.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, we also agree. Perhaps on the way there and on the way back, if our colleagues from Quebec who have such good voices would sing Christmas carols, that might improve the spirit.

Mr. Speaker: Before I call on the hon. member for Wetaskiwin (Mr. Schellenberger) I would also suggest that on our way back from the Senate, while the singing goes on, we might like to congregate in room 16 until six o'clock—and there I might find some way to deal with dissenters. Is this agreed?

Some hon. Members: Agreed.

Mr. Stan Schellenberger (Wetaskiwin): Mr. Speaker, I want to maintain the Christmas spirit, but I wish to make a few remarks on a subject that I consider very important not only at Christmas but at all times, namely, the mass migration that we have experienced of rural young Canadians to the cities. The hon. member who preceded me said that successive Liberal governments had done much to keep Canadians on the farms, but the statistics tell us that we have now only 350,000 farmers in Canada. This is a disastrous situation, an emergency situation. We must get more young Canadians to remain on farms.

We have heard much talk from the Minister of Agriculture (Mr. Whelan). We have listened to and read his speeches with interest—but he has not brought forth any policy. At the present time he is taking advantage of high prices, ignoring a number of high cost areas which will keep farmers in a low profit situation. All farmers in Canada must have a higher reward for their labours. It is necessary to bring forward policies that will give farmers adequate income and encourage them to stay on farms. In the last few months we have heard much about the Farm Credit Corporation which was established to enable young farmers to get loans in order to start in the farm business. When I look at the statistics I see that 60 per cent of the loans went to persons over 35 years of age, and only 40 per cent to persons under that age group. In order to take care of these farmers who could not apply or be accepted for farm credit, the Small Farm Development Corporation was set up. But really all the corporation does is allow those people turned down by farm credit to make application to it. It in fact consolidates farmers. More and more young farmers and older farmers are going to the cities.

● (1700)

Instead of just talking about what the government is going to do, I think it is time the Progressive Conservative Party made a few more suggestions. As we see, they seem to be accepted more and more by the Liberal Party, so perhaps it is to our advantage to make some positive recommendations. We talk about the dairy problem which is becoming very urgent at the moment. We find that we have to import butter and cheese. For years this was one of our chief exports, particularly to the European countries. I think the problem there is one of overcapitalization, the high cost of getting into dairy farming and the problem of getting good farm labour. This would be an excellent program on which the government could offer something that has been presented by the government of Alberta, that is, to subsidize the wages of farm labourers. We have a problem with unemployment. Until the people who are unemployed can find jobs, they could perhaps spend a few weeks or months on the farm learning where their food comes from.

The problem is that, with their inadequate incomes, farmers cannot today afford to pay the high salaries that are necessary to attract labour. This program has had reasonable success in Alberta although it has only been tried with high school and university students. But there is no reason why it could not be accepted on a federal basis. The government could perhaps pay half the salary, and the farmer the other half and look after the room and board. I think we should experiment with this program, and perhaps it would meet with reasonable success.

Another thing that has been missing for many years, and one reason why young people have been migrating to the cities, is that there are no programs available to keep young people in a happy community, one with all the advantages of the city. The government should make loans to small communities so they can provide recreational facilities and community clubs that would keep not only the farmer happy but the most essential part of his family happy, his wife and his children, so they would not be encouraged to leave the farm and go to the city. I have spoken about this on a private member's motion before, and I hope that the government will look into this matter with great speed.

I have before me some statistics showing that capitalization costs in farming have increased tremendously. We are now faced with higher costs for fertilizer this year, higher costs for machinery, and even weed spray. This has always been a basic problem for agriculture: when young people want to get into farming, or stay in farming, there is always the problem of an adequate supply of capital. Once

they get the capital, they find they must spend 30 years or more paying off the debt. It is pretty discouraging having to look forward to working hard all your life just to pay off your debt.

The government should accept the fact that if we want to keep young farmers on the farm, we will have to subsidize their interest rates for three, four or five years so they may have a chance to pay off the principal before they are hit with high interest rates. Capitalization costs on farms today are upward of $100,000, at interest rates of 7 per cent to 10 per cent so it is very hard to pay off any principal—hence the long-term, 20 to 30-year loans.

Mr. Speaker, here are some positive suggestions in addition to the suggestion put forward by the hon. member for Athabasca. I think the House should immediately approve this motion and the government should get on with positive policies, rather than just talk. Some incentive should be provided for young people, not only those on the farm but also those in the cities, who wish to start farming in the future.

Mr. Bill Knight (Assiniboia): Mr. Speaker, listening to the hon. member for Athabasca (Mr. Yewchuk) outline the non-program of the Conservative Party for agriculture was most inviting and interesting. I am always somewhat amused that a party that lambastes the government, and justifiably so, on its agricultural policies should, whenever that government has enunciated a policy in the House, agree with it. May I point out to members of the Conservative Party that when the government set up its rigged and totally unfair vote on the rapeseed ballot this year, as was done by the Minister of Justice in charge of the Canadian Wheat Board (Mr. Lang), it was the Conservative Party that supported that kind of balloting and the Conservative Party that openly admits its ties with the open marketing system and agrees with the kind of finagling that is going on.

The second area where the Conservative Party supported government action in the last year was in the entire area of the marketing of feed grains and the new policy which has been so disruptive. Not only were farmers in western Canada upset about the operation of the agricultural products board, but the commodity exchange in Winnipeg does not know how to handle the new pricing mechanism of the agricultural products board.

Hon. members from Quebec who supported the minister in this feed grains policy are also terribly upset with the whole marketing and pricing mechanism now being carried out. This is the greatest disaster effected by any minister since the LIFT program was introduced, in terms of the marketing of grains within Canada—and that, Mr. Speaker, is supported by other spokesmen for the Conservative Party as well as the hon. member for Athabasca.

What do they recommend, Mr. Speaker? The hon. member for Wetaskiwin (Mr. Schellenberger) says he has three programs. He has one to get labour out on the farm. That may be simple where he comes from, but I say that you cannot take young men out of the unemployment lines and put them to work running machinery on a farm in Canada unless very intensive training is given to them.

Mr. Knowles (Winnipeg North Centre): Hurry up.

Family Farm

Mr. Knight: There is no way any of my relatives are going to let any guy off the city streets come out there and run their $10,000 to $15,000 tractors.

Mr. Knowles (Winnipeg North Centre): Get your punch line in.

Mr. Knight: Mr. Speaker, if we are to have a change, it must be when we go into a new session. We have to change and bring in some programs that will give a certain amount of security and stability to the farming population not only in the west but in all of Canada. That kind of move ought to take place on the basis of the kind of programs enunciated by the province of Saskatchewan and other western provinces when they spoke to the federal ministers at the western opportunities conference. There are suggestions of programs for agriculture in those submissions that not only can be related to the problems of the west but to problems all across the country.

I think some of my colleagues from Quebec and some from rural parts of the Maritimes had very legitimate complaints related to the whole question of agricultural policy and the fact that many of their producers—and this has been a learning process for me, Mr. Speaker—face severe economic problems which are sometimes far worse than those faced by many of the producers whom I represent. Therefore, Mr. Speaker, I hope this debate continues in the new session so that the hon. member for Athabasca and I will have a chance to go at it again.

● (1710)

THE ROYAL ASSENT

[*English*]

A message was delivered by the Gentleman Usher of the Black Rod, as follows:

Mr. Speaker, the Right Honourable the Deputy Governor General desires to immediate attendance of this honourable House in the chamber of the honourable the Senate.

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

● (1720)

[*Translation*]

And being returned:

Mr. Speaker informed the House that the Deputy Governor General had been pleased to give, in Her Majesty's name, the royal assent to the following bills:

Bill S-7, an Act respecting The National Dental Examining Board of Canada.

Bill C-191, an Act to amend the Parole Act.

Bill C-135, an Act to provide additional financing mechanisms and institutions for the residential mortgage market in Canada.

Bill C-239, an Act for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1974.

[*English*]

Mr. Speaker: Pursuant to the special order made earlier this day, the sitting is suspended until the ringing of the bells.

At 5.25 p.m. the sitting was suspended.

SITTING RESUMED

The House resumed at 6.49 p.m.

ROUTINE PROCEEDINGS

[*English*]

HOUSE OF COMMONS

CHRISTMAS ADJOURNMENT

Mr. Speaker: Order. The President of the Privy Council (Mr. MacEachen).

Mr. MacEachen: Mr. Speaker, before I come to the main point, may I first wish all members a Happy Christmas.

Some hon. Members: Hear, hear!

Mr. MacEachen: I thank them for their service to the House. While the rest of you were enjoying yourselves with the Speaker, some of us were working. I am now suggesting that His Honour put the adjournment motion that was suggested earlier, with the expectation that it will be carried. The discussions that we have had among representatives of the parties lead us to recommend this motion to the House.

Mr. Bell: Mr. Speaker, as the opposition party in this parliament we are pleased to co-operate in this manner. I would not want to give any false impression that minority governments are working, but in spite of the difficulties I do wish everybody a Joyeux Noël.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, despite the way in which the official opposition works, we have entered into the Christmas spirit and we have reached agreement. The President of the Privy Council (Mr. MacEachen) has correctly stated that there is now an understanding on the basis of which we believe this motion can be passed. In doing so, we too are joining in wishing all members and their families a very Merry Christmas and a Happy New Year. In particular, may I wish you, Mr. Speaker, and Madame Lamoureux, the very best.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. René Matte (Champlain): Mr. Speaker, long before this last beating about the bush, we were decided not to sit next week, since we have long said that dodging the issue at the end of each session is useless and bothersome and that we should put a stop to it some day. A reform of the parliamentary system is required in order that we may be more serious and better able to deal with the situation and that we may not be forced, at the end of each session, to talk of family spirit, Holiday spirit and parliamentary politics spirit.

However, I would like to take this opportunity to wish to all my colleagues in this House a very Merry Christmas, a Happy New Year and as we say in Quebec, "le paradis à la fin de vos jours."

● (1850)

[*English*]

Mr. Speaker: I believe the first matter to be dealt with is the motion by the President of the Privy Council (Mr. MacEachen), seconded by the hon. member for Saint John-Lancaster (Mr. Bell).

Hon. Allan J. MacEachen (President of the Privy Council) moved:

That when the House adjourns on December 21, 1973, it shall stand adjourned to January 3, 1974, provided always that if it appears to the satisfaction of Mr. Speaker, after consultation with Her Majesty's Government, that the public interest requires that the House should meet at an earlier time during the adjournment, Mr. Speaker may give notice that he is so satisfied, and thereupon the House shall meet at the time stated in such notice, and shall transact its business as if it had been duly adjourned to that time; and

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

That fifteen minutes before the ordinary hour of adjournment on the third day, that Bill C-245, an act to impose a charge on the export of crude oil from Canada, to impose an oil export tax under the Excise Tax Act and to allocate certain of the revenues derived from the oil export tax, is taken into consideration, all questions necessary for the disposal of the said bill at all remaining stages shall be forthwith put and decided without further debate or amendment;

That the Standing Committee on National Resources and Public Works be instructed to report Bill C-236, Energy Supplies Emergency Act, following two further days of consideration thereof;

That, at fifteen minutes before the ordinary hour of adjournment on the third day that Bill C-236 is considered at the report stage, every question necessary for the disposal of the said bill at the report stage shall be forthwith put and decided without further debate;

That, at fifteen minutes before the ordinary hour of adjournment on the first day that the motion for third reading of Bill C-236 is taken into consideration every question necessary for the disposal of the third reading of the said bill shall be forthwith put and decided without further debate or amendment;

And that, when the order is next called for consideration of Bill C-203, an Act to amend the Canada Elections Act, the Broadcasting Act and the Income Tax Act in respect of election expenses, every question necessary for the disposal of the report stage and of the third reading of the said bill shall be forthwith put without further debate or amendment.

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

Some hon. Members: Agreed.

Motion agreed to.

Mr. Speaker: This House will therefore stand adjourned, in accordance with the terms of the motion which has just

been adopted, until January 3. I thank hon. members who have been kind enough to express their warm and generous thoughts to the Speaker. I would have loved to have continued my speech, but the Sergeant at Arms signals that it is time for me to leave.

Some hon. Members: Hear, hear!

Adjournment

Mr. Speaker: If all these negotiations have not been completed, and if hon. members would like to discuss those right now before the adjournment in June, they may do so in room 16.

At 6.55 p.m. the House adjourned until 2 p.m. January 3, 1974, pursuant to special order made this day.

HOUSE OF COMMONS

Thursday, January 3, 1974

The House met at 2 p.m.

[*English*]

THE LATE WALLACE BICKFORD NESBITT

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, it was with a great deal of sadness that we learned on December 21 of the death of our long-time colleague, Wally Nesbitt, member for Oxford.

Through eight elections spanning 20 years he served as one of the best known and active members of this House, both in government and opposition. He represented a beautiful rural part of southwestern Ontario and, with his skill as a lawyer and politician, never failed to do battle in parliament for his constituents and their concerns on the farms and in the small towns.

However, the interests of the member for Oxford ranged beyond his own area, his province and even his country. For years he was deeply involved in promoting Canada's voice in international affairs and was a receptive listener to the difficulties and hopes of other nations regardless of their size or level of development.

[*Translation*]

More particularly, he was deeply involved in the United Nations and during the fifties he represented Canada as an important political figure and member of our delegations in New York and Geneva.

It is quite difficult, Mr. Speaker, to make a summary of 20 years of service. I can say that in all aspects of his parliamentary life Wally Nesbitt was active. Throughout the Parliament Buildings he was the friend of all, including members of all parties as well as the members of the Press Gallery and all employees.

[*English*]

Last fall he courageously returned to this House after a serious illness. He quickly resumed his role to the delight of his colleagues on both sides of the chamber.

It is with particular sadness that we pay tribute to him today and extend our sympathy to his family, his many friends and the constituents of Oxford.

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to associate myself with the remarks of the Prime Minister (Mr. Trudeau) in connection with Wally Nesbitt, the late hon. member for Oxford. The constituents of Oxford have lost a highly valued representative, we have lost a valued colleague, and certainly it was with the deepest of sadness that we learned of his death.

Wally Nesbitt, as the Prime Minister has indicated, sat in this House as the representative for Oxford since 1953. During those years he made a most vigorous and impressive contribution to the work of the House and, I might add, to the work of his party caucus.

In 1957 he became parliamentary assistant to the Prime Minister and vice-chairman of Canada's delegation to the twelfth General Assembly of the United Nations. In 1958 he was appointed parliamentary secretary to the Secretary of State for External Affairs and was chairman of Canada's delegation to the Economic and Social Council of the United Nations. In 1960 he was elected first vice-president of the United Nations General Assembly and frequently acted as chairman of that body. From 1963 to 1968 he was the external affairs spokesman for this party in the House and co-chairman of the House of Commons Committee on External Affairs. So Wally Nesbitt had an abiding interest in world affairs as well as in the concerns of our country and his constituency.

If I may speak personally for a moment, to me he was a very warm friend and a very capable associate. He undertook various difficult assignments within our own caucus organization. I have referred to his work in external affairs, but since 1968 he has been our spokesman from time to time for transport, for Indian and northern affairs and for science. As a chairman of committees he had a great capacity to organize the effective discharge of work. When he accepted the responsibility for doing something one knew that the responsibility would be discharged very well and very thoroughly.

● (1410)

We were all shocked by his sudden illness. We admired his fight to regain his health. He fought to regain his health so he could take his position again in the House. He showed great courage. We looked forward, Sir, to him regaining full health and full vigour but this was destined not to be. It was with a very heavy sense of personal loss that I and my colleagues learned of his sudden death.

We join with the Prime Minister in extending our sympathy to Wallace Nesbitt's mother and the other members of his family.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, my colleagues and I join with the Prime Minister and the Leader of the Opposition in paying tribute to our late friend and colleague, Wally Nesbitt. I am happy to underline the words of commendation and praise uttered by the Prime Minister. I believe it is very fitting that the Leader of the Opposition has taken this opportunity to place on the record such an excellent resumé of Wally Nesbitt's work, including his contribution to his constituency, to the House of Commons and to the world scene on which he was privileged to play such an important part.

For a number of years our late colleague sat at this end of the Conservative Party benches which meant that we in this party got to know him very well. Although our ideas did not always run along parallel lines, we found him a very warm and genial friend. It was with real sadness that we learned of his illness some months ago and with still

greater sadness that we learned of his death just after we had recessed for the Christmas period. I think one of the finest tributes paid to Wallace Nesbitt was the tremendous number of people who were at the very impressive funeral service held for him in Woodstock, Ontario, on December 24.

Sir, I join with the others in asking that you extend our sympathy to Wally Nesbitt's mother, to his sister and through them to the other members of the family and all those who were near and dear to him.

[*Translation*]

Mr. René Matte (Champlain): Mr. Speaker, we all surely deplore the death of a member such as Mr. Nesbitt. So, on behalf of all members of our party, I extend to the family, the relatives and friends of the deceased our most heart-felt sympathy.

Mr. Speaker, I would also like to extend our special sympathy to the Progressive Conservative Party which within a few weeks has been twice afflicted by the death of one of its members. And I also take this opportunity to add that the example of a man such as Mr. Nesbitt is one which all members of this House can follow with no qualms of being mistaken.

ROUTINE PROCEEDINGS

[*English*]

AGRICULTURE

TABLING OF REPORT ON 1973-74 FERTILIZER SITUATION

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Mr. Speaker, pursuant to Standing Order 41(2), I wish, on behalf of the Minister of Agriculture, to table in both official languages a report on the 1973-74 Canadian fertilizer situation.

* * *

BUSINESS OF THE HOUSE

ORDER OF PROCEEDINGS THIS DAY

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, I wish to advise the House that the first order of business today will be Bill C-245, and that at a quarter to five we propose to interrupt the proceedings, with the direction of the House, to deal with the divisions in connection with Bill C-203 concerning election expenses. Consultations have taken place and I understand that this procedure is agreeable. If that is the case, it might be ordered by the House.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, we are all in agreement with this procedure. Perhaps I might take this opportunity to point out that the discussions that have taken place have also included an arrangement whereby, instead of our having 13 recorded divisions, the number could probably be reduced to six or seven. When five o'clock comes, perhaps this arrangement can be reported.

[Mr. Knowles (Winnipeg North Centre).]

Mr. Speaker: Is it so ordered?

Some hon. Members: Agreed.

* * *

POST OFFICE

PROPOSED RESUMPTION OF SATURDAY MAIL DELIVERY—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, in view of the fact that Canada is one of the few countries in the world without Saturday mail delivery, considering the growing delays in mail delivery generally, and in view of the fact that many small businesses rely heavily on daily mail service to an ever increasing degree, I ask leave of the House under the provisions of Standing Order 43 to move, seconded by the hon. member for Brandon-Souris (Mr. Dinsdale):

That this government immediately consider reinstituting an all year round Saturday mail delivery service throughout Canada.

Some hon. Members: Hear, hear!

[*Translation*]

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

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity, so the motion cannot be put.

* * *

[*English*]

TRANSPORT

MOVEMENT OF ALBERTA OIL FROM VANCOUVER BY SHIP—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, I rise on a matter of urgent and pressing necessity pursuant to Standing Order 43. The matter of urgent and pressing necessity is the continuing risk of oil spills in the Strait of Juan de Fuca. In view of the decision to transport Alberta crude oil from the port of Vancouver in foreign-owned vessels of questionable seaworthiness, thereby seriously eroding the credibility of this parliament's position in opposing the U.S. Alaska tanker route, I move, seconded by the hon. member for Skeena (Mr. Howard):

That the government forthwith cease this method of supplying the eastern market and forthwith replace this method of supply with emergency rail and highway transport until the completion of the Montreal pipeline.

[*Translation*]

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

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

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity, so the motion cannot be put.

* * *

[*English*]

INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

CONCURRENCE IN SEVENTH REPORT OF STANDING COMMITTEE

On the order: Motions:

December 13, 1973—Mr. Howard:

That the seventh report of the Standing Committee on Indian Affairs and Northern Development, presented to the House on Monday, December 10, 1973, be concurred in.

Mr. Frank Howard (Skeena): Mr. Speaker, I apologize for not catching your eye sooner. There is a notice of motion standing in my name seeking concurrence in the seventh report of the Standing Committee on Indian Affairs and Northern Development presented to the House on Monday, December 10. I seek the consent of the House to withdraw that motion.

Mr. Speaker: Is there agreement?

Some hon. Members: Agreed.

Mr. Speaker: The hon. member's notice of motion is withdrawn.

Order discharged and motion withdrawn.

Mr. Speaker: Oral questions.

* * *

THE PRIME MINISTER

CONGRATULATIONS ON BIRTH OF SECOND SON

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, before I put a question, perhaps you might permit me to say a word of congratulations to the Prime Minister and Mrs. Trudeau. In a different context the Prime Minister has frequently spoken about the importance of timing.

● (1420)

Some hon. Members: Oh, oh!

Mr. Stanfield: Certainly I must extend my congratulations to the Prime Minister and Mrs. Trudeau both in terms of timing and in terms of general felicitations. May I say in passing, Sir, that I share his joy to some extent because I had a second grandchild—

Some hon. Members: Hear, hear!

Mr. Stanfield: —a granddaughter, born on January 1, a second westerner. Henceforth I hope to be treated with more respect by the western members in the House.

Some hon. Members: Oh, oh!

ORAL QUESTION PERIOD

[*English*]

INDUSTRY

PROPOSED TAKEOVER OF MACDONALD TOBACCO COMPANY BY UNITED STATES FIRM

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I would like to address a question to the Minister of Industry, Trade and Commerce who indicated to the House on December 21 that he had posed certain questions to a foreign company proposing to take over the Macdonald Tobacco Company and that he was awaiting responses. Has the minister received specific answers with regard to that takeover and, if so, is he satisfied or not that it would have significant benefit for Canadians within the meaning of the legislation, whenever it is proclaimed?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I would like to take this opportunity to congratulate the hon. member on becoming a grandfather for the second time around. I wish to tell him I have not yet received any answer to my queries put to the Reynolds Tobacco Company.

PROPOSED TAKEOVER OF EMCO CORPORATION BY MASCO CORPORATION OF MICHIGAN

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I wish to ask a supplementary question relating to the proposed takeover of Emco Corporation and the questions which I believe the minister directed to the Masco Corporation of Michigan. Has the minister received any responses to those questions and, if so, is he satisfied that this takeover would be of significant benefit to Canada?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I met with the principals of the Masco Corporation yesterday. I put a number of propositions to them with respect to the whole question of significant benefit to Canada. They are considering their position, and I expect to hear from them very shortly.

Mr. Stanfield: In the present situation with the act not having been proclaimed, how does the minister propose to cope with these takeovers in the interregnum? He says he has received no reply with regard to the Macdonald Tobacco takeover. How does the minister propose to cope with it if the guidelines prove to be ineffective, as now seems to be the case? Is it the intention of the minister to proclaim that part of the legislation?

Mr. Gillespie: Mr. Speaker, we intend to proclaim the legislation just as fast as it is possible to do so. I do not

think, though, that I can accept the preamble to the hon. gentleman's question when he says that these guidelines have proved to be ineffective. They have not yet proved to be ineffective.

An hon. Member: And not effective either.

* * *

FOOD PRICES

POSSIBILITY OF ACTION TO CONTROL PERCENTAGE MARK-UP TECHNIQUE OF FOOD CHAINS

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I wish to direct a question to the Minister of Consumer and Corporate Affairs. Considering that a study, reported at length recently in the Montreal *Gazette*, revealed that the 19 per cent increase in food costs during the past year is likely to be continued throughout 1974, and that a good part of this inflation in food costs is due to the percentage mark-up technique of the food chains, will the minister inform the House if his department is taking steps to eliminate or control this pricing technique in a serious way?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, I have not had a chance to see that article yet. I will look at it and get back to the hon. member.

POSSIBILITY OF REDUCTION IN AMOUNT SPENT ON ADVERTISING ALLOWED CORPORATIONS FOR TAX PURPOSES OR EXCESS PROFITS TAX

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I see nothing has changed over the New Year period. I will switch to the Minister of Finance. In light of the fact that the same study revealed that advertising costs in food also account for a substantial part of the increase in the cost of food, amounting, for example, to some 43 per cent on Ajax cleanser and 18 per cent on Palmolive soap and so on, will the minister inform the House if the government intends to reduce substantially or remove entirely the amount that corporations can claim for tax purposes of revenues spent on advertising?

Hon. John N. Turner (Minister of Finance): No, sir, the government does not intend to do so. As to a further review of that study, my colleague, the Minister of Consumer and Corporate Affairs, will be looking into it in a deeper way. I might say to the hon. gentleman, however, that there is nothing in the study that precludes in any way, in answer to the assertion that advertising adds to costs, the argument that the wide proclaiming that goods are in competition with other goods may contribute to lower costs.

Mr. Broadbent: Mr. Speaker, I suggest that the minister read the study again. Considering that the profits of the food chains, also revealed in that study, were substantially above other sectors of the Canadian economy in the past year, would the minister inform the House if he is considering an excess profits tax to be particularly applicable to that sector of the economy?

[Mr. Gillespie.]

Mr. Turner (Ottawa-Carleton): No, Mr. Speaker, and if I were this would not be the time to announce it.

[*Translation*]

TRANSPORT

MEASURES TO KEEP ST. LAWRENCE RIVER FREE OF ICE THIS WINTER TO ACHIEVE LOWER OIL PRICES

Mr. René Matte (Champlain): Mr. Speaker, I have a question for the Minister of Transport.

Did he receive a request from the St. Lawrence Pilots Federation for extending the navigation season of the St. Lawrence River during this winter in order to achieve lower oil prices and, if so, what policy does the minister intend to follow in this respect?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I received a telegram on this matter.

Mr. Matte: In the second part of my question I asked, Mr. Speaker, what policy the minister intends to follow in this respect?

Mr. Marchand (Langelier): Mr. Speaker, the technicians from my department are not convinced of the validity of the pilots association's claim.

[*English*]

REQUEST THAT GOVERNMENT ACT TO IMPROVE SAFETY OF RAILWAY OPERATIONS

Mr. J. R. Ellis (Hastings): Mr. Speaker, I should like to address my question to the Minister of Transport. Now that the Canadian Transport Commission has finally taken action with regard to rail safety, even though it is negative action and years late, will the minister take positive steps not only to improve the safety record of Canada's railways but to allow them to take advantage of existing technology to better serve the people of Canada?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, there is equality in this chamber. I received this report at the same time as the hon. gentleman. I am anxious to read it and after that I may have some comments.

* * *

ROYAL CANADIAN MOUNTED POLICE

POSSIBILITY OF CHANGE IN UNIFORMS AND INSIGNIA

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is for the Solicitor General. I should like to ask the minister whether action is now being taken or is contemplated to change the uniforms and insignia of the Royal Canadian Mounted Police?

Hon. Warren Allmand (Solicitor General): No, Mr. Speaker, no action has been taken to change the insignia or uniforms of the Royal Canadian Mounted Police.

Mr. Diefenbaker: Does the minister say that no consideration is being given to this question and, in particular, to

the removal of the Crown from the insignia of non-commissioned officers up to the rank of staff sergeant-major?

Mr. Allmand: No, Mr. Speaker, not to my knowledge. I have not heard anything about that. I might say that last summer the weight of cloth in the uniforms was changed in order to give members of the RCMP a lighter summer uniform, but it was the same uniform.

Mr. Diefenbaker: Removal of the Crown would not do that.

* * *

SEARCH AND RESCUE

SEARCH FOR PLANE LOST IN NORTHERN SASKATCHEWAN

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I have a question for the Minister of National Defence. I should like to ask the minister whether there are any new developments in the search for four missing men in northern Saskatchewan as the result of the crash of a plane which originated from La Ronge?

● (1430)

Hon. James Richardson (Minister of National Defence): Mr. Speaker, this search has been continued intensively. About half an hour ago I heard that the site of the crash had been located, but we have not got confirmation yet. A helicopter is travelling to the site now.

* * *

[*Translation*]

SPORTS

VIOLENCE IN JUNIOR HOCKEY—MEETING WITH CANADIAN AMATEUR HOCKEY ASSOCIATION AUTHORITIES

Mr. Roch La Salle (Joliette): Mr. Speaker, I should like to put a question to the Minister of National Health and Welfare.

On December 21, I asked the minister whether he was considering the possibility of an inquiry on violence in junior hockey in Canada. Since he replied affirmatively concerning the possibility of such an inquiry, would he say whether he has met with Canadian Amateur Hockey Association authorities and can he say when he shall get the report of this inquiry and report to the House?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I have been unable so far to meet with representatives of the CAHA. I hope I can do so in the next few days. I shall then report to the hon. member.

* * *

[*English*]

THE CANADIAN ECONOMY

EFFECT OF EXPECTED RATE OF GROWTH AND INCREASED UNEMPLOYMENT IN UNITED STATES ON CANADIAN EXPORTS

Mr. James Gillies (Don Valley): Mr. Speaker, my question is for the Minister of Industry, Trade and Commerce. Given the fact that the chairman of the Economic Council of the United States has now said that the United States government is expecting the rate of growth of their economy to be not more than 4 per cent and that the unemployment rate will rise to 6 per cent, can the minister tell us what effect this will have on Canadian exports to the United States during the forthcoming year?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, of course this is something we are watching on a very close basis. We recognize, as does the hon. member, all the uncertainties involved in this situation, but we think it will be a very good year.

Mr. Gillies: Does the Minister of Industry, Trade and Commerce have members of his department working precisely on estimating what the possible impact of a change of that dimension in the economy of our trading partner will be on our economy?

Mr. Gillespie: Mr. Speaker, we have it under constant and continuing review.

Mr. Gillies: Will the minister table in the House of Commons within the next week the results of such studies so that the Canadian people may have some idea of what the Canadian government thinks about the economic situation?

Mr. Gillespie: Mr. Speaker, we have it under constant and continuing review.

* * *

ENERGY

HOME HEATING OIL—POSSIBLE PROVISION OF RELIEF TO CONSUMERS IN FIVE EASTERN PROVINCES

Mr. James A. McGrath (St. John's East): Mr. Speaker, may I ask the Minister of Energy, Mines and Resources if a decision has been made yet to provide some relief to the consumers of the five eastern provinces who are suffering from the energy situation, especially in the area of home heat? If such a decision has been made, will it be announced before the meeting of first ministers at the end of January?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, no such decision has been taken at the moment, although that will obviously be the primary question for discussion at the first ministers' conference later this month.

* * *

LABOUR RELATIONS

RAILWAY EMPLOYEES—INQUIRY WHEN ARBITRATOR'S REPORT WILL BE MADE

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, may I address my question to the Minister of Labour. In view of the present difficulties in rail transport, the shortage of feed grain supplies in eastern Canada and the difficulties that are being experienced in the Edmonton yards and in

the lower mainland of British Columbia, can the minister advise how soon the Hall report will be available and whether or not it is possible that his recommendations or decisions will be tabled prior to the presently proposed recess of parliament?

Hon. John C. Munro (Minister of Labour): Mr. Speaker, unfortunately I did not hear the last two or three words of the hon. member's question, although I believe I got the general purport. I would advise, as I have advised before, that the report of the hon. Mr. Justice Emmett Hall should be available to the parties and, for that matter, very shortly thereafter to the public and every hon. member, about the middle of this month.

Mr. Gleave: In connection with that matter may I ask, in view of the minister's answer, whether we will also have the report of Dr. Deutsch with respect to pensions? Is that to be made at the same time? Can we have that report before parliament recesses so that we may have an idea of what is going to happen to pensions so far as railway workers are concerned?

Mr. Munro (Hamilton East): Mr. Speaker, as the hon. member is aware, that report was to be submitted to the hon. Mr. Justice Hall for his consideration, so I imagine its contents would be made available at the same time as the Hall report itself, probably as an appendix.

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ENERGY

INQUIRY WHETHER MEETING HELD BETWEEN MINISTER AND ARAB STATE REPRESENTATIVES RESPECTING REPORTED OFFER OF OIL AT LOWER PRICE

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I want to ask the Minister of Energy, Mines and Resources whether he has met with the Minister of Energy of Kuwait or any other Arabian country with respect to a reported offer to supply 360,000 barrels of crude petroleum to Canada at a price considerably less than what Canada or agents representing our country are paying now for Venezuelan crude petroleum?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I have not had a meeting.

[*Later:*]

Mr. Woolliams: Mr. Speaker, the Minister of Energy, Mines and Resources answered my question in such inaudible terms that I felt he must have some knowledge. Has the minister any knowledge? Has there been any offer of such a sale to him, to his department or to any other minister of the government, particularly the Minister of Supply and Services, to the knowledge of the minister?

Mr. Macdonald (Rosedale): Mr. Speaker, there have been a number of proposals put by various of the eastern hemisphere oil producers to the officials of my department, and they have been investigated. I think I would have to examine particularly with them whether this particular proposition the hon. gentleman has mentioned was among those and, if so, what the exact terms of it were.

[Mr. Gleave.]

[*Translation*]

HOUSING

AGREEMENTS WITH PROVINCES UNDER NEW PROVISIONS OF ACT

Mr. Speaker: The Chair recognizes the hon. member for Portneuf.

Mr. Roland Godin (Portneuf): Mr. Speaker, I wish to direct a question to the hon. Minister of State for Urban Affairs.

Since the enforcement of Bill C-133 would alleviate in part the housing problem which remains a major issue in this country, could the minister advise the House whether he intends to make a statement in the near future concerning the relevant agreements reached with the provinces?

[*English*]

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, I made a statement yesterday indicating that we have agreements with regard to the neighborhood improvement program, which I take it the hon. member is referring to, either agreements or agreements in principle, with nine of the provinces, and that just before Christmas I had very useful and friendly discussions with the minister from the province of Quebec in Quebec City. I am optimistic that an agreement can be concluded at an early date.

[*Translation*]

Mr. Marcel Roy (Laval): I wish to direct a supplementary to the Minister of State for Urban Affairs.

When agreements were reached with the provinces, did he ask them to indicate clearly the amounts coming from the federal government for the construction of homes, including those for the aged?

[*English*]

Mr. Basford: Mr. Speaker, the agreements to which my answer applied refer only to the neighborhood improvement program. There are no agreements relative to old age housing or senior citizens' housing. They are made project by project with each province.

* * *

THE CANADIAN ECONOMY

INQUIRY AS TO INTRODUCTION OF ANTI-INFLATION POLICY

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, my question is for the Minister of Finance. As the latest report of the OECD, of which Canada is a member, very strongly criticizes this country for not having a comprehensive anti-inflation policy, can the minister advise the House if the government is in the process of preparing such a policy now, and may we expect to hear it announced in the House in the very near future?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I think the hon. gentleman is referring to reports of an alleged impending report. If he will refer to the last published report in December, he will not find that type of analysis of the Canadian position.

Mr. Hees: As the minister knows very well, I am referring to the report that will be produced very soon. He knows all about it. I ask him the following supplementary question. As the government obviously is not in the process of preparing such a program, may we expect that in the near future we will have some kind of announcement from the government as to the economic stand of the government on all these matters, and can that be expected in the near future?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, that will be done at the first reasonable opportunity. As a matter of fact, I hope to have occasion this afternoon, in dealing with the export tax bill, to relate my remarks also to some of the economic underpinnings, both international and domestic.

* * *

● (1440)

INDUSTRY

PROPOSED TAKEOVERS OF MACDONALD TOBACCO AND EMCO BY UNITED STATES FIRMS—DEADLINE FOR REPLIES TO MINISTER'S QUESTIONS TO COMPANY OFFICIALS

Mr. William C. Frank (Middlesex): Mr. Speaker, my question is to the Minister of Industry, Trade and Commerce. In light of the fact Canadians are concerned about foreign takeovers, particularly in western Ontario, and in view of the reaction in regard to the two companies previously mentioned by the Leader of the Opposition, can the minister inform the House whether a deadline was set for replies to be received to his questions and whether there would be significant benefit to Canadians as a result of these takeovers?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, no deadline has been set but I expect to hear very shortly from both parties.

* * *

HISTORIC SITES

PRESERVATION OF HOME OF LATE RIGHT HON. LOUIS ST. LAURENT

Mr. Sean O'Sullivan (Hamilton-Wentworth): Mr. Speaker, I wish to direct a question to the Minister of Indian Affairs and Northern Development in connection with his special responsibility for national historic sites. In view of the proposed private sale of the residence of the late Right Hon. Louis St. Laurent, can the minister advise whether his department is planning to enter into negotiations to ensure that this residence will be preserved as an historic site and thus do honour to this distinguished former Prime Minister?

Some hon. Members: Hear, hear!

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I do not know which of two residences the hon. member is talking about. There is the residence of the former prime minister in Quebec City and the house where he was born in Compton. The Historic Sites and Monuments Board of Canada recommended mainly the residence in Compton, not the one in Quebec City.

[*English*]

Mr. O'Sullivan: I thank the minister for his interest in this matter. In view of the difficulties encountered with regard to the residence of this late Prime Minister and the residence in Hamilton of the late Right Hon. Lester B. Pearson, is the minister considering establishing a special unit within his department to ensure that residences of former Prime Ministers, both those deceased and those still with us, will be preserved as national historic sites throughout this country?

[*Translation*]

Mr. Chrétien: Mr. Speaker, dedicating buildings for commemoration purposes comes under the jurisdiction of the Historic Sites and Monuments Board. This is an independent board that advises the department and which has developed directives concerning the residences of former Canadian prime ministers.

* * *

[*English*]

EXTERNAL AFFAIRS

INQUIRY AS TO NEGOTIATIONS FOR RETURN TO CANADA OF KIDNAPPERS OF JASPER CROSS TO FACE CHARGES

Mr. Paul Dick (Lanark-Renfrew-Carleton): Mr. Speaker, I wish to direct a question to the Secretary of State for External Affairs. Has or is the Department of External Affairs or the government of which the minister is a member in any way negotiating with the kidnappers of a person known as Jasper Cross for their return to Canada to face kidnapping or other criminal charges?

Hon. Mitchell Sharp (Secretary of State for External Affairs): No, Mr. Speaker.

Mr. Dick: Mr. Speaker, my supplementary question is for the Prime Minister. Can the Prime Minister assure the House that under no circumstances will these kidnappers be allowed to return to Canada to face criminal charges with the knowledge of the government, considering that they have already been given the benefit of making one choice?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I really have not considered this question in depth but, if they do come back to Canada on the understanding they will face criminal charges, I cannot at first blush see anything reprehensible about that.

Oral Questions

TRANSPORT

SAFETY OF RAILWAY OPERATIONS—REQUEST FOR STATEMENT ON RECOMMENDATIONS OF TRANSPORT COMMISSION AND IMPLEMENTATION THEREOF

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I have a question for the Minister of Transport. In view of the serious implications of the report made yesterday by the Canadian Transport Commission, will the minister, after he and his officials have had an opportunity to look at the report which they only received yesterday, make a statement in the House as to how long it will take for the department to make a full study of the report and also advise what measures his department will take to implement the recommendations of the commission?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I actually received the report just this morning. I originally read of it in the newspapers. The department is studying the report immediately and will make recommendations to me. As this is of public interest, I am sure the report will be tabled and the hon. member will be informed of what steps we are going to take.

Mr. Orlikow: In view of the extreme reluctance of the railways in the past to make public any information about rail accidents, their causes and who was at fault, will the minister give special consideration to the possibility of instructing the railways, the Transport Commission and his department to make all information that comes to these bodies public so that proper steps can be taken to alleviate this condition?

Mr. Marchand (Langelier): Mr. Speaker, I will do what I can. However, I am sure the hon. member knows I am quite restricted in the kind of orders I can give to the CTC. If ever the House and the government decide to change that, maybe I could be more precise.

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AIR TRANSPORT

PROPOSED PASSENGER HEAD TAX—POSSIBILITY OF SUBSTITUTION OF INCREASE IN USER CHARGES PAID BY COMMERCIAL CARRIERS

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, would the Minister of Transport indicate whether the deferment of the implementation of the airport head tax means that the government is seriously considering the alternative of raising the user charges to commercial air carriers at appropriate airports?

Hon. Jean Marchand (Minister of Transport): No, Mr. Speaker, it does not mean that.

Mr. MacKay: Will the minister assure the House that if the tax is implemented as originally proposed there will not be a further major increase in the originally announced figure of $2.80, as has been suggested by the head of the Canadian Air Transport Association?

Mr. Marchand (Langelier): Mr. Speaker, as far as the Department of Transport is concerned, we do not expect another increase.

[Mr. Trudeau.]

Hon. Paul Hellyer (Trinity): Mr. Speaker, I wish to direct a supplementary question to the Minister of Finance. If the new tax legislation is yielding hundreds of millions of dollars of additional revenue over and above that forecast by the minister at one stage and the minister has an abundance of revenues, why is it necessary to institute this tax at airports at all?

Mr. Speaker: Order, please. The question as asked is argumentative. It is debate. The Chair will recognize the hon. member for Esquimalt-Saanich and then the hon. member for Rimouski.

[*Translation*]

PROPOSED PASSENGER HEAD TAX—SUGGESTED PERCENTAGE CHARGE ON SHORT FLIGHTS

Mr. Donald Munro (Esquimalt-Saanich): Mr. Speaker, I should like to ask a supplementary of the hon. Minister of Transport.

I should like to ask him whether he and his colleagues are considering the possibility of approving a special charge, 5 per cent for instance, for short flights such as between Victoria and Vancouver rather than insisting on a single levy which lays a heavy financial burden on passengers using such flights?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, for the information of the hon. member, we had the choice between two formulas: a fixed charge which would protect the people at either end of the country or a percentage charge which would naturally protect short flight customers. Unfortunately, we have found no way of using both formulas at once and have decided to protect people who live far from the large centres, who would unfortunately pay considerable amounts under the percentage formula.

* * *

ENERGY

SUGGESTED RETURN TO DAYLIGHT SAVING TIME TO CONSERVE ENERGY

Mr. Eudore Allard (Rimouski): Mr. Speaker, with your leave, I wish first to congratulate most sincerely Mrs. Trudeau and the right hon. Prime Minister for the excellent timing of the birth of their two sons. Considering that some provinces, especially Ontario, have expressed the wish to return to saving time, does the Prime Minister intend to adopt a standard policy for the whole of Canada?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, first let me thank the hon. member, the leader of the opposition and other hon. members for their good wishes towards my wife and myself. We thank them most sincerely.

[*English*]

Mr. Alexander: Hurrah for Alexander!

[*Translation*]

Mr. Trudeau: Yes, Mr. Speaker, we have chosen an excellent name, that of Alexander, but—

[*English*]

Alexandre, spelled the French way, but I am sure the origins are the same. The hon. member has sometimes indicated that I am not a very good House of Commons man. He might be prepared to concede we are a good House of Commons couple, having planned this thing in such a way that it would not interrupt parliamentary proceedings.

● (1450)

[*Translation*]

In reply to the hon. member, Mr. Speaker, I would say that it would, in fact, be desirable for all the provinces to agree on the same formula, that there might be as little disparity as possible in the time chosen; however, the federal government is unable to impose it upon them. I willingly suggest, however, following the hon. member's question, that if the provinces wish to consult each other in this regard, the federal-provincial conference to be held within a few weeks would offer them an ideal occasion of doing so.

* * *

[*English*]

AGRICULTURE

FERTILIZER—REQUEST FOR STATEMENT ON PRICE AND GOVERNMENT POLICY

Mr. H. W. Danforth (Kent-Essex): Mr. Speaker, in the absence of the Minister of Agriculture may I direct this question to the Prime Minister. It is based on the paper tabled today on behalf of the Minister of Agriculture dealing with the Canadian fertilizer situation. It says, in effect, that the price that Canadian farmers will be expected to pay will be higher that last year but less than the price in the United States. Since farmers are businessmen and are certainly entitled to more specific information than this, will the Prime Minister encourage the Minister of Agriculture to make a statement in the House on motions within the next few days on the price of fertilizer and on what government policy may be if price increases prove to be more than reasonable?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I would be very happy to convey the suggestion of the hon. member to the Minister of Agriculture, who is presently in Charlottetown meeting with members of the provincial cabinet.

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ENERGY

GOVERNMENT RESPONSE TO UNITED STATES PROPOSALS FOR REDUCTION OF PETROLEUM PRODUCT EXPORTS

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources. Has the government been advised by the United States government of a specific formula for the reduction of U.S. petroleum exports? If so, has it made any response to the

United States government proposals, particularly in light of the British Columbia situation?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, as I indicated in the committee this morning, the United States administration through Mr. Simon's office has indicated the proposed intention to put export controls on petroleum products on the basis of historic use in 1972. They have asked users, including Canadian users who take the products by way of export, to express their reactions to this proposal, and we as a government would expect to be responding in due course.

Mr. Speaker: Is the hon. member rising on a point of order?

Mr. Cullen: Yes, Mr. Speaker. I am sorry to interrupt the question period but following upon the order made earlier this day that certain questions are to be put at five o'clock may I say I have not had a chance to contact committee members and I should like to inform them that the national resources committee will be holding its meeting this afternoon at 3.30.

TAR SANDS OIL—REQUEST FOR TABLING OF LETTER TO SYNCRUDE FROM GOVERNMENT ON PRICING POLICY TO BE APPLIED TO PRODUCT

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources who said before the recess that he had no objection to tabling in the House the letter from the government of Canada to the Syncrude company or to its principals relating to future pricing policies. Is the minister now prepared to table that letter?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Yes, Mr. Speaker, I would be prepared to table it. I apologize to the hon. gentleman; I have not brought it with me today, but I will see whether the translation has been made and I will be glad to lay it on the table either tomorrow or Monday.

POSSIBLE INTRODUCTION OF DAYLIGHT SAVING TIME—REQUEST THAT MINISTER URGE PROVINCES TO AGREE ON STAND

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources. In view of the confusion across the country concerning use of daylight saving time to conserve energy, and in view of the further confusion of some provinces accepting this measure and others rejecting it, would the minister make a statement urging the provinces to stay together so that Canadians will not be subjected to communication and transportation scheduling difficulties across the land?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, as the hon. gentleman will recall, we have expressed the view, which I think is also held by Ontario Hydro, that in terms of home heating oil daylight saving time is not an energy conserving measure.

I will be glad to take the suggestion under notice, but traditionally this has been a matter of provincial jurisdiction, as the hon. gentleman will recall from the practice in his own province.

* * *

VETERANS AFFAIRS

RECIPIENTS OF WAR VETERAN ALLOWANCE, OLD AGE SECURITY AND GUARANTEED INCOME SUPPLEMENT—PROVISION OF COST OF LIVING INCREASES

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I should like to direct a question to the Minister of Veterans Affairs. Can the minister say whether the necessary steps have now been taken so that veterans who are receiving both old age security and the guaranteed income supplement on the one hand, and war veterans allowance on the other, will receive the cost of living increases that take place in both those payments this month?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): The answer is yes, Mr. Speaker.

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EXTERNAL AFFAIRS

GARRISON WATER DIVERSION PROJECT, NORTH DAKOTA—REPLY TO CANADIAN REPRESENTATIONS

Mr. Jack Murta (Lisgar): Mr. Speaker, I should like to direct a question to the Secretary of State for External Affairs related to a question asked him approximately three weeks ago dealing with the proposal in the United States to build the Garrison dam project which has quite far-reaching implications for Manitoba. Has the minister received word from the United States on whether or not the U.S. government is going ahead with the project? If he has not received word, why has there been no communication between Canada and the United States on this matter?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, the House will recall that I did mention that a note had been transmitted to the United States setting out our concerns in this matter. We have not yet received a reply but I am given to understand that we may expect one this month.

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, my supplementary is for the Secretary of State for External Affairs. Has the International Joint Commission been seized of this problem, and is it negotiating directly with the United States counterparts so that this danger to Canadian boundary waters might be averted?

Mr. Sharp: Mr. Speaker, the International Joint Commission is not automatically involved in this matter. We have chosen for the time being to deal with it at an intergovernmental level. The other question can remain open for consideration.

[Mr. Macdonald (Rosedale).]

Mr. John A. Fraser (Vancouver South): Mr. Speaker, I have a short supplementary. Would the minister assure the House, and consequently the country, that if the House of Commons is not sitting when the minister or his department receives word, it will be made public as soon as possible so that all interested parties may know what negotiations have taken place?

Mr. Sharp: Mr. Speaker, I will certainly give that very serious consideration, but I would hesitate to give an outright commitment until I have had an opportunity to see the reply that we receive.

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CANADIAN BROADCASTING CORPORATION

BANNING OF TELEVISION PLAY BY MORDECAI RICHLER

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I have a question for the Secretary of State. I wonder whether the Secretary of State would inform the management of the CBC that many Canadians would like a chance to judge the merits of a television play by Mordecai Richler without having the CBC make that judgment for them?

Some hon. Members: Hear, hear!

Hon. James Hugh Faulkner (Secretary of State): Mr. Speaker, I am receiving all kinds of advice as to my answer. Yes, I would be pleased to pass on that representation, but I can assure the hon. member that this matter is now being reviewed by the CBC.

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MANPOWER

LOCAL INITIATIVES PROGRAM—ALLEGED DELAY IN ANNOUNCING GRANTS

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, my question is for the Minister of Manpower and Immigration. In view of the absolute confusion and indescribable tardiness of the minister's department in announcing LIP grants for 1974 and extensions of 1973 grants, to such a point that British Columbia has announced it is opting out of the program, can the minister inform the House what he intends to do to clean up this mess in his department?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, with the exception of a very few, all LIP approvals which will be made have now been announced. Some 3,234 applications have been approved involving some 602,000 man-weeks of work. The last few dozen or so pending are subject to some controversy which will be cleaned up very shortly.

SHIPPING

MOVEMENT OF ALBERTA OIL BY TANKER FROM VANCOUVER—PERSONNEL AND EQUIPMENT TO DEAL WITH POSSIBLE SPILLS

Mr. John A. Fraser (Vancouver South): Mr. Speaker, I have a question for the Minister of Transport. In view of increased oil tanker traffic from Vancouver destined for the east coast, can the minister advise the House whether there has been any addition to personnel and equipment in order to deal effectively with any oil spill that may take place on the west coast?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I do not know whether there has been any increase in personnel. I know that all oil spills have been handled quite rapidly, but I will get the information required by the hon. member.

Mr. Fraser: In view of the fact that the existing number of men and the equipment available were unable effectively to contain a minor oil spill several months ago in Vancouver harbour, can the minister assure the House that oil spill prevention and containment measures on the west coast will be substantially improved immediately?

Mr. Marchand (Langelier): Mr. Speaker, I do not accept the first part of the question but perhaps we can find another opportunity to discuss this. I think we have all the men and equipment necessary to handle oil spills.

Mr. Speaker: Order, please. We are running short of time. The Chair will recognize the hon. member for Vancouver South on a supplementary and then the hon. member for St. Catharines, followed by the hon. member for Algoma.

● (1500)

Mr. Fraser: Mr. Speaker, in view of the fact that on December 11 Mr. Allard, public relations officer for the Ministry of Transport, said the only equipment available on the west coast is that which was available at the time of the *Erawan-Sun Diamond* spill in the fall, which was ineffective, I ask the minister in all seriousness whether he will consider this matter and come back to the House in a few days and assure us that something will be done in order that we will be capable of dealing with a major oil spill which might easily occur in view of the increased traffic.

Mr. Marchand (Langelier): Mr. Speaker, I will look into the matter, and if there are any shortcomings they will be corrected right away.

STANDARDS RESPECTING TANKERS MOVING ALBERTA OIL FROM VANCOUVER TO EAST COAST

Mr. Trevor Morgan (St. Catharines): Mr. Speaker, I have a question for the Minister of Transport. Having regard to the requirements respecting transportation of oil by tanker down the B.C. coast, and the fact that Canada is now shipping oil from Vancouver to Portland, Maine, what standards are we requiring for oil tankers going down the U.S. coast, through the Panama Canal and up the east coast, particularly in view of the fact that Cape Hatteras is such a dangerous point? Are we requiring the same standards in respect of vessels using the U.S. coastline as we demanded in respect of the B.C. coastline?

[*Translation*]

Mr. Marchand (Langelier): Mr. Speaker, we have to transport oil to Portland. As yet, no tanker from Vancouver has gone up the St. Lawrence. When those tankers have to face such dangerous conditions as ice, we will doubtless have to reach decisions in each case individually because at the present time there is no fleet of tankers available for transporting oil.

[*English*]

Mr. Morgan: I have a supplementary question, Mr. Speaker. The Minister of Transport failed to listen to my question. The Canadian government has made certain representations to the United States government as to the safety standards it will require in respect of oil tankers going from Alaska to Cherry Point. I ask the minister whether we are requiring the same safety standards in respect of oil tankers going from Vancouver down the U.S. coast, through the Panama Canal and up the east coast of the United States to Portland, Maine, particularly in view of the fact that Cape Hatteras is one of the world's most dangerous points of navigation. Do we require the same standards—

Mr. Speaker: Order, please. I assume the minister has heard the question.

Mr. Marchand (Langelier): Mr. Speaker, I listened to the question. We require exactly the same standards for all ships sailing under the same conditions.

Some hon. Members: Oh, oh!

An hon. Member: What does that mean?

* * *

ENERGY

INQUIRY WHETHER NUCLEAR REACTORS SOLD OVERSEAS WILL BE FUELED BY CANADIAN URANIUM

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources who was chosen by the *Globe and Mail* as man of the year for 1973.

Some hon. Members: Hear, hear!

Mr. Foster: It is obvious that all hon. members want to congratulate the minister and also the *Globe and Mail* on its choice.

Some hon. Members: Oh, oh!

Mr. Foster: Do the recent sales of Candu reactors to Argentina and South Korea include an understanding that Canadian uranium will be provided to fuel these reactors?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I thank the hon. gentleman for his kind reference. In connection with the sale to

Argentina, initially Canadian fuel will be used, although the option remains for that country to use Argentine uranium. In connection with the South Korean sale, this will be entirely Canadian uranium.

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SHIPPING

STANDARDS RESPECTING TANKERS MOVING ALBERTA OIL FROM VANCOUVER TO EAST COAST

Mr. Frank Howard (Skeena): Mr. Speaker, my question might be supplementary to the original question about the movement of oil from the port of Vancouver. I direct it to the Prime Minister. On the matter of moving oil by tanker from west coast ports through the Panama Canal to the east coast, was the Minister of the Environment enunciating government policy when he said that any oil tanker used to transport oil from west coast ports to any port on the east coast would be required, at the very least, to meet the standards for oil tankers adopted at the recent IMCO conference in London? Was he stating government policy when he made that announcement?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I would have to check with the minister as to the exact terms of the announcement, but on the face of it the minister was certainly speaking as the minister responsible for the environment in putting before not only his colleagues in parliament but the people of Canada his express wishes as Minister of the Environment.

Mr. Speaker: Order, please. The hon. member will be recognized on a last supplementary question, after which the Chair will call orders of the day.

Mr. Howard: Mr. Speaker, I should like to address a supplementary question to the Minister of Transport in respect of the response just made by the Prime Minister. Inasmuch as it is government policy that these stringent standards be met, why is the Department of Transport not following up this matter and requiring ships moving oil in and out of the port of Vancouver to meet the standards set out in this government policy?

Mr. Speaker: Orders of the day.

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BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Bell: Mr. Speaker, I should like to ask the usual Thursday question about the order of business, if this is the proper stage of the proceedings to do so. I ask the government House leader what we can look forward to in the next few days, even though we do have some idea of the business, particularly in respect of the wiretap bill for which we have indicated our support.

Mr. MacEachen: As I indicated earlier today, Mr. Speaker, the business before the House is Bill C-245, an act to impose a charge on the export of crude oil. That item will be kept before the House for the time allotted and it is completed. Hopefully, at that point we will be able to again give consideration to the oil allocation bill. I have not yet reached any conclusion as to when the wiretap bill might be brought back before the House, but I would be happy to consider with hon. members opposite ways that might make it possible to deal with it quickly.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, in respect of the order of business for the coming days, and in particular in respect of the last point to which the government House leader referred, may I ask whether the government is considering, as a means of saving time, substituting for the notice that is now on the order paper in the name of the Minister of Justice a notice simply rejecting the Senate amendment to the wiretap bill so that the House can reaffirm the position it took when the bill was before this House?

Mr. MacEachen: No, Mr. Speaker, the government is not considering that point at the moment.

Mr. Howard: Mr. Speaker, I rise on a point of order in relation to the last question I put to the Minister of Transport who was a bit slow in rising to his feet although it seemed he was rising to reply to the question. I see he has now disappeared, so perhaps the point of order has no validity, but certainly the minister should be required to reply to the question as to why this policy of the government is not being followed.

GOVERNMENT ORDERS

[*English*]

OIL EXPORT CHARGE ACT

PROVISION OF EXPORT CHARGE, OIL EXPORT TAX UNDER EXCISE ACT AND ALLOCATION OF REVENUES FROM TAX

Hon. John N. Turner (Minister of Finance) moved that Bill C-245, to impose a charge on the export of crude oil from Canada, to impose an oil export tax under the Excise Tax Act and to allocate certain of the revenues derived from the oil export tax, be read the second time and referred to committee of the whole.

He said: Mr. Speaker, first of all I want to use this occasion to wish you and the members of the House a Happy New Year. I wish Your Honour every good fortune in presiding over the affairs of this legislature. I noted the remarks of the Leader of the Opposition (Mr. Stanfield) in congratulating the Prime Minister (Mr. Trudeau) and Madame Trudeau on the birth of their second son. He mentioned the question of timing. It only illustrates that this government can do almost anything, Mr. Speaker. I do not take anything away from the notable achievements of the Leader of the Opposition in having become a grandfather during the recess. All I can say is that the difference between the Leader of the Opposition and the Prime Minister is just one of attitude.

● (1510)

Mr. Alexander: I don't get that, John.

Mr. Turner (Ottawa-Carleton): You will have to think about it. I am sorry the Secretary of State (Mr. Faulkner) has left the chamber, because he also celebrated a very important event in his life: he became married. I am sure we all wish him well.

Some hon. Members: Hear, hear!

Mr. Turner (Ottawa-Carleton): Without any reflection at all upon the House leader, I want to say to the hon. member for Peterborough, the Secretary of State, that congratulations are due to him upon finally joining the human race.

In rising at this time, Mr. Speaker, to move second reading of this bill to provide for export taxes and charges upon exports of crude oil from Canada, I should like briefly to review the background and to draw the attention of the House to the rapidly changing international picture against which the substance of the bill must be assessed. I also wish to touch upon some of the internal ramifications of some of those external events and what the external events mean to Canada as a country, because it is now fully evident that the pricing of crude oil in Canada, from which this bill basically derives, now poses for our country an issue of great significance and complexity.

[*Translation*]

In some respects, it is a unique challenge in the entire economic history of Canada. This matter raises extensive economic, political and fiscal problems. In addition, it could become a serious threat to Confederation and national unity. With regard to that situation, the government of the country must provide a clear and firm answer. The bill involved is only one of various measures included in that response.

It is necessary that Parliament and all Canadians be fully aware of the unprecedented occurrence characterized by an imminent shortage and a very steep rise in crude oil prices.

For some time most of us were aware of certain basic tendencies which were emerging in the over-all picture of the world energy supply and demand in general and of oil products in particular. The Canadian position was outlined in a government analysis paper published last June. This document described the long-term reduction in oil supply as opposed to a rapidly increasing demand as well as the unavoidable necessity of price increases. However I should say that nobody could forecast the rapidly developing events which within a few months not only reduced the flow of supplies but also entailed a sharp increase in world prices. The immediate and direct effects of those developments on certain countries in a less favourable position than Canada are already beginning to be felt: for those countries the balance of payments is being dislocated, economic growth is being slowed down, unemployment is increasing and the standard of living decreasing. As for the indirect and long-term effects they are hard to evaluate. However one thing is certain: some industrialized countries and developing nations which are largely dependent on imported oil will be greatly affected.

Oil Export Tax

However until the end of last fall Canada succeeded in avoiding shortages and sharp price increases. But the sharp rise in world prices exerted heavy tensions on our domestic price system which was designed for the particular structure of Canadian production and market. We are producing enough oil to meet our own needs, since our over-all production slightly exceeds our national consumption. However, because nearly all of our Canadian production is obtained from the western provinces especially Alberta which by itself accounts for more than 80 per cent, and for economic considerations related to location, transportation and world prices, it has proven more profitable to export about half of our production to the United States and to import a lesser volume for the five more easterly provinces. The second half of our production supplies the markets of Ontario and our four Western provinces.

[*English*]

Since 1960 it has been national policy to foster and develop this production and marketing system. Along with the favourable corporate tax regime applicable to the resource industries, this policy helped greatly in stimulating and encouraging the exploration and development of crude oil and gas reserves in western Canada. With normal world trade and effective links between Canadian, United States and international oil prices, the over-all system provided for a reasonable balance in markets and prices to the mutual advantage of all Canadians. Indeed, the system was sufficiently flexible and balanced as to adjust to a one-third increase in wellhead prices in the west over the first nine months of last year, along with somewhat sharper increases in import prices. It was also able to accommodate the domestic price restraint program which was introduced in early September as part of our general fight against inflation.

All of that, however, has been drastically altered by rapidly changing external events. We now face the need to construct, on an entirely different basis, a new kind of oil policy for Canada. That was fully recognized in the Prime Minister's statement in this House in early December. In that statement he outlined the concepts of a national market, self-sufficiency and a national pricing regime as foundations for a one-Canada oil policy. Along with improved transportation facilities and security of supply, such a policy must mean a reasonable equivalence of prices for petroleum products across the country after adjustment for costs of transportation and distribution.

The question has been asked, however, why oil should be singled out now for special national attention when many other internationally-traded resources and commodities have also been subject to sudden shortages and sharp price escalation. It is a fair question. I have, I think, already indicated a broad, general answer in the House, namely, the fact that on the one hand we have long maintained a basic oil policy aimed at developing Canadian resources and, on the other, we now have to adjust to a very major external disruption.

However, three specific interrelated points can also be made with particular regard to pricing and taxation. In the first place, oil plays a unique and almost unparallelled role in our national life. In a sense, it is the lifeblood of our economic system, providing over one-half of our total

energy needs. No other single commodity penetrates so directly or so widely into so many aspects of our daily existence—fuel to heat our homes, to operate our productive industries, to provide essential motive power across the whole range of transportation services. That is why the government has felt it necessary to ask for very broad powers to deal with possible physical shortages, even if these are confined to only part of the country. By the same token, a steep and sudden jump in price can have gravely disruptive and distorting effects across the whole economic system.

● (1520)

Secondly, it is relevant to note the cause of these steep and sudden jumps in price. Normal competitive forces of supply and demand have not been responsible. Rather, these disruptions have been brought about by a deliberate monopoly pricing decision on the part of the main oil exporting nations. As is the case with all other countries affected by this deliberately concerted jacking up of price, we are compelled as a national government to adopt a national policy to protect the broad public interest.

Third, and as a reflection of the great importance of oil as an economic commodity, we must have regard for the staggering financial dimensions of sharp increases in its price. With total domestic production approximating two million barrels per day, and the most recent increases in international prices driving these prices up about $6 to $7 per barrel above present restraint levels, the potential sum involved in higher revenues to producers from higher prices to consumers approaches $5 billion on an annual basis. That sum represents about 4 per cent of the gross national product—not far short of a normal year's total national growth. To my mind, the sheer magnitude of the sums involved in the present oil situation compels a wide ranging assessment of public finance policies by the federal government to maintain stability, balance and equity across the country.

As the Prime Minister (Mr. Trudeau) has indicated, a comprehensive oil policy for Canada in the near term, and certainly in the longer run, is predicated upon the development and use of Canadian petroleum resources for the benefit of all Canadians. Immediately, this means greater dependence upon the known resources of the western provinces. It underlines the importance of specific programs to accelerate exploration, research and development of those resources. We must recognize, however, that these resources are mainly within provincial jurisdiction. Consequently, an acceptable national policy can only be developed on the basis of accommodation with the provinces and due respect for their legitimate interests.

The producing provinces, Alberta and Saskatchewan in particular, rightly make the point that so far as established conventional reserves of oil are concerned, these are depleting assets of relatively short life. It is unfortunate that in recent years the search to add to these reserves has not been very successful. However, up until the year-end the provinces have been co-operating fully in maintaining the price restraint program and full supply, and I am confident that all Canadians appreciate that fact. I am hopeful that the provinces will continue in this co-operative way to share with all other Canadians the obligations of confederation as well as its benefits.

[Mr. Turner (Ottawa-Carleton).]

[*Translation*]

Tax equalization payments paid to the provinces by the federal government could create a special problem. As the House will recall, only four weeks ago, we were examining a bill to improve the equalization system which would integrate property taxes for school purposes, and we also noted that total federal payments will reach close to $1.4 billion this year. However, if domestic oil prices were to increase to the level of those prevailing on the international market and if the provinces would accept only half of the resulting increases in producers' profits, provincial treasuries would collect about $2.5 billion annually, in addition to current regular royalties and other oil revenues.

Mr. Stanfield: What prices exactly do you mean?

Mr. Turner (Ottawa-Carleton): As it is now, that amounts to $7 or $8 a barrel.

Nearly 84 per cent of the total amount would accrue to the Alberta treasury. However, since the federal equalization formula resets receipts of provinces at an average national level the federal government would be faced with a rise in equalization commitments of over $800 million, an onus which would be cast upon the Canadian taxpayer. In those conditions we could be forced into considering appropriate amendments to the equalization formula.

We must also seek to find the most effective means of having closely equivalent prices across this country in a way which would be fair to producers, consumers and different areas. That will be one of the major items on the agenda at the first ministers' conference which is to be held in three weeks.

However, what is apparent at this time is that the very recent doubling of international prices by major exporting countries threatens to widen beyond the level of acceptability the spread between prices east and west of the Ottawa valley. Notwithstanding consumer discriminations the disparities in fuel and energy costs seriously weaken the competitive position of industry and trade in the Atlantic provinces and Quebec. Unless those disparities are reduced all the efforts made at the national level to stimulate regional developments in those provinces will be subject to a major setback. Consequently, to the extent in which domestic prices are limited it would seem more reasonable to offset the greater part of the sudden rise in imported oil prices through the comparable increase in export prices rather than tax provisions of general application to finance the required measures of relief. The imposition of a general tax would hit precisely those consumers and areas we are trying to help. That is why I propose to seek a solution that would not result in a burden for taxpayers of this country as a whole.

[*English*]

The government has also expressed the firm view that under a unified pricing and market system the price of domestically produced oil must be allowed to rise. This will be necessary to ensure an accelerated program of exploration and development in the frontier and offshore areas and to bring into commercial production the tar sands and heavy oil resources of Alberta and Saskatchewan. Higher prices will also help to meet immediate needs

by encouraging the use of secondary recovery methods which can substantially increase the percentage recovered from existing reserves.

Further, a trading nation like Canada can never insulate itself in domestic pricing from the influence of world prices for internationally traded goods, commodities or services. Any attempt to do so, especially for a commodity like petroleum, will lead to distortions in consumption patterns, competitive use of energy, and international trading relationships.

In the longer run, therefore, domestic pricing for oil seems certain to track forward in some relationship with international prices. Even with future additions to west-east transport facilities, which might reduce our dependence upon high-priced foreign supplies, we will probably not want to eliminate all imports form secure foreign sources. A unified market and pricing system will, then, be most easily maintained and subject to minimum distortions if there is not too large a gap between domestic and foreign prices. One of the main advantages of the bill before the House is that the variable export charges it proposes will give us a very useful tool in maintaining the kind of flexible, administered prices most appropriate to Canadian circumstances.

Any prospect of an upward adjustment of domestic prices raises the compelling question of the so-called windfall profits which might accrue to the industry on the basis of production from established reserves. Increases in costs of production from established reserves tend to be nominal in comparison with potential gains in revenue from higher prices. Both Alberta and Saskatchewan have recognized this fact. They have recently taken legislative action intended to increase substantially the share of any increases in sales revenue taken as provincial taxes.

However, we must keep in mind the huge size of these potential increases and the need to be concerned about the burdens placed upon consumers by higher prices for either domestic or imported supplies. As the Prime Minister has emphasized, the federal government is therefore convinced that it must in turn develop some reasonable mechanism to provide, for the benefit of all Canadians, a decent share of the increased revenues which they themselves contribute. Any national policy worthy of the name must provide for some sharing of the burdens and benefits which flow directly from the international distortion of supply and price.

Now I wish to turn to some of the implications for international trade and payments. There is no question in my mind that we are facing an upheaval or reorientation of trade and payments patterns in the world of a magnitude and significance quite surpassing anything we have known since World War II. These consequences will arise in part from the immediate shortages of energy supply. To an even greater extent they will arise from the increase in the price of oil, given the size of the price changes which have already taken place and possible further changes.

● (1530)

[*Translation*]

The price announced for Arab light crude at the end of 1972 was just under $2.50 a barrel. On January 1, 1974, it was raised to $11.65. As for Venezuelan oil, the price increased from about $3 to more than $14. Although it may be difficult to convert the producers' prices to an average price for importers, this may well be $7 higher in 1974 than in 1972. If this were to happen, it would result in an astronomical increase of nearly $80 billion in the price paid by oil importing countries, on a basis of 30 million barrels imported per day. This would bring about a vast restructuration of the balance of payments throughout the world. Based upon 1972 imports, for instance, a $7 oil price increase would cost approximately $40 billion to western Europe and approximately $14 billion more in Japan and the United States. Since our oil exchanges with foreign countries are more or less balanced, an increase in the international oil price would have only a small total effect on our trade balance, in direct consequence of the new price of our oil exports and imports. The most important repercussions on Canada would rather take the form of a direct effect on the level of prices and the resulting inflationary consequences, trade problems and possibilities, a structural readjustment of expenses and production and, above all, as I indicated earlier, the necessity to share costs and benefits equitably throughout Canada.

All countries are not affected to the same degree. The increase in price of cheaper goods and the resulting loss of a favourable trading position will be greater in some countries than in others. Generally speaking, the revenues of the producing countries will be considerably increased. They may decide to reinvest these funds in the countries they are selling oil to. Although the volume of capital which will flow back to importing countries may very well correspond to the additional amounts of money they have to pay for oil, it is not likely that these payments will balance themselves from one country to the next. There will be strong and renewed competition between nations. In the face of this new struggle, maintaining the spirit of positive cooperation that existed in the establishment of the post-war policies will become one of the most important tasks. There is a danger that we may lose sight of our lofty goals which are the upgrading of the living standard in the developing countries, the liberalization of trade and commerce and the reform of the monetary system. One thing is certain, we will have to take a new look at these objectives in the light of changes with regards to energy.

Some developing countries are going to get rich beyond measure with the higher prices of petroleum products. Others will grow poorer. Most of the developed countries which give aid to other nations will certainly find it more difficult to increase their assistance. Let us hope that the newly rich nations will find a way to put their new resources to use for the development not only of their own economy but also for the development of the economy of the poorer and less developed countries.

[*English*]

It is as important as ever that the quest continue for freer trading rules in the world. It may be that the forthcoming GATT negotiations should be extended to embrace problems of access to supplies of goods and materials as well as freer access to markets.

The approach to monetary reform must also be reconsidered in light of the energy situation as it has emerged. We are in a period of more than usual uncertainty. It is a period of considerable realignment of the payments posi-

tions of countries in a magnitude hitherto unknown over such a short period. It would seem to me to be unwise in such a period to seek to be rigid or overly precise in our prescriptions for monetary order: the fast changing scene requires flexibility and adaptability.

We have taken the position consistently over the last two years that we should proceed to monetary reform by stages, dealing with the specific needs of the monetary system as they arise rather than by trying to impose an ideal structure at some predetermined date. I think recent events have confirmed the wisdom of this approach. I will be stating this position again later this month, in light of the new situation imposed by international energy developments, when I meet in Rome with ministers from the Group of 20.

I believe it is essential that nations keep their cool in the forthcoming period and use to the full all the channels of communication and co-operation open to them. Secretary Kissinger, I believe, was acting in the right spirit when he called for a co-operative approach to the questions of developing more rational uses of energy and more adequate sources of energy. But the need for co-operation is wider than simply the production and use of energy itself. The shortages and the higher costs of energy require sharp and large readjustment of countries' production and payments patterns. The periods of such readjustments can be dangerous periods for international peace and stability. The challenge to the nations of the world will be to accommodate the necessary changes by consultation, co-operation and common sense.

Let me turn now to the specific substance of the bill before the House. The success of the voluntary restraint arrangement introduced early last September required complementary measures to ensure that the price of Canadian exports to the United States would keep in line with the rising price of competitive oil in that market. Moreover, as I believe the House is aware, before the National Energy Board can authorize the export of crude oil it must be satisfied that the prices charged are "just and reasonable in relation to the public interest." Those are the words in the statute. To ensure that export prices were in fact just and reasonable, an export tax would be required equal to the difference between the frozen price in Canada and the price prevailing in the United States. On September 21, therefore, the government introduced a ways and means motion providing for this tax.

[*Translation*]

The establishment of this tax level by the government was based on information provided by the National Energy Board. The latter takes into account, in its recommendations, the expected discrepancy between the competitive crude oil price on the American market and the posted price that is frozen in western Canada, plus transportation and handling costs. After a review of this price discrepancy, this government put forward ways and means motions that provided for a taxation rate equal to 40c. a barrel in October and November, $1.90 in December and $2.20 in January. The bill provides for amendments to the Excise Tax Act, in order to include proposed taxes on the exportation of Canadian crude oil. During its four months of operation, this tax would provide for additional revenues of about $150 million.

I suggest that the export tax will achieve the required purposes. On a short range basis, it enables to maintain the freeze on domestic prices, to establish a fair and reasonable price for Canadian oil exports as well as to secure to Canadians the additional revenues derived from exports.

As a recognition of the need, on a long term basis, to provide for a more flexible control mechanism, the excise tax will be replaced by new oil export charges, as of February 1, 1974, according to the bill. The new tariff of charges on exported oil, in contrast with the temporary export tax, would include a variable rate according to quality and destination of each exportation. Charges would be established monthly by the governor in council, according to recommendations of the National Energy Board on what should be a fair and reasonable export price for Canadian oil. Charges would be collected on behalf of the Minister of Finance by the board that would be responsible at the same time for issuing export permits, as provided in Part VI of the National Energy Board Act.

● (1540)

[*English*]

There is one aspect of this bill which poses a special problem. There are some types of crude oil now being exported which clearly cannot bear the burden of the export charge. This occurs because the particular type of crude in question cannot compete in the United States market if the full export charge must be added on as part of the cost. Similarly, there are a number of instances where Canadian crude oil is exported solely for the purposes of refining, and then the refined product is reimported into Canada for use by Canadian manufacturers; but the cost of such reimported products reflects the added burden of the export levy. Clearly, these results are anomalous and run counter to the thrust of our policy, which is to keep prices down for Canadian consumers.

There is no easy answer to this problem. In some cases it could be dealt with by not imposing the tax on the transactions in the first instance, or by refunding the levy to the exporter. But this is not a full solution because in many instances the only way to be sure of achieving the appropriate result is to deal with the reimporter himself. Thus, we may require some combination of measures including remissions of the levy and direct payments. At this juncture we do not have enough facts to put forward a proposal to deal adequately with all appropriate cases. However, I can say that the government is aware of the problem and that we will take such steps as may be necessary to ensure that this bill does not generate anomalous and counter-productive results.

Hon. members will have noted that the bill limits the authority of the governor in council to a maximum export charge of $4 per barrel. However, as a result of the most recent international events the maximum level of $4 is now insufficient. My colleague, the Minister of Energy, Mines and Resources (Mr. Macdonald) has recently indicated that for the month of February the charge probably should be about $6.50 per barrel. Subsequent months may require a charge at an even higher level. Therefore it is my intention, after consultation with members of the House, to introduce at some stage in the proceedings of

this bill an amendment, by way of unanimous consent, to the ways and means motion and the bill to substitute a maximum level of, say, $10 in place of the presently proposed $4 limit.

I am confident that all members of the House will agree that this bill should be dealt with on a basis which sensibly reflects not only the current realities but also the range of future possibilities. There is no intent, in suggesting that figure or any figure, to lead prices but merely to assure enough flexibility in this measure to meet possible future international price moves. If the House were to allow the amendment to be put and, further, agreed to the amendment, then the governor in council would likely set the charge at an average rate in the range of $6.50 for February. Hopefully, it will not be necessary to set a higher charge for subsequent months. However, I cannot emphasize too strongly the need for parliament to enact a statute which permits the government to pursue a course of action which properly meets the situation as it may emerge in the months ahead.

The voluntary price restraint, combined with the export tax, has produced substantial benefits for Canadian users of domestic oil. I recognize, however, that it has also reduced the oil revenues which the governments of the four western provinces would otherwise have received. The bill provides, therefore, for sharing the proceeds of the export tax to January 31 on a 50-50 basis with these provinces. The shared revenues would be distributed among these provinces according to each province's share of total oil production. I feel that the bill provides for distribution of the export tax revenues which is clearly equitable. The 50-50 division would compensate provincial governments for the revenues forgone as a result of the price freeze. They would be reimbursed for royalty revenues and the corporate income and other tax revenues forgone in respect of their total oil production during the relevant period of four months.

On the other hand, it is evident that a new national oil policy based on a capacity for self-sufficiency in oil and oil products will require certain commitments and important financial outlays at the national level. Such measures would include research and development expenditures on western oil and other energy resources, the provision of additional oil pipeline facilities and a guarantee of expanded domestic markets for western oil. Requirements such as these provide a clear case for a reasonable national share in the export tax revenues already collected, and in future export charges.

More broadly, however, I believe that the great majority of Canadians fully support the principle that there must always be a reasonable sharing of income and wealth among all our regions and all our citizens. That is a principle which goes to the heart of national unity in a federal system of government. It is the basis for the whole fiscal system of taxation, spending and transfer payments which has steadily evolved over many decades. Certainly, confederation is not based on any notion that federal revenues derived from economic activity or wealth in a particular province should as a matter of course be returned solely to that province. If that were to be the nature of confederation, we would be hard put to call ourselves a country.

As I mentioned previously, the export tax would be replaced after January by the tariff of charges as the means for securing appropriate export revenues for Canadians. The level of those revenues, and their disposition, will be related in part to the petroleum legislation recently enacted by Alberta and Saskatchewan. The Alberta legislation provides for the establishment of a petroleum marketing commission with the power to sell, as owner or as agent, all oil produced from Crown lands. That province has also indicated its intention of introducing substantially higher royalty rates on oil and gas production. In Saskatchewan's case, the new legislation provides for a royalty surcharge on all production from Crown rights.

Either of these provincial instruments could be used to influence the ultimate price to Canadian consumers of Canadian oil and thereby undermine the domestic price freeze. Such action would affect, in turn, one side of the equation which determines the level of the export charge. The application of these provincial instruments, as well as other factors bearing upon the level and disposition of the export charge revenues, will also be discussed by first ministers at the energy conferences in three weeks' time.

In summary, Mr. Speaker—and I thank the House for its patience—the bill provides for an export tax on crude oil covering the period October, 1973, to January, 1974, the revenues from which would be shared with the oil exporting provinces. It also provides for a flexible tariff of charges on oil exports commencing February, 1974. As I have said, however, I am hopeful that the House will be prepared to give unanimous consent to amendments necessary to bring the bill into line with the new situation precipitated by the most recent jump in international prices.

In these proposed measures we have attempted to strike a balance between the interests of the Canadian consumer and those of the oil producing provinces. We have also tried to ensure a reasonable return for all Canadians from the export of our oil resources. Having in mind the importance of the principles at stake and the major dimensions of pricing, taxation and revenue involved, I trust that the bill will be received with understanding by the members of the House.

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, in addition to dealing with the bill before the House, the Minister of Finance (Mr. Turner) made certain references to and discussed briefly, at least, some of the international problems—probably of increasing intensity—which result from the rapid and very substantial increase in the price of oil being exported by the oil producing countries. There seems to be no doubt that this situation will produce international exchange problems of massive proportions. It is difficult to see how this will not have important consequences for Canada although it may be difficult to foresee exactly what they are. Anything that threatens to disrupt international monetary stability of the scale these price increases for oil are likely to create, anything that brings about such worldwide instability in terms of international exchange is bound to have very important consequences for a trading nation like ours.

I say this without offence at all, Mr. Speaker, but I think the Minister of Finance is being just a little too casual about the consequences of these international problems for Canada. Although I would agree that it is not easy to foresee exactly what they are, they certainly indicate trouble for us and, I would think, dreadful trouble for developing countries. Our problems by comparison could be quite soluble, with good will, in contrast to the frightening proportions of problems being created internationally, particularly for developing countries.

There are two parts to this bill before the House. There is the export tax in effect for the months of October, November, December and January at various levels for each month, to which the minister made reference this afternoon. This tax really arose from the voluntary freeze adopted by the government in September. The export tax was, in a sense, an afterthought. The reason given by the government for the sudden imposition of the export tax was the desire, as put forward by the government, to maintain the so-called voluntary freeze on Canadian crude sold domestically and at the same time to get a fair, full price for Canadians for oil exported. That was the origin of the freeze and of the export tax. The tax, in other words, arose as a result of the voluntary freeze in Canada. The purpose of the tax was to assist in the maintenance of that freeze and at the same time get a fair price for oil exported.

● (1550)

The government said at the time that it had to act with great precipitation. I hope the Minister of Finance will pardon me for using that word because it might remind him of bad weather and various other troubles. The government felt it had to react very quickly. For that reason it felt it was justified in its failure to consult with the oil producing provinces at the time of the imposition of the oil export tax.

We take the view, and I took the view at the time, that the government ought not to have imposed an export tax on natural resources coming from the provinces, without consultation. I also took the view, and still believe, that with meaningful consultation either at the time or immediately after the imposition of the export tax, agreement on methods could have been worked out with the oil producing provinces which would have achieved the purposes the federal government said it was seeking to achieve, without producing the problems that were produced and without exacerbating federal-provincial relations because of lack of effective consultation.

But the tax has been continued. There has been no effective consultation with the provinces. It has been sort of an off and on affair. There were days, indeed weeks, when the Minister of Energy, Mines and Resources (Mr. Macdonald) seemed to be having real discussions with the governments of the producing provinces; then suddenly the federal government would take some unilateral action on its own again and everything would go back to the starting point.

The federal government made a commitment through the Minister of Energy, Mines and Resources. It was not the commitment made today by the Minister of Finance. The federal government made the commitment that one half of the proceeds of the export tax for those four months would go directly to the oil producing provinces. Whereas the Minister of Finance, as I understood him today, suggested that the balance would be used for federal purposes, or something to that effect, the assurance given by the Minister of Energy, Mines and Resources was that the other 50 per cent would find its way back to the provinces by investment in one way or another. I want the Minister of Finance to listen to me.

Mr. Turner (Ottawa-Carleton): I am listening carefully.

Mr. Stanfield: The assurance given was that 50 per cent would go directly to the producing provinces and 50 per cent would find its way back to the producing provinces by way of investment. The choice, presumably, would be made by the federal government. That is different from what the Minister of Finance said today.

Mr. Turner (Ottawa-Carleton): Not if you read my words.

Mr. Stanfield: I will read the minister's words carefully. My willingness to support this part of the bill is based on what I thought was the clear understanding given by the Minister of Energy, Mines and Resources that 50 per cent would go back to the provinces directly and the other 50 per cent would go to those provinces, eventually at least, by way of investment. That struck me as being somewhat different from what the minister said today. I ask for some clarification of that point, Mr. Speaker.

We are now in this position. Since October the government has been indicating that the tax for these four months would be collected. The question before the House relating to this part of the bill is whether this tax is to be collected at the rates indicated by the minister or whether it is going to be left in the hands of the oil companies. That is the question the House must face. Whatever may be my reservations about the manner in which the government has proceeded and its lack of consultation, faced with this kind of alternative at this time, namely, of either supporting the export tax for at least four months or leaving this money in the hands of the oil companies, there is really no choice but to support this part of the bill. We shall support the export tax for those four months on the basis of the assurances given by the Minister of Energy, Mines and Resources with regard to the disposition of those funds.

If this was the only part of the bill I should have no particular difficulty with it. On the basis of the assurances given by the Minister of Energy, Mines and Resources I should have no difficulty in choosing my preference with regard to alternatives. The alternatives are either that the money shall simply stay in the treasuries of the oil companies, or our going along with the government despite the reservations I have expressed about the procedures followed by the government and the lack of consultation with the provinces involved.

But there is a second part to this bill. Following January 31, a charge is to be fixed against the export of Canadian oil in an amount to be determined by the government, and this is to be done on a month to month basis. The maximum is to be $4 a barrel, but the minister indicates that he is going to seek consent to raise that level to perhaps

$10. Parliament is being asked to delegate authority to the government in order to continue to impose a charge at a level which the government will select shortly before the federal-provincial conference which is being called, as I understand it, to work out a package of problems—a number of which were referred to by the Minister of Finance today—relating to a real oil policy involving some of the considerations he mentioned, as well as federal leadership and full provincial participation.

We are being asked, just before this conference is convened, to delegate this power to tax to this government. This tax is only one element, although it is obviously important in terms of the money involved, in the package of proposals which the government proposes to discuss with the provinces. It is only one element in what must constitute a meaningful national oil policy which the federal government hopes to work out with the provinces. This package must include various elements. It surely has to include a future pricing policy for Canadian domestic crude. We were told by the Prime Minister (Mr. Trudeau) in December that the freeze would be kept on domestic crude until the end of the heating season. We were told that this would be determined at the forthcoming federal-provincial conference. However, the Prime Minister has given no indication of what the pricing policy will be for Canadian crude following the termination of the freeze. That, obviously, is an important element in a national oil policy.

Mr. Sharp: What are you suggesting?

Mr. Stanfield: Just take it easy.

Mr. Turner (Ottawa-Carleton): We want to hear the hon. gentleman's policy.

Mr. Paproski: Just listen and you will find out.

● (1600)

Mr. Stanfield: I am very pleased to note that the Acting Prime Minister (Mr. Sharp) and the Minister of Finance seem to be seriously disturbed by their lack of policy.

Some hon. Members: Hear, hear!

Mr. Stanfield: The Minister of Finance also recognized today—and this is the first time any minister in this House has recognized it—the importance of reducing the disparity between prices paid for imported crude and prices paid for domestic crude. Heretofore the Prime Minister and the Minister of Energy, Mines and Resources have said, "This is just something that happens. It worked the other way for quite a long time. After all, we have a very generous Canada Assistance Plan. We will share 50 per cent with the eastern provinces; that will help them out a lot." That was a totally inadequate response.

My point at the moment—I will develop it as I go along—is that the Minister of Finance stressed today the importance of working under a one-price policy. I say we must not wait until 1980 to have a one-Canadian market principle which the Prime Minister talked about early in December. If we have to wait until 1980 to get something approaching equality, something approaching a one-price principle, maybe not exactly the same but something the country can live with, Quebec and the Atlantic provinces will be so deeply entrenched in economic disparity that what we have seen in the past will be nothing by comparison.

Some hon. Members: Hear, hear!

Mr. Stanfield: I was pleased to hear the Minister of Finance emphasize this today. However, there is still no precision. All that is precise is what the government wants to tax. There is not a bit of information about a pricing policy which of course is clearly related to the amount the tax would actually be and very closely related to consumer interests. There is nothing specific about measures to be taken to reduce the pricing disparity. These are things I presume the government will put before the conference in a serious and specific way.

During the recess I was pleased to hear that the Minister of Energy, Mines and Resources is beginning to recognize the urgent problems resulting from the price disparity faced by the five eastern provinces. This has been apparent to me and to others for a number of months. We expressed this position in the debate on December 10 and frequently repeated it after that, almost to the jeers of members of the government and members supporting the government. I was delighted to see today the reversal in principle of the Minister of Finance. I do not think it would be an exaggeration to refer to it as a new "Turner Valley find".

Some hon. Members: Hear, hear!

Mr. Stanfield: Following the Prime Minister's statement of position, I said that the position taken by this government toward the five eastern provinces was a savage policy. It certainly was. I am pleased to see that it is being abandoned, at least in principle. However, I would like to know what the government really proposes to do about it. It is not good enough for the government to come before this House and ask for the right to impose taxes at its discretion without telling us the rest of what it proposes to do.

Mr. Foster: What do you propose?

Mr. Stanfield: What a question! I said as emphatically as I could that the disparity which existed the other way to the extent of 50 cents or a dollar a barrel is something that can be lived with, but we cannot live with the kind of distortion we have at present. I said that as emphatically as I could; I do not know what I can say to get it through the hon. member's head.

Some hon. Members: Hear, hear!

Mr. Stanfield: Let the government put before the House its package, not just its tax proposal. Let it put before the House its package with regard to the pricing policy of Canadian crude and imported crude. These are all questions that surely must be answered before anyone in good conscience could support this part of the bill. The minister talked about the purpose of the bill. What is the purpose of the bill? Is it to raise revenue? Is it to provide the government with the tool to help it control domestic prices? I would like to know the purpose of the bill. This is funda-

mental to the whole discussion regarding domestic pricing. On the matter of domestic pricing the government has been going around in circles. First there was to be a five-month voluntary freeze. Some hazy extension was then improvised to last until the end of the winter. The government will not say when that will be.

Our position has been clear and consistent. I said it is unrealistic to look at an indefinite application of the voluntary freeze. I said increases in the price of domestic crude should be phased in and that we should be able to work out a method of keeping Canadian crude prices below international prices. I understood the Minister of Finance to say he thought it was inevitable that domestic crude prices would have to track international crude prices. I do not accept that view; I think we should be able to keep domestic crude somewhat below that.

Some hon. Members: Hear, hear!

Mr. Stanfield: In yesterday's Toronto *Star* the Minister of Energy, Mines and Resources is quoted as saying something to the effect that domestic prices will rise this summer to somewhere between $8 and $10 a barrel. That is the price of domestic or Canadian crude. If that were to happen, the government would be going from a policy of unreality that is simply talking about a continuing freeze to a pronouncement of the hardest of realities, with no explanation; that is, going from a freeze of $4.50 a barrel for Canadian crude in Toronto to $8 or $10 by the summer. That would be going from a policy of unreality to a policy of the harshest of realities—with no explanation, no hint of an attempt to stage the increases and no clear indication as to how this $8 or $10 figure was determined.

● (1610)

In the same press interview the minister referred to some form of tax at the wholesale level to sponge away windfall profits made by companies engaged in the oil business. This, presumably, is another part of the package that this parliament and the provinces will eventually be asked to consider. What kind of tax does the government propose in addition to the present export charge? To what would the proposed windfall profits' sponge apply? How would it fit into the revenues required to hold some acceptable level between the prices to western and eastern consumers? More questions arise and more vacuums are revealed as we examine this bill. There are many unanswered questions, so many that obviously it is impossible to support this part of the bill in its present form.

I thought when the bill was introduced that it should have been split. The part dealing with the export tax on oil at the end of January could be passed very quickly. In spite of any reservations we might have both about the precedent of such a tax and the absence of consultation, and in spite of any reservations about its method of implementation, we would certainly not oppose the part of the bill relating to the export tax for the four-month period. But the part dealing with the ongoing export charge should not be dealt with until the government is prepared to come clean and deal honestly with us, is prepared to give us the answers that we need to make a considered judgment as to what is the position of the government.

I remind the House that it was our desire from the outset to see these propositions dealt with separately. I endeavoured to achieve this by raising a point of order when the ways and means motion was presented. I do not know why the government has chosen to proceed by means of one omnibus-type bill. I do not see any real need for this practice, particularly when one part of the bill is as nebulous and unsupported by information as is the case here.

I do not know why the government is in such an all-fired rush to get this session recessed before the federal-provincial conference, before we have a chance to see what the package is and what arrangements are worked out in achieving a national oil policy with the provinces. I do not see any reason why detailed consideration of the export charge in the form of a separate bill could not be deferred till we have the answers that we need, indeed till following the federal-provincial meeting. If the government is not prepared to split the bill, then it should be prepared to defer the entire bill till after the federal-provincial conference.

There has been altogether too much confrontation and too little real consultation. There has been too much ad hockery, too little solid policy. There has been too much suspicion caused by too little information. I think that from time to time the Minister of Energy, Mines and Resources has tried to get back to real consultation in order to develop a national oil policy on the basis on which he used to say it should be developed—in consultation with the provinces. I think real progress has been made in getting discussions back to a more reasonable tone following the failure of the Prime Minister to evoke a response from the Premier of Alberta to his rather vicious attack upon him in Vancouver some weeks ago. I hope that the federal government has received an indication that this problem has to be discussed not in terms of vituperation but in terms of consultation. I think the Minister of Energy, Mines and Resources is working in that direction following a bad beginning. With the prospect of a new beginning that, hopefully, will result in a productive conference, it is all the more important, I believe, that the government take a reasonable and sensible attitude in the House on this legislation. I cannot accept it as either reasonable or sensible for the government to seek support for this double-barrelled bill on the basis of the information provided us today by the Minister of Finance.

We are looking ahead to three weeks which could be crucial weeks in the development of federal-provincial relations in this country as well as in the development of a national oil policy. If the government is really sincere about pursuing the path of consultation rather than seeking confrontation, for whatever motives, it could demonstrate its sincerity to me and my colleagues by following either of the courses I have suggested, namely, split the bill and defer the export charge aspect till after the conference, or defer the entire bill till after the conference.

There is no use pretending that this bill is not related to the balance of the package, because it is. It is obviously related to the question of domestic pricing. The export charge to be fixed by the government will be the difference between the international price as determined by the government and the domestic price. So these questions are

tied in together. It is nonsense for the government to present this bill as an isolated measure; it should be presented to the House as part of the package.

We are quite prepared to give very quick passage to the export tax aspects of the bill for the four-month period. We would be quite prepared to co-operate with the minister if he thinks he might be in some difficulty for the month of February, for example. We want to be co-operative. But we want to see what we are being asked to buy before we adopt something of an ongoing, permanent nature.

We would waive all notices required for the reintroduction of separate bills. We have agreed to a time allocation for the bill before us, and we would agree to a consistent time allocation respecting separate bills. I emphasize that we are certainly prepared to be here three weeks from now to deal with this matter and other matters following the federal-provincial conference, and to deal with them in the context of full information, or at least fuller information. I believe this is a reasonable approach on our part and that we could not do more in present circumstances without abandoning our responsibilities to the House and to the people of the country.

Some hon. Members: Hear, hear!

Mr. Stanfield: We want to see the government's total package before giving further consideration to these matters. We do not operate on a system of executive rule in this country, though there is a large element of this involved in this tax bill. The government is asking to be delegated the right by parliament to fix from month to month the tax to be imposed. We do not yet have a system of executive rule and we do not yet live in a country that has a unitary government. We in our party consider the federal nature of our country and federal-provincial relationships, as I am sure members of the government do, basically to be a source of strength and we would like to keep it that way.

Some hon. Members: Hear, hear!

Mr. Stanfield: So in closing I simply say that it is fantastic that this government seeks this continuing power in the future in regard to the export charge, the amount of which is related to domestic pricing policy, policy that the government has not disclosed and has not even discussed with the House. It has given us nothing at all precise as to what it intends to do to reduce the disparity in price between those parts of Canada that have to rely upon imported crude and those parts using Canadian crude. These are all matters that will be presented to the federal-provincial conference and will be worked out there. I think this House, and in particular the opposition, is entitled to a lot more information, not just generalities, than the Minister of Finance has given us.

● (1620)

Some hon. Members: Hear, hear!

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, the Minister of Finance (Mr. Turner) has given the House a very exhaustive resumé of the oil situation as it obtains in the world generally and in Canada in particular, and has put forward the thesis that the changing oil situation has necessitated a national oil policy. With that contention this party is certainly in agreement, but I disagree with the minister when he says the necessity for a national oil policy has arisen from the fact that the oil producing countries have acted in concert to jack up the price.

It is true that the actions of the OPEC nations, particularly the embargoes and restrictions arising from the Arab-Israeli war, have accelerated the crisis and I think in a way have fortunately demonstrated to us and to other western nations how vulnerable we are in respect of both the price and supply of oil upon which so many western countries are dependent. The fact is that this crisis has been coming upon us for a good while and has arisen from two factors. The first factor is the distribution of oil supplies in the world, and the second is the situation on the North American continent.

With reference to world distribution, some 80 per cent of the world's conventional oil is located in the Middle East. Although we generally think of Canada as a great oil producing country, we have only 2 per cent of the world's conventional supplies and the United States has only about 9 per cent. Therefore, the world has been very dependent upon Middle East oil and is becoming increasingly so as our domestic supplies are diminishing.

With reference to our own supplies of oil, we and the United States have passed our peak of production. In Canada we have a life index of conventional oil of about ten years. If we are fortunate and do not increase our consumption too rapidly, both the United States and Canada will be dependent, before the end of this decade, upon finding other sources of oil either from the oil sands or from shale. Therefore, we have needed for some time a national oil policy and the crisis through which we are passing has been of some use in that it has awakened the government and the country to the need for a national oil policy.

Almost 12 months ago members of this party were pointing out the need for taking a number of steps to meet the situation as it obtained then and as it has accelerated since. We pointed out the need for export controls to prevent our oil being taken out of the country at the prevailing rate of 50 per cent to 60 per cent of our production per day. We pointed out the need for establishing a two-price system so that Canadian consumers would not be required to pay exorbitant prices because of rising world prices, and the need for an export tax to ensure that the additional money received for oil exported did not go to the oil companies which have done nothing to contribute to these increased prices. We pointed out that this additional money should be retained for the benefit of future development. Finally, we pointed out the need for setting up a national petroleum company which would be the sole purchaser of both domestic and imported oil and would have the ability to equalize the price across the country so that people in Quebec and the Atlantic provinces would not be victimized by virtue of the fact that imported oil was reaching an astronomical price.

I submit, in all modesty, that the distinctive position we were taking about a year ago has been fully justified by the developments which have taken place since that time.

The government moved, belatedly it is true, but it did move eventually last September toward taking steps along the lines I have just indicated.

The bill now before us presented by the Minister of Finance, divides itself logically into two parts. Part II simply gives legislative effect to the export tax which the government has been levying since October 1. This was a tax to ensure that the profits which the multinational oil companies would obtain from selling Canadian crude oil at world prices would not accrue to those companies whose profits are already substantial, but would accrue to the federal and provincial treasuries. We supported the imposition of such a tax. In fact, we advocated the imposition of such a tax and we certainly support wholeheartedly this part of the bill. We not only advocated the imposition of an export tax but we urged very strongly that the proceeds from this tax should be returned to the producing provinces, in part to compensate them for the royalties they would have received had the price freeze not been imposed last September and also to enable them to finance, if they chose to do so under the cover of public ownership, the development of alternative oil supplies.

I am taking it for granted that the commitment which has been made in this House repeatedly by the Minister of Energy, Mines and Resources (Mr. Macdonald) still stands. That commitment was that 50 per cent of the proceeds from the export tax would go back to the provinces in lieu of the royalties they would have collected, and that the other 50 per cent would be spent exclusively in the oil producing provinces for the development of energy resources. The Minister of Finance made no reference to this apportionment of the revenues from the export tax, and certainly before this bill passes the House we want a categorical assurance from the minister that the commitment made by his colleague, the Minister of Energy, Mines and Resources, is a commitment made by this government and fully endorsed by the Minister of Finance.

Some hon. Members: Hear, hear!

Mr. Douglas: We now come to the second subject covered in this bill under part I which deals with the imposition of an export charge under the Excise Tax Act. I certainly agree with the Leader of the Official Opposition (Mr. Stanfield) that this part of the bill raises more questions than it answers. For instance, what is to be the basis of this export charge? There is no doubt what the basis of the export tax was: it was the differential between the restrained, or frozen price in Canada and the price the national board estimated the Chicago price would be for a given month. That was 40 cents in October and November, $1.90 in December and $2.20 in January. It is now estimated that for February it could go as high as $6.50.

● (1630)

But what is the basis upon which the export charge will be levied? It cannot be on the differential because the Minister of Finance today, and the Minister of Energy, Mines and Resources outside the House, have both said that the price freeze is to come off at the end of the winter season and that the price will be allowed to rise. How much will it be allowed to rise?

Mr. Stanfield: That is the question.

Mr. Douglas: And why will it be allowed to rise? Who will get the proceeds from that increase in the price?

Mr. Alexander: That is the next question.

Mr. Douglas: Those are questions not answered in the minister's statement. If the price is allowed to rise and if, as the Minister of Finance says, the price will track the international price, then what differential will there be upon which to base an export charge? The Minister of Energy, Mines and Resources keeps making contradictory statements every few days, so it is difficult to follow what is the government's policy. He has said repeatedly that it would be the international price at Montreal. The international price at Montreal will be increasingly the price of imported oil; it will not differ largely from the Chigago price or the Gulf coast posted price. So what will be the differential upon which to base this export charge?

The second question which comes to my mind as I read the bill is this: Is this export charge merely a temporary measure, to be replaced later by some other tax mechanism? The press reports the Minister of Energy, Mines and Resources as saying, first of all, that the price of oil probably will double this year and reach $8 or $10 a barrel and that a tax will be placed on oil possibly at the wholesale level in order to prevent windfall profits. Is that type of tax mechanism to replace the export charge and export tax?

I notice that the oil companies have indicated they would like some measure of this sort, and understandably so because any tax they would pay under the circumstances would be chargeable against their corporate tax payments. Also, they will be able to use the substantial revenue they will get from rising prices for oil development, which will increase their assets. They will be making large profits which do not show and cannot be taxed: they will put this money into inventory by developing additional oil reserves which will belong to them but which will have been financed by the taxpayers of Canada and by the oil consumers of Canada.

I recognize that some increase in the price of oil may be necessary, but only if the additional price paid by the Canadian consumer is to be used by the federal and provincial governments to ensure that there will be additional supplies of oil when our present conventional oil is used up—not if it is to go into the pockets of the oil companies so they can either enlarge their profits on the one hand, or develop further oil reserves on the other, which will of course tremendously increase their assets and their present holdings.

The minister said nothing about how the revenue from the export charge will be apportioned between the federal and provincial governments. Clause 12 of the bill provides that the minister can make an apportionment of the profits, but there was no indication by the minister in his statement today concerning the basis of that apportionment. Is it to be the same as the distribution of the export tax enunciated by the Minister of Energy, Mines and Resources, 50 per cent in lieu of royalties and 50 per cent to finance oil development in the oil producing provinces? If that is what the government intends to do, then certain-

ly I think that is commendable. But the minister has not said so and the bill does not say so. Therefore, there should be some clarification on that point.

Mr. Speaker, since I have only a few minutes left before we must turn to another matter, let me try to summarize briefly what I think is required in legislation designed to implement a national oil policy. First of all, it must be a policy that will guarantee Canadian consumers against an unnecessary increase in the price of domestic oil. Second, it must prevent the multinational oil companies making windfall profits out of price increases that are due not to any effort on their part but to a worldwide situation which has pushed up prices and will continue to push up the price of oil in the world market.

I think the one thing on which the government has not come clean is how we propose to finance the future development of oil resources in Canada. This is the number one question. If we think we face a crisis now, in a country which produces more oil than it consumes, I ask members of this House to think of the situation when our conventional oil supplies diminish to the point where we are dependent upon imported oil, as we could be in Canada in not too many years. We in this party have no hesitation in saying what we believe should be the policy for ensuring future development of our oil resources. We have said that the federal government and the oil producing provinces ought to get together in a program for the proper development of the oil sands and heavy oil in Alberta and Saskatchewan, so that in the future the great reservoir of oil which is in western Canada will be in the hands of the Canadian people and will be developed for the benefit of the Canadian people at reasonable and fair prices.

Every so often someone on the government side sort of lets the cat out of the bag. One has the uneasy feeling that there are other forces at work in this country. The *Globe and Mail* for Friday, December 14, reporting from Calgary, states:

There is as much as $20 billion in profits to be reaped in exporting synthetic crude produced from the Alberta oil sands by the end of the decade, says federal supply minister Jean-Pierre Goyer.

But the federal and provincial governments and the industry must act quickly to capitalize on the oil sands before the United States—Canada's largest customer—achieves self-sufficiency in energy by 1980, he said in an interview—

● (1640)

Mr. Goyer predicted that at least 40 billion barrels of synthetic crude could be pumped out of the oil sands in northern Alberta, giving profits of $2 billion to $3 billion a year.

"We have very good customers, eager customers and wealthy customers", especially the United States, Japan and West Germany.

At the very least, the minister said, 40 billion barrels of synthetic crude can be produced from the oil sands, using present technology, at an approximate cost of $5.50 a barrel.

Export contracts should stipulate minimum and ceiling price levels but $8 would be a realistic figure in the next few years, he said.

"This could mean a net profit of $2 billion to $3 billion a year for the next seven or eight years".

Mr. Goyer said the United States should be approached to help develop the oil saids. "We can pay the loans back in oil."

This is what we did 40 or 50 years ago when we turned the great oilfields of Canada over to American multinational oil companies, and we have been paying through the nose for it ever since.

Some hon. Members: Hear, hear!

Mr. Douglas: I am saying to the government that if this government or any other government starts to hypothecate the oil from the oil sands of western Canada to American multinational corporations or any other group of foreign investors, the Canadian people are not as unmindful as they were 40 or 50 years ago of the implications of foreign control of their great national resources. As far as we in this party are concerned, it will be over our dead bodies if the government tries to ever get away with a policy of that kind.

Mr. Paproski: They are going to vote Conservative.

Mr. Douglas: I would be prepared to vote Conservative if I thought the Conservative Party would do anything to stop multinational oil companies milking this country.

Mr. Paproski: That is exactly what we are going to do.

Mr. Douglas: I have found them all too often getting the cow to stand still so that it could be milked more placidly.

Mr. Paproski: That was 20 years ago.

Mr. Douglas: I see you are about to rise, Mr. Speaker. May I conclude by saying that in this bill the government has set forth the details with reference to the export tax, which we support; but we want some confirmation as to the apportionment of the revenue. We want a great many more answers with reference to the export charge and with respect to the government's policy on pricing after the end of the price freeze. I hope the minister will be able to give us this information, because so far we have not been able to secure it and we absolutely require it if we are to make any favourable decision with reference to this legislation.

Mr. Deputy Speaker: Order, please. The hon. member for Champlain (Mr. Matte) will be recognized at eight o'clock.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: Order. Pursuant to Standing Order 40, it is my duty to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Selkirk (Mr. Rowland)—Manpower—Local Initiatives Program—Allocation of funds—Grant criteria—Request for reference to committee; the hon. member for Mississauga (Mr. Blenkarn)—Royal Canadian Mounted Police—Charges against members working at Malton airport—Request for investigation; the hon. member for Nickel Belt (Mr. Rodriguez)—Regional economic expansion—Northern Ontario—Date of announcement of agreement for development—Degree of co-operation between governments.

Election Expenses

ELECTION EXPENSES

PROVISION OF PAYMENTS TO CANDIDATES AND REIMBURSEMENT OF PARTIES FOR CERTAIN BROADCASTING TIME

The House resumed, from Friday, December 21, consideration of Bill C-203, to amend the Canada Elections Act, the Broadcasting Act and the Income Tax Act in respect of election expenses, as reported (with amendments) from the Standing Committee on Privileges and Elections.

Mr. Deputy Speaker: It being 4.45 p.m., it is my duty, pursuant to the special order made earlier this day, to interrupt the proceedings now. The House will proceed to the consideration and disposal of the deferred divisions at the report stage of Bill C-203, an act to amend the Canada Elections Act, the Broadcasting Act and the Income Tax Act, in respect of election expenses. After the ringing of the bells, somebody on behalf of the House leader will announce the motions on which votes are to be taken. Call in the members.

● (1700)

And the members having been called in.

Mr. Speaker: Order, please. The hon. member for Winnipeg North Centre (Mr. Knowles) seeks the floor.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order with respect to the divisions now to be taken. Perhaps since the motions are all in the names of members of this party, I might indicate certain agreements that have been made.

It is satisfactory to us, Mr. Speaker, when we have taken a vote on motion No. 3, that if that is defeated we will accept that as defeat of Nos. 4, 5 and 6; but if motion No. 3 is carried, we hope the House will accept that as the carrying of Nos. 4, 5 and 6.

After that, we would suggest that there be a vote on the amendment to motions Nos. 7, 17 and 31 which appear at the bottom of page xi, first column. After that has been disposed of, there could be one vote on Nos. 7, 17 and 31, either a vote on all three together or a vote on No. 7 which would cover the other two.

We then suggest that when we come to motions Nos. 8, 9, 10 and 11, that the first one that passes ends the story; if not, that there be a vote on No. 8, then Nos. 9 and 10 together and then a vote on No. 11. Finally, there needs to be a vote on No. 42.

Mr. Speaker, I think you will find that this reduces what looks like 13 recorded divisions to seven.

Mr. Speaker: Order, please. The Chair will require the guidance of hon. members as we proceed. Beginning at the beginning, we will call motion No. 3.

The House divided on motion No. 3 (Mr. Knight) which was agreed to on the following division:

[Mr. Deputy Speaker.]

● (1710)

(Division No. 63)

YEAS

Messrs.

Alexander	Fraser	Macquarrie
Andre	Gilbert	Mather
Arrol	Gillies	Mazankowski
Atkey	Gleave	McCain
Baker	Grafftey	McGrath
Baldwin	Hales	McKenzie
Barnett	Haliburton	McKinley
Bawden	Hamilton (Swift Current-Maple Creek)	Mitges
Beattie (Hamilton Mountain)	Harding	Morgan
Beatty (Wellington-Grey-Dufferin-Waterloo)	Harney	Muir
Bell	Hees	Munro (Esquimalt-Saanich)
Benjamin	Hellyer	Murta
Blackburn	Higson	Neil (Moose Jaw)
Blenkarn	Horner (Crowfoot)	Nowlan
Broadbent	Howard	Nystrom
Carter	Hurlburt	O'Connor
Clarke (Vancouver Quadra)	Jarvis	Orlikow
Coates	Jelinek	O'Sullivan
Cossitt	Kempling	Paproski
Danforth	Knight	Ritchie
Darling	Knowles (Winnipeg North Centre)	Roche
Dick	Korchinski	Rodriguez
Diefenbaker	Lawrence	Rynard
Dinsdale	Leggatt	Saltsman
Douglas	MacDonald (Egmont)	Schellenberger
Ellis	MacDonald (Miss) (Kingston and the Islands)	Scott
Epp	MacKay	Stackhouse
Fairweather	MacLean	Stanfield
Frank		Stewart (Marquette)
		Symes
		Whittaker
		Wise
		Woolliams—90.

NAYS

Messrs.

Allmand	Duquet	Leblanc (Laurier)
Andras	Ethier	LeBlanc (Westmorland-Kent)
Basford	Faulkner	Lefebvre
Beaudoin	Fleming	Lessard
Béchard	Foster	Loiselle
Bégin (Miss)	Fox	MacDonald (Cardigan)
Blais	Gauthier (Ottawa-Vanier)	Macdonald (Rosedale)
Blaker	Gendron	MacEachen
Boulanger	Gillespie	MacGuigan
Breau	Godin	Mackasey
Buchanan	Goyer	Marceau
Caccia	Gray	Marchand (Langelier)
Cafik	Guay	Marchand (Kamloops-Cariboo)
Caron	Guay (St. Boniface)	McRae
Chrétien	Guay (Lévis)	Morin (Mrs.)
Clermont	Guilbault	Munro (Hamilton East)
Corbin	Haidasz	Olivier
Corriveau	Herbert	
Côté	Hopkins	
Cullen	Jerome	
Cyr	Lajoie	
Danson	Lalonde	
Drury	Langlois	
Dubé	Laprise	
Dupont		
Dupras		

Messrs.

Ouellet
Pelletier (Hochelaga)
Pelletier (Sherbrooke)
Penner
Portelance
Poulin
Reid
Richardson
Rompkey
Rooney
Roy (Laval)
Sharp
Smith (Saint-Jean)
Stewart (Cochrane)
Stollery
Trudeau
Turner (London East)
Turner (Ottawa-Carleton)
Walker
Watson
Whicher—87.

Mr. Speaker: I declare the motion carried.

As agreed, the result of the division on motion No. 3 will be to the effect that motions Nos. 4, 5 and 6 are deemed to be carried. Is this agreed?

Some hon. Members: Agreed.

Motion No. 4 (Mr. Knight) agreed to.

Motion No. 5 (Mr. Rodriguez) agreed to.

Motion No. 6 (Mr. Peters) agreed to.

Mr. Speaker: The House will now consider the vote on the amendment to motions Nos. 7, 17 and 31.

The House divided on the amendment (Mr. Barnett) to motion No. 7 (Mr. Rodriguez) and Nos. 17 and 31 (Mr. Benjamin), which was negatived on the following division:

(*Division No. 64*)

YEAS

Messrs.

Barnett
Benjamin
Blackburn
Broadbent
Douglas
Gilbert
Gleave
Harding
Harney
Howard
Knight
Knowles (Winnipeg North Centre)
Leggatt
Mather
Nystrom
Orlikow
Rodriguez
Rowland
Saltsman
Symes—20.

NAYS

Messrs.

Alexander
Allmand
Andras
Andre
Arrol
Atkey
Baker
Baldwin
Basford
Bawden
Beattie (Hamilton Mountain)
Beatty (Wellington-Grey-Dufferin-Waterloo)
Béchard
Bégin (Miss)
Bell
Blais
Blaker
Blenkarn
Boulanger
Breau
Buchanan
Caccia
Cafik
Caron
Carter
Chrétien
Clarke (Vancouver Quadra)
Clermont
Coates
Corbin
Corriveau
Cossitt
Côté
Cullen
Cyr
Danforth
Danson
Darling
Dick
Diefenbaker
Dinsdale
Drury
Dubé
Dupont
Dupras
Duquet
Ellis
Epp
Ethier
Fairweather
Faulkner
Fleming
Foster
Fox
Frank
Fraser
Gauthier (Ottawa-Vanier)
Gendron
Gillespie
Gillies
Goyer
Grafftey
Gray
Guay (St Boniface)
Guay (Lévis)
Guilbault
Haidasz
Hales
Haliburton
Hamilton (Swift Current-Maple Creek)
Hees
Hellyer
Herbert
Higson
Hopkins
Horner (Crowfoot)
Hurlburt
Jarvis
Jelinek
Jerome
Kempling
Korchinski
Lajoie
Lalonde
Langlois
La Salle
Lawrence
Leblanc (Laurier)
LeBlanc (Westmorland-Kent)
Lefebvre
Lessard
Loiselle
MacDonald (Cardigan)
MacDonald (Egmont)
Macdonald (Rosedale)
MacDonald (Miss) (Kingston and the Islands)
MacEachen
MacGuigan
Mackasey
MacKay
MacLean
Macquarrie
Marceau
Marchand (Langelier)
Marchand (Kamloops-Cariboo)
Mazankowski
McCain
McCleave
McGrath
McKenzie
McKinley
McRae
Mitges
Morgan
Morin (Mrs.)
Muir
Munro (Esquimalt-Saanich)
Munro (Hamilton East)
Murta
Neil (Moose Jaw)
Nowlan
O'Connor
Olivier
O'Sullivan
Ouellet
Paproski
Pelletier (Hochelaga)
Pelletier (Sherbrooke)
Penner
Portelance
Poulin
Reid
Richardson
Ritchie
Roche
Rompkey
Rooney
Roy (Laval)
Rynard
Schellenberger
Scott
Sharp
Smith (Saint-Jean)
Stackhouse
Stanfield
Stewart (Marquette)
Stewart (Cochrane)
Stollery
Trudeau
Turner (London East)
Turner (Ottawa-Carleton)
Walker
Watson
Whicher
Whittaker
Wise
Woolliams—157.

Mr. Speaker: I declare the amendment lost.

The next question is on motions Nos. 7, 17 and 31 as grouped.

The House divided on motions No. 7 (Mr. Rodriguez), No. 17 (Mr. Benjamin) and No. 31 (Mr. Benjamin) which were negatived on the following division:

(*Division No. 65*)

YEAS

Messrs.

Barnett
Benjamin
Blackburn
Broadbent
Douglas
Gilbert
Gleave
Harding
Harney
Howard
Knight

Election Expenses

Messrs.

Knowles (Winnipeg North Centre)	Mather	Rowland
Leggatt	Nystrom	Saltsman
	Orlikow	Symes—20.
	Rodriguez	

NAYS

Messrs.

Alexander	Gendron	McCain
Allmand	Gillespie	McCleave
Andras	Gillies	McGrath
Andre	Goyer	McKenzie
Arrol	Grafftey	McKinley
Atkey	Gray	McRae
Baker	Guay	Mitges
Baldwin	(St. Boniface)	Morgan
Basford	Guay (Lévis)	Morin (Mrs.)
Bawden	Guilbault	Muir
Beattie	Haidasz	Munro
(Hamilton Mountain)	Hales	(Esquimalt-Saanich)
Beatty	Haliburton	Munro
(Wellington-Grey-Dufferin-Waterloo)	Hamilton	(Hamilton East)
	(Swift Current-Maple Creek)	Murta
Béchard	Hees	Neil
Bégin (Miss)	Hellyer	(Moose Jaw)
Bell	Herbert	Nowlan
Blais	Higson	O'Connor
Blaker	Hopkins	Olivier
Blenkarn	Horner	O'Sullivan
Boulanger	(Crowfoot)	Ouellet
Breau	Hurlburt	Paproski
Buchanan	Jarvis	Pelletier
Caccia	Jelinek	(Hochelaga)
Cafik	Jerome	Pelletier
Caron	Kempling	(Sherbrooke)
Carter	Korchinski	Penner
Chrétien	Lajoie	Portelance
Clarke	Lalonde	Reid
(Vancouver Quadra)	Langlois	Richardson
	La Salle	Ritchie
Clermont	Lawrence	Roche
Coates	Leblanc	Rompkey
Corbin	(Laurier)	Rooney
Corriveau	LeBlanc	Roy
Cossitt	(Westmorland-Kent)	(Laval)
Côté	Lefebvre	Rynard
Cullen	Lessard	Schellenberger
Cyr	Loiselle	Scott
Danforth	MacDonald	Sharp
Danson	(Cardigan)	Smith
Darling	MacDonald	(Saint-Jean)
Dick	(Egmont)	Stackhouse
Diefenbaker	Macdonald	Stanfield
Dinsdale	(Rosedale)	Stewart
Drury	MacDonald (Miss)	(Marquette)
Dubé	(Kingston and the Islands)	Stewart
Dupont		(Cochrane)
Dupras	MacEachen	Stollery
Duquet	MacGuigan	Trudeau
Ellis	Mackasey	Turner
Epp	MacKay	(London East)
Ethier	MacLean	Turner
Fairweather	Macquarrie	(Ottawa-Carleton)
Faulkner	Marceau	Walker
Fleming	Marchand	Watson
Foster	(Langelier)	Whicher
Fox	Marchand	Whittaker
Frank	(Kamloops-Cariboo)	Wise
Fraser	Mazankowski	Woolliams—156.
Gauthier (Ottawa-Vanier)		

[Mr. Speaker.]

● (1720)

Mr. Speaker: I declare the motions lost. The next question is on motion No. 8.

The House divided on motion No. 8 (Mr. Howard) which was negatived on the following division:

(*Division No. 66*)

YEAS

Messrs.

Barnett	Harding	Mather
Benjamin	Harney	Nystrom
Blackburn	Howard	Orlikow
Brewin	Knight	Rodriguez
Broadbent	Knowles	Rowland
Douglas	(Winnipeg North Centre)	Saltsman
Gilbert		Symes—21.
Gleave	Leggatt	

NAYS

Messrs.

Alexander	Diefenbaker	Kempling
Allmand	Dinsdale	Korchinski
Andras	Drury	Lajoie
Andre	Dubé	Lalonde
Arrol	Dupont	Langlois
Atkey	Dupras	La Salle
Baker	Duquet	Lawrence
Baldwin	Ellis	Leblanc
Basford	Epp	(Laurier)
Bawden	Ethier	LeBlanc
Beattie	Fairweather	(Westmorland-Kent)
(Hamilton Mountain)	Faulkner	
	Fleming	Lefebvre
Beatty	Foster	Lessard
(Wellington-Grey-Dufferin-Waterloo)	Fox	Loiselle
	Frank	MacDonald
Béchard	Fraser	(Cardigan)
Bégin (Miss)	Gauthier	MacDonald
Bell	(Ottawa-Vanier)	(Egmont)
Blais	Gendron	Macdonald
Blaker	Gillespie	(Rosedale)
Blenkarn	Gillies	MacDonald (Miss)
Boulanger	Goyer	(Kingston and the Islands)
Breau	Grafftey	
Buchanan	Gray	MacEachen
Caccia	Guay	MacGuigan
Cafik	(St Boniface)	Mackasey
Caron	Guay (Lévis)	MacKay
Carter	Guilbault	MacLean
Chrétien	Haidasz	Macquarrie
Clarke	Hales	Marceau
(Vancouver Quadra)	Haliburton	Marchand
	Hamilton	(Langelier)
Clermont	(Swift Current-Maple Creek)	Marchand
Coates		(Kamloops-Cariboo)
Corbin	Hees	
Corriveau	Hellyer	Mazankowski
Cossitt	Herbert	McCain
Côté	Higson	McCleave
Cullen	Hopkins	McGrath
Cyr	Horner	McKenzie
Danforth	(Crowfoot)	McKinley
Danson	Hurlburt	McRae
Darling	Jarvis	Mitges
Dick	Jelinek	Morgan
	Jerome	Morin (Mrs.)

Messrs.

Muir
Munro (Esquimalt-Saanich)
Munro (Hamilton East)
Murta
Neil (Moose Jaw)
Nowlan
O'Connor
Olivier
O'Sullivan
Ouellet
Paproski
Pelletier (Hochelaga)
Pelletier (Sherbrooke)
Penner
Portelance
Reid
Richardson
Ritchie
Roche
Rompkey
Rooney
Roy (Laval)
Rynard
Schellenberger
Scott
Sharp
Smith (Saint-Jean)
Stackhouse
Stanfield
Stewart (Marquette)
Stewart (Cochrane)
Stollery
Trudeau
Turner (London East)
Turner (Ottawa-Carleton)
Walker
Watson
Whicher
Whittaker
Wise
Woolliams—156.

Mr. Speaker: I declare the motion lost. The next question is on motions Nos. 9 and 10 as grouped.

The House divided on motion No. 9 (Mr. Barnett) and motion No. 10 (Mr. Brewin) which were negatived on the following division:

(*Division No. 67*)

YEAS

Messrs.

Barnett
Benjamin
Blackburn
Brewin
Broadbent
Douglas
Gilbert
Gleave
Harding
Harney
Howard
Knight
Knowles (Winnipeg North Centre)
Leggatt
Mather
Nystrom
Orlikow
Rodriguez
Rowland
Saltsman
Symes—21.

NAYS

Messrs.

Alexander
Allmand
Andras
Andre
Arrol
Atkey
Baker
Baldwin
Basford
Bawden
Beattie (Hamilton Mountain)
Beatty (Wellington-Grey-Dufferin-Waterloo)
Béchard
Bégin (Miss)
Bell
Blais
Blaker
Blenkarn
Boulanger
Breau
Buchanan
Caccia
Cafik
Caron
Carter
Chrétien
Clarke (Vancouver Quadra)
Clermont
Coates
Corbin
Corriveau
Cossitt
Côté
Cullen
Cyr
Danforth
Danson
Darling
Dick
Diefenbaker
Dinsdale
Drury
Dubé
Dupont
Dupras
Duquet
Ellis
Epp
Ethier
Fairweather
Faulkner
Fleming
Foster

Messrs.

Fox
Frank
Fraser
Gauthier (Ottawa-Vanier)
Gendron
Gillespie
Gillies
Goyer
Grafftey
Gray
Guay (St. Boniface)
Guay (Lévis)
Guilbault
Haidasz
Hales
Haliburton
Hamilton (Swift Current-Maple Creek)
Hees
Hellyer
Herbert
Higson
Hopkins
Horner (Crowfoot)
Hurlburt
Jarvis
Jelinek
Jerome
Kempling
Korchinski
Lajoie
Lalonde
Langlois
La Salle
Lawrence
Leblanc (Laurier)
LeBlanc (Westmorland-Kent)
Lefebvre
Lessard
Loiselle
MacDonald (Cardigan)
MacDonald (Egmont)
Macdonald (Rosedale)
MacDonald (Miss) (Kingston and the Islands)
MacEachen
MacGuigan
Mackasey
MacKay
MacLean
Macquarrie
Marceau
Marchand (Langelier)
Marchand (Kamloops-Cariboo)
Mazankowski
McCain
McCleave
McGrath
McKenzie
McKinley
McRae
Mitges
Morgan
Morin (Mrs.)
Muir
Munro (Esquimalt-Saanich)
Munro (Hamilton East)
Murta
Neil (Moose Jaw)
Nowlan
O'Connor
Olivier
O'Sullivan
Ouellet
Paproski
Pelletier (Hochelaga)
Pelletier (Sherbrooke)
Penner
Portelance
Reid
Richardson
Ritchie
Roche
Rompkey
Rooney
Roy (Laval)
Rynard
Schellenberger
Scott
Sharp
Smith (Saint-Jean)
Stackhouse
Stanfield
Stewart (Marquette)
Stewart (Cochrane)
Stollery
Trudeau
Turner (London East)
Turner (Ottawa-Carleton)
Walker
Watson
Whicher
Whittaker
Wise
Woolliams—156.

● (1730)

Mr. Speaker: I declare the motions lost. The next question is on motion No. 11.

The House divided on motion No. 11 (Mr. Peters) which was negatived on the following division:

(*Division No. 68*)

YEAS

Messrs.

Barnett
Benjamin
Blackburn
Brewin
Broadbent
Douglas
Gilbert
Gleave
Harding
Harney
Howard
Knight
Knowles (Winnipeg North Centre)
Leggatt
Mather
Nystrom
Orlikow
Rodriguez
Rowland
Saltsman
Symes—21.

Election Expenses

NAYS

Messrs.

Alexander
Allmand
Andras
Andre
Arrol
Baker
Baldwin
Basford
Bawden
Beattie
(Hamilton Mountain)
Beatty
(Wellington-Grey-Dufferin-Waterloo)
Béchard
Bégin (Miss)
Bell
Blais
Blaker
Blenkarn
Boulanger
Breau
Buchanan
Caccia
Cafik
Caron
Carter
Chrétien
Clarke
(Vancouver Quadra)
Clermont
Coates
Corbin
Corriveau
Cossitt
Côté
Cullen
Cyr
Danforth
Danson
Darling
Dick
Diefenbaker
Dinsdale
Drury
Dubé
Dupont
Dupras
Duquet
Ellis
Epp
Ethier
Fairweather
Faulkner
Fleming
Foster
Fox
Frank
Fraser
Gauthier
(Ottawa-Vanier)
Gendron
Gillespie
Gillies
Goyer
Grafftey
Gray
Guay
(St. Boniface)
Guay (Lévis)
Guilbault
Haidasz
Hales
Haliburton
Hamilton
(Swift Current-Maple Creek)
Hees
Hellyer
Herbert
Higson
Hopkins
Horner
(Crowfoot)
Hurlburt
Jarvis
Jelinek
Jerome
Kempling
Korchinski
Lajoie
Lalonde
Langlois
La Salle
Lawrence
Leblanc
(Laurier)
LeBlanc
(Westmorland-Kent)
Lefebvre
Lessard
Loiselle
MacDonald
(Cardigan)
MacDonald
(Egmont)
Macdonald
(Rosedale)
MacDonald (Miss)
(Kingston and the Islands)
MacEachen
MacGuigan
Mackasey
MacKay
MacLean
Macquarrie
Marceau
Marchand
(Langelier)
Marchand
(Kamloops-Cariboo)
Mazankowski
McCain
McCleave
McGrath
McKenzie
McKinley
McRae
Mitges
Morgan
Morin (Mrs.)
Muir
Munro
(Esquimalt-Saanich)
Munro
(Hamilton East)
Murta
Neil
(Moose Jaw)
Nowlan
O'Connor
Olivier
O'Sullivan
Ouellet
Paproski
Pelletier
(Hochelaga)
Pelletier
(Sherbrooke)
Penner
Portelance
Reid
Richardson
Ritchie
Roche
Rompkey
Rooney
Roy
(Laval)
Rynard
Schellenberger
Scott
Sharp
Smith
(Saint-Jean)
Stackhouse
Stanfield
Stewart
(Marquette)
Stewart
(Cochrane)
Stollery
Trudeau
Turner
(London East)
Turner
(Ottawa-Carleton)
Walker
Watson
Whicher
Whittaker
Wise
Woolliams—155.

Mr. Speaker: I declare the motion lost. The next question is on motion No. 42.

● (1740)

The House divided on motion No. 42 (Mr. Barnett) which was negatived on the following division:

[Mr. Speaker.]

(Division No. 69)

YEAS

Messrs.

Barnett
Benjamin
Blackburn
Brewin
Broadbent
Douglas
Gilbert
Gleave
Harding
Harney
Howard
Knight
Knowles
(Winnipeg North Centre)
Leggatt
Mather
Nystrom
Orlikow
Rodriguez
Rowland
Saltsman
Symes—21.

NAYS

Messrs.

Alexander
Allmand
Andras
Andre
Arrol
Baker
Baldwin
Basford
Bawden
Beattie
(Hamilton Mountain)
Beatty
(Wellington-Grey-Dufferin-Waterloo)
Béchard
Bégin (Miss)
Bell
Blais
Blaker
Blenkarn
Boulanger
Breau
Buchanan
Caccia
Cafik
Caron
Carter
Chrétien
Clark
(Vancouver Quadra)
Clermont
Coates
Corbin
Corriveau
Cossitt
Côté
Cullen
Cyr
Danforth
Danson
Darling
Dick
Diefenbaker
Dinsdale
Drury
Dubé
Dupont
Dupras
Duquet
Ellis
Epp
Ethier
Fairweather
Faulkner
Fleming
Foster
Fox
Frank
Fraser
Gauthier
(Ottawa-Vanier)
Gendron
Gillespie
Gillies
Goyer
Grafftey
Gray
Guay
(St. Boniface)
Guay (Lévis)
Guilbault
Haidasz
Hales
Haliburton
Hamilton
(Swift Current-Maple Creek)
Hees
Hellyer
Herbert
Higson
Hopkins
Horner
(Crowfoot)
Hurlburt
Jarvis
Jelinek
Jerome
Kempling
Korchinski
Lajoie
Lalonde
Langlois
La Salle
Lawrence
Leblanc
(Laurier)
LeBlanc
(Westmorland-Kent)
Lefebvre
Lessard
Loiselle
MacDonald
(Cardigan)
MacDonald
(Egmont)
Macdonald
(Rosedale)
MacDonald (Miss)
(Kingston and the Islands)
MacEachen
MacGuigan
Mackasey
MacKay
MacLean
Macquarrie
Marceau
Marchand
(Langelier)
Marchand
(Kamloops-Cariboo)
Mazankowski
McCain
McCleave
McGrath
McKenzie
McKinley
McRae
Mitges
Morgan
Morin (Mrs.)
Muir
Munro (Esquimalt-Saanich)
Munro
(Hamilton East)
Murta
Neil
(Moose Jaw)
Nowlan
O'Connor
Olivier
O'Sullivan
Ouellet
Paproski
Pelletier
(Hochelaga)
Pelletier
(Sherbrooke)
Penner
Portelance
Reid
Richardson
Ritchie
Roche
Rompkey
Rooney
Roy
(Laval)
Rynard
Schellenberger
Scott
Sharp
Smith
(Saint-Jean)
Stackhouse

Messrs.

Stanfield
Stewart (Marquette)
Stewart (Cochrane)
Stollery
Trudeau
Turner (London East)
Turner (Ottawa-Carleton)
Walker
Watson
Whicher
Whittaker
Wise
Woolliams—155.

Hon. Allan J. MacEachen (President of the Privy Council) moved that Bill C-203, to amend the Canada Elections Act, the Broadcasting Act and the Income Tax Act in respect of election expenses, as reported (with amendments) from the Standing Committee on Privileges and Elections, be concurred in.

Motion agreed to.

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

Some hon. Members: Now.

Mr. Speaker: By special order, now.

Mr. MacEachen moved that the bill be read the third time and do pass.

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

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: All those in favour will please say yea.

Some hon. Members: Yea.

Mr. Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Speaker: In my opinion the yeas have it.

And more than five members having risen:

Mr. Speaker: Is it the wish of hon. members that the division be taken at this time without the ringing of the bells?

Some hon. Members: Agreed.

The House divided on the motion (Mr. MacEachen) which was agreed to on the following division.

(*Division No. 70*)

YEAS

Messrs.

Alexander
Allmand
Andras
Andre
Arrol
Baker
Baldwin
Basford
Bawden
Beattie (Hamilton Mountain)
Beatty (Wellington-Grey-Dufferin-Waterloo)
Béchard
Bégin (Miss)
Bell
Benjamin
Blackburn
Blais
Blaker
Blenkarn
Boulanger
Breau
Brewin
Broadbent
Buchanan
Caccia
Cafik
Caron
Carter
Chrétien
Clarke (Vancouver Quadra)
Clermont
Coates
Corbin
Corriveau
Cossitt
Côté
Cullen
Cyr
Danforth
Danson
Darling
Dick
Diefenbaker
Dinsdale
Douglas
Drury
Dubé
Dupont
Dupras
Duquet
Ellis
Epp
Ethier
Fairweather
Faulkner
Fleming
Foster
Fox
Frank
Fraser
Gauthier (Ottawa-Vanier)
Gendron
Gilbert
Gillespie
Gillies
Gleave
Goyer
Grafftey
Gray
Guay (St. Boniface)
Guay (Lévis)
Guilbault
Haidasz
Hales
Haliburton
Hamilton (Swift Current-Maple Creek)
Harding
Harney
Hees
Hellyer
Herbert
Higson
Hopkins
Horner (Crowfoot)
Hurlburt
Jarvis
Jelinek
Jerome
Kempling
Knight
Knowles (Winnipeg North Centre)
Korchinski
Lajoie
Lalonde
Langlois
La Salle
Lawrence
Leblanc (Laurier)
LeBlanc (Westmorland-Kent)
Lefebvre
Lessard
Loiselle
MacDonald (Cardigan)
MacDonald (Egmont)
Macdonald (Rosedale)
MacDonald (Miss) (Kingston and the Islands)
MacEachen
MacGuigan
Mackasey
MacKay
MacLean
Macquarrie
Marceau
Marchand (Langelier)
Marchand (Kamloops-Cariboo)
Mather
Mazankowski
McCain
McCleave
McGrath
McKenzie
McKinley
McRae
Mitges
Morgan
Morin (Mrs.)
Muir
Munro (Esquimalt-Saanich)
Munro (Hamilton East)
Murta
Neil (Moose Jaw)
Nowlan
Nystrom
O'Connor
Olivier
Orlikow
O'Sullivan
Ouellet
Paproski
Pelletier (Hochelaga)
Pelletier (Sherbrooke)
Penner
Portelance
Reid
Richardson
Ritchie
Roche
Rodriguez
Rompkey
Rooney
Rowland
Roy (Laval)
Rynard
Saltsman
Schellenberger
Scott
Sharp
Smith (Saint-Jean)
Stackhouse
Stanfield
Stewart (Marquette)
Stewart (Cochrane)
Stollery
Symes
Trudeau
Turner (London East)
Turner (Ottawa-Carleton)
Walker
Watson
Whicher
Whittaker
Wise
Woolliams
Yanakis—174.

NAYS

Messrs.

Allard
Barnett
Beaudoin
Boisvert
Dionne
Godin
Howard
Laprise
Leggatt
Matte—10.

● (1750)

Mr. Speaker: I declare the motion carried.

Bill read the third time and passed.

Mr. Speaker: The House will now resume the business interrupted at 4.45.

* * *

OIL EXPORT CHARGE ACT

PROVISION OF EXPORT CHARGE, OIL EXPORT TAX UNDER EXCISE ACT AND ALLOCATION OF REVENUES FROM TAX

The House resumed consideration of the motion of Mr. Turner (Ottawa-Carleton) that Bill C-245, to impose a charge on the export of crude oil from Canada, to impose an oil export tax under the Excise Tax Act and to allocate certain of the revenues derived from the oil export tax, be read a second time and referred to the Committee of the Whole.

Some hon. Members: Six o'clock.

Mr. Speaker: Is the House desirous that the Chair call it six o'clock.

Some hon. Members: Agreed.

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

At 5.55 p.m. the House took recess.

———

AFTER RECESS

The House resumed at 8 p.m.

[*Translation*]

Mr. René Matte (Champlain): Mr. Speaker, before passing judgment on a bill such as the one before us, it would be appropriate to set the record straight, because the subject matter of this bill is obviously of current and even urgent interest as we readily realize. When we have to face a crucial problem that is even called a crisis, it is always extremely important to act wisely and to give the matter careful consideration before passing judgment.

For instance, there is an important point that should be made at the outset as regards oil: to me, it is unthinkable, if not ridiculous, in a country such as ours which produces and even exports oil to other countries—of course, in the present case, other countries mean the United States—to have to cope with an oil shortage. That is nonsense. It is as if we were to read in the newspapers tomorrow that Saudi Arabia or Kuweit have an oil shortage and wondered what to do to help them. Such is the situation in Canada. This is what is happening at the present time. Such is the energy crisis which we heard about. As a solution, it was proposed to turn down the thermostats and to close the windows properly. All such little measures seemed all the more ridiculous as we were exporting 60 per cent of the Canadian oil production.

[Mr. Speaker.]

Then, this is a point to be considered. Should we not have taken some action based on sound economy, on basic principles, simply to the effect that a country must consume its own production first and thus make financially possible what is materially feasible? Mr. Speaker, the Social Crediters have been saying this for many years, and today we find ourselves before the facts. At present, some countries are taking advantage of a crisis that they provoke themselves. We are entirely dependent on them because we want it. There would not be any problem for us if we wanted to get oil even from Arab countries.

Mr. Speaker, it is not really about this that we should be talking although it is related in a certain way, but about the fact that if we had a policy based on common sense, on the fact that we must consume first our production before throwing ourselves on the mercy of foreigners. The more we think of this, the more we wonder how such a situation could exist.

How is it that we have to put up with so much, to reach such conditions? And we find similar conditions—not that I intend to digress greatly—in many fields, in areas which are still as easy to develop as food products, livestock. Mr. Speaker, sometimes we have problems and we import from abroad. Why import lamb from New Zealand, Mr. Speaker, when it is known that we have good lands for sheep-breeding? But a policy based on things like that can only lead us to the dead end we are now reaching. There is oil in Canada but we cannot distribute it adequately throughout the country. Because of whom? This is due to a lack of foresight, at the very least, on the part of leaders, and nobody can deny it. In spite of what will be said or done, a policy should have been worked out to provide for that.

But I repeat that if we followed the basic principles of a sound economy, such situations could not occur. So, there is some reluctance to undertake the study of a bill which is presented at a moment when we are in a blind alley and we have to find a solution. Advantage might be taken of the situation to assume rights which do not belong to the federal government. We have already seen that in a more serious crisis situation, the war, when advantage was taken of the situation to assume provincial rights. This explains why family allowances and old age security allowances are administered by the federal government when they obviously fall under strictly provincial jurisdiction. But we took advantage of a crisis situation to appropriate that. What I fear now is that we take advantage of a crisis which will be probably only temporary as we will discover some new oil fields. The Arab nations will open more freely the oil tap. We are in a temporary situation. Are we going to pass bills that could, in the long run, create problems in Canada at a moment when we have a temporary crisis situation? Mr. Speaker, did we consider that in a provincial field like energy and oil, once we have a foot in oil, we could slip into something else? Electric power is also a very important energy source. We can foresee the conflict, Mr. Speaker. Should the federal government ever decide to impose a tax on the kilowatt-hours from the province of Quebec sold to the United States it would be a terrible disaster. So, care must be taken. At a time when a precedent is being set in one field, it can also be established in others. Hence some reluctance to admit that they are meddling with certain things, Mr. Speaker. If we analyze this legislation, and as the Leader

of the Official Opposition (Mr. Stanfield) put it, I think that he was right then, we do not know too well where we are heading. Here is one interpretation that can be given, for instance: This is an indirect way of establishing royalties since a tax which changes constantly, every month, according to international oil prices, becomes simply a royalty, a percentage taken on a natural resource, which according to the constitution ought to be the exclusive property of the provinces. Therefore, I realize why the provincial governments concerned, including the Alberta government, obviously do not agree with the federal government policy in that field. It has also been stated during the afternoon that a policy had to be agreed to all the same in the present situation in order to prevent excessive differentials between oil prices in eastern and western Canada. Of course, Mr. Speaker, it is the duty of the government in the present situation to try and avoid this inequality of treatment among citizens of the same country.

● (2010)

However, if the government intends to use this charge in order to effect this distribution, this balance, we would have to be informed in a much more detailed way so that we know precisely what we are voting on.

I feel therefore that we must have a great many reservations concerning this bill, taking into account the government's apparent eagerness to accelerate things and its failure, as often is the case, to do what it should have done.

What is the reason for the many unilateral decisions? How is it, Mr. Speaker, that the government did not realize how important it was, in a matter of great concern to the province of Alberta, to go and have discussions with the main people involved? This is quite elementary. But no, it chose to act unilaterally and stir up passions. How will all this turn out, nobody knows. And yet, this bill concerns this particular problem. No one knows exactly what will become of it since the provincial premiers' conference on the subject will be held subsequently. The provinces were not consulted; yet a bill has been introduced which directly concerns the provincial governments. As I said earlier, this shows a lack of wisdom. I know the present problem is urgent, but its urgency should not make us lose our heads.

On the other hand, one must admit that the problem would doubtless be solved if there were a pipeline to Montreal. Of course, we would then have less difficulty with regard to oil prices throughout Canada.

Mr. Speaker, I fail to see why it is not possible to transport oil from a western province to eastern Canada. I fail to see why trains of tank cars cannot head from Alberta to Montreal. I simply cannot understand it. Let trains be made up that are one mile, or two miles long, if need be; within a matter of two or three days, the oil will have reached its destination. I fail to see why that should be a major problem.

I do not understand either why the Minister of Transport (Mr. Marchand) said in answer to a question put to him this afternoon that he did not believe that the maintenance of the St. Lawrence Seaway could ease up the oil problem. Yet we know that what is involved now in Canada is an oil transport problem. Therefore we should try harder to settle the problem where it is. Since a transport problem is involved, let us first solve this problem. Then it will be so much easier to fix the domestic price when we can be sure that the oil is truly Canadian. And that will be done to the satisfaction of all concerned.

These considerations, Mr. Speaker, lead me to express some doubts, since we don't know exactly what is the purpose of this bill, this purpose is very vague. As a matter of fact, it reads as follows, and I quote:

3. (1) For the purpose of obtaining the best return for Canada on the export sale of crude oil while allowing the price of crude oil used in Canada to be determined in relation to the circumstances of the Canadian market—

The clause then stipulates what the requirements will be.

Here the objective of the legislation is spelled out. Canada is to be favoured. Mr. Speaker, every measure we adopt tends to favour someone. The terms are not clear or precise enough, particularly since we are acting in an area where once again unilaterally, it is decided, as it says in the second part of the bill, that 50 per cent of the taxes will go to the provinces concerned.

There is still one thing which can only be settled by the provinces themselves. And, as I said earlier, I do not see at all how at a given moment the problem of Hydro-Quebec or Ontario Hydro taxes could be settled. And since oil is a source of energy similar to electricity, how is it that we are trying, through this bill, to settle some problems which are first and foremost provincial problems? I do not suggest that the government has no coordinating role nor that it should not be concerned with regional interests. Of course, this is its role. But it should not play this role by assuming the rights of regions which, in this case, happen to be in a favourable position because they have this natural resource which is called oil.

This is why I am quite reluctant to approve this bill and I would like to have further clarification on its motivations and particularly on its objectives. Furthermore, we are presented with this bill at a time when we cannot fully appreciate it in view of the fact that we are in the middle of a so-called energy crisis and that we might pass a legislation which, within the next few months, could turn into a bone of contention for the whole country. This is why I wonder whether before introducing such a bill the provinces should not be consulted. The federal government should act only after those consultations as its role implies as a coordinator and not by imposing initiatives. With those few remarks, I do not quite agree with this bill. Perhaps some amendments should be proposed or the bill should be more precisely explained so that we do not take a decision which we would regret in a few months or years.

● (2020)

[*English*]

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, in rising tonight to speak on second reading of Bill C-245, I should like to say how interested I was in the remarks of the Minister of Finance (Mr. Turner) who spoke at some length this afternoon with reference to consultation and commonsense. It seems that when this government is in great difficulty, when they reverse themselves and con-

tradict themselves as they have on this and other issues, the Minister of Finance is always called upon to take the leading role in either piloting a bill through the House or getting the approval of parliament on a difficult problem such as this. I was thinking also of the War Measures Act. All those dirty jobs seem to be handed to that gentleman in the front row, the Minister of Finance who was formerly the minister of justice. One wonders who plans these events. The Prime Minister (Mr. Trudeau) may recognize that this minister has the ability to help him out of tough spots or it may be that he wishes to dim an image. At any rate, I do not believe the government can take any credit for attempting to lead people to believe they have any idea of consultation or that there is any commonsense in the way they have tried to make out that they have an oil policy.

At the outset, I should like to say that my home province is the province of Alberta, the largest oil-producing province in Canada. I was born in another oil-producing province, the province of Saskatchewan. I am a westerner. I have always appreciated, whether I represented the former constituency, now represented by another member, of Palliser-Bow River or whether I represented Calgary North, a new constituency established in 1967-68 by redistribution, that I come here to speak as a Canadian; as a Canadian member of parliament I must look at the whole picture from a national point of view.

I should like to endorse what my leader said today. I want to incorporate his remarks in mine and also much of what was said by the former leader of the New Democratic Party, the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas). In their criticism of this bill I think both these gentlemen were right on target.

I want to deal with the bill itself and why I think it should not be brought before the House in this form. I think it can be emphasized again that clause 2 of the bill should really be clause 1. Clause 2 is really asking this parliament to affirm what is already a *fait accompli*; namely, that the government implemented a surtax against exports of crude petroleum in the amount of 40 cents per barrel in October and changed that to $1.90 on December 1, 1973 and finally changed it again to $2.20 in January, 1974.

● (2030)

I have dealt with one part of the bill. I shall now deal with another contentious part. I realize that on second reading one does not refer to specific clauses. However, for the sake of clarity and brevity, may I read part of Clause 3(1):

> For the purpose of obtaining the best return for Canada on the export sale of crude oil while allowing the price of crude oil used in Canada to be determined in relation to the circumstances of the Canadian market,—

Whatever that may mean,

> —there shall be imposed, levied and collected on each barrel of crude oil exported from Canada during any month commencing with the month of February, 1974 a charge in such amount, not exceeding four dollars, as may be prescribed in a tariff of charges for that month made by order of the Governor in Council—

The clause uses the words, "determined in relation to the circumstances of the Canadian market." We do not know what those words mean. I will say more about them later.

The Minister of Finance, no doubt on instruction, referred to the ceiling of $4. There was a suggestion that this could be raised to $10 by order in council. So, there is to be a new kind of budget in Canada, a budget brought in by order in council. We have to trust the government and hope that it will implement this program with fairness and equity. I am not prepared, as a Canadian, to accept that kind of suggestion from this government, particularly in view of its waffling and the changes in its oil policy which have taken place over the last few months.

It has been suggested that there has been really no change in national oil policy since 1961, when the Progressive Conservative Party, after consultation with the provinces, brought in a policy under which the Ottawa Valley line divided the country, the part west of the line using western crude oil and the part east using imported oil from Venezuela and elsewhere. That policy was made after consultation with the provinces and with the United States, as at that time we had been unable to market sufficient oil, even for a very low consideration. The American government gave us the right, by agreement, to export to the northwestern part of the United States. In return, we were to take imports from Venezuela and from other parts of the world of oil, which, no doubt, was financed with American money.

Let me return to the export charge. Perhaps we will discover in committee, although I doubt it, how much money is to be raised. What share of this money will go to the provinces, and how much money will the federal government keep? Let us look at some figures.

In October, the export tax was 40 cents a barrel; in December it was $1.90, and in January $2.20. Crude oil was authorized to be shipped in the following quantities: in October, 30,888,750 barrels; in November, 27,207,990 barrels; in December, 25,628,730 barrels, and in January, 29,270,100. What was the revenue accruing to the government from the export tax? I shall quote figures to show the astronomical amount that would be raised if the export were $10 per barrel. Just before coming to the House this evening I heard someone in the gallery say that one could raise money just by waving one's hand. I do not accept that philosophy. Let me, therefore, show what revenue will accrue to the federal government during the months in question. In October, the revenue was $12,355,500. That much was collected by the government. In November, the figure was $10,883,196. In December, it was $56,383,206, and in January the figure will be $64,394,220, for a total of $144,016,120, in four months. Those figures relate to the surtax of 40 cents, $1.90, and $2.20.

If the surtax were increased to $4 per barrel, the government would gain $120 million per month, or $1,440 million per year. At $6.50, the government would gain $195 million per month, or $2,340 million per year. At $10 per barrel, the government would gain $300 million per month or $3,600 million per year. That is close to $4 billion.

We may ask, how much money will actually be raised? We do not know. This is the first time any government has asked the House of Commons to tax the Canadian people on the basis of an order in council. That is how a commodity is to be taxed. In other words, the government will

bring in a budget by order in council, and the budget will provide for revenues of almost $4 billion, without the approval of Parliament. That is one of my reasons for saying this bill should have been split.

One can also ask, is this taxation by inflation? Is this taxation primarily aimed at unrest in the Middle East? What is its purpose? Is this taxation to grease the Liberal gravy train? Is this taxation aimed against the west, or is it designed to get votes? Some think it is. Also, who is to get the money? What share will go to producing provinces and what share will go to those provinces now suffering because of the increase in the price of crude petroleum imported from Venezuela and the Middle East?

Early today I asked the Minister of Energy, Mines and Resources (Mr. Macdonald) if any Arabian country had offered us 360,000 barrels per day, spread over one year, at prices cheaper than those we are paying for Venezuelan oil. I could not hear the minister's answer, so I assumed he must have some knowledge of this. When I raised this matter a second time, he said he would make inquiries as to whether such an offer had been made. I am sure the minister knows the details. You cannot get any information from ministers of this government which they feel may hurt them in this House or in the eyes of the Canadian people.

One could boil down this bill to one thought. It introduces a budget by order in council, without parliamentary approval. That sums it up pretty well. I have asked how much money will be raised by way of order in council, and I have not heard the answers. The Prime Minister (Mr. Trudeau) says one thing, the Minister of Energy, Mines and Resources says another and the Minister of Finance (Mr. Turner) says still another. Each statement contradicts the other. I shall put these questions to the minister in committee, when we are dealing with the export tax.

In this connection may I read some comments to be found at page 12 of Issue No. 44 of Minutes of Proceedings and Evidence of the Standing Committee on Miscellaneous estimates. I said, as recorded:

I shall try to be brief in my questions and I trust, Mr. Minister, as I only have five minutes that you will be as brief.

I then said,

First, could you advise the Committee, if there is any decision on when the export tax of $1.90 a barrel of crude petroleum would be repealed or rescinded?

That was to give us a little idea of what might happen when the government is given carte blanche authority to tax the public as under Clause 3 on page 3 of the bill.

The minister replied as follows:

● (2040)

The amount of the tax will depend on the judgment of the National Energy Board, from month to month, as to the price or value of Canadian oil when sold into the Chicago market. For example, its finding in early December for the month of January 1974 might be that Canadian oil has either dropped or increased in price. Therefore it might vary either above or below that level.

Basically, we shall be putting before Parliament a measure to deal with the differential between the Canadian and the Chicago price.

The point which my leader and the former leader of the New Democratic Party made this afternoon is that under the other surtax there was at least a frozen price of approximately $3.83 a barrel which most people accept as $4 a barrel. There is a differential between that and the Chicago and Montreal market.

I will refer to what the Prime Minister said when interviewed by Bruce Pillips of the Southam Press. Once the freeze is lifted, then what formula and criteria do we really arrive at? That has not been answered. I hope it will be answered when we get to the committee stage. What is the Canadian price after the freeze comes off? Is there such a price? Of course, there is not. Is it the world price? Who knows? That is the mystery. The minister went on to say:

I think it is fair to say that there will be a substantial reduction in this differential on February 1 when the Canadian price is allowed to rise to international levels at Toronto and Montreal.

Will that be the price of crude from Venezuela? Someone mentioned $14 a barrel or $11.75 from some Arab countries. What is the Canadian price? Without knowing that factor, there is no formula and no criteria. I then asked:

Mr. Chairman, do I take the answer from the Minister, on the criteria and the formula he has set out, that no decision has been made as to when the export tax will be either rescinded or repealed?

The minister replied:

No decision has been made in this regard, whether it be in the form of an export tax or some other control mechanism.

If that is the control mechanism, it is some mechanism because it is incomprehensible. To follow that up, I asked a question with regard to the division of the surtax, namely who would get it. That is found at page 13. I will not read all the answer because it is half a page in length. When I asked the same question in the House of Commons, the minister finally reduced the answer to one line. Dealing with the export tax as it has existed until now, he said that 50 per cent will go back to the producing province and the other 50 per cent will be used by the federal government for exploration, technical development or what have you.

The hon. member for York Simcoe (Mr. Stevens) then picked up the ball because my 10 minutes had run out. So there will be no mistake about what was said with regard to sharing with the provinces, this is what is found at page 30 of volume 44, and I quote:

Mr. Chairman, I was wondering if the Minister could clarify a statement that he made earlier with respect to the $1.90 per barrel tax. Did I understand him correctly to say that either directly or indirectly the entire tax will go back either to the province or be used within the province where it originated?

The minister replied very clearly:

Yes, sir.

I now wish to refer to what was said by the Prime Minister when interviewed by Bruce Phillips. I want to be fair to the Prime Minister. I suppose there are two thoughts that are not clear. It is not clear whether he is talking about this charge the government is trying to implement by this bill or about the tax during the last four months. The Prime Minister said the producing provinces will get 50 per cent, but the other 50 cent may be used to assist those provinces which are now forced to pay so much for imported crude petroleum. There are two contradictory statements. Surely, the Minister of Finance and

the Minister of Energy, Mines and Resources should have been able to clarify that. I hope it is clarified if and when this bill gets to a committee. That is the very basis of my reason for saying we cannot really trust the government.

On November 28, 1973, as recorded at page 8223 of *Hansard*, I asked the following question:

> Will the minister make it very clear at this stage what mechanism or alternative measures will be suggested to replace the export tax when the price freeze goes off so that the consumers of Canada will be protected against the high cost of fuel and gasoline?

The minister replied:

> Mr. Speaker, we will be bringing forward a draft bill to the House for first reading to deal with the export tax and the continuing system in this situation. With regard to the question of the economic rent to be yielded by an increase in the western part of the Canadian market, we have had discussions with several provincial governments on this question. This may indeed relate to the kind of royalty programs they are planning on instituting in the near future.

To date there has not been any consultation. The big question to be asked is, what is the criteria when the freeze comes off. That question has not and cannot be answered because I do not think the government knows the answer. The minister appeared before the committee. He said he had a special technical committee advising him. Under the other bill that is now before the committee, the minister is asking that a new board be set up.

I want to read from Issue No. 26 of December 20, 1973. Mr. Armstrong, the president of Imperial Oil, was appearing before the committee. This will give some insight into what the committee advising the government had in mind. After several questions, I asked Mr. Armstrong this:

> Now, may I put this to you? Since you say on page 2, having dealt with the question of emergency and with the pipeline and got your position, that
>
> > Imperial is prepared to volunteer experienced personnel to achieve such a state of readiness under the administration of the proposed Emergency Supplies Allocation Board.
>
> and you have said in paragraph one that your company firmly supports the intent of the bill—and I expressed my opinion in that regard, I agree with the intent—has there been any discussion on record or off record to date with the Minister, or with any officials of the department, on your supplying personnel at this time to the government?

Mr. Armstrong replied:

> We have supplied personnel in the form of a member on various and sundry committees or subcommittees under Energy, Mines and Resources.

In other words, one of the members of the advisory board which has been advising the minister is an executive of Imperial Oil. Then, the hon. member for Crowfoot (Mr. Horner) asked the following question:

> We must determine whether or not there is a crisis at hand. You agree that there is not one now—

By the way, Mr. Armstrong said there was no crisis, there was no emergency.

> —but there may be one. The bill says something about an expected crisis. I just forget the exact terminology, but in any case, it is a crisis or a—
>
> AN HON. MEMBER: A potential crisis.
>
> MR. HORNER (CROWFOOT): Yes. There is not a crisis now, but there may be a potential crisis, but not as far as your company is concerned. Have you one person from your company on this Technical Advisory Committee on Petroleum Supply and Demand that we hear so much about these days?
>
> MR. ARMSTRONG: Yes, we do.

[Mr. Woolliams.]

> MR. HORNER (CROWFOOT): What advice is he giving? Is he giving the same advice you are today to this Committee, that your company will not—
>
> MR. ARMSTRONG: He had better be.

● (2050)

I have dealt with Imperial Oil in a small way for years, and probably most of us have an Esso card. We are asked tonight to approve a bill that might set a surtax anywhere from $6.50 to $10 a barrel without any floor price or any criteria having been given to us. Where will the government get its information on which to base a decision as to what to charge? Is the technical adviser to Imperial Oil, who sits on a committee, going to advise the minister? The president said "He had better listen to me or he won't be working for the government". Is this government in the pocket book of Imperial Oil? That is the question. Certainly, one wonders. That matter was raised in the committee and I should like to have it answered.

Mr. Turner (Ottawa-Carleton): Oh, come on, Eldon.

Mr. Woolliams: Talking about costs, the bill refers to the Canadian price in clause 11. That clause provides:

> There shall be imposed, levied and collected on each barrel of crude oil exported from Canada—

Then, follows certain provisions imposing the tax to be applied to Canadian exports of oil. The only evidence that we have as to what the tax might be is in the statement made in the House by the Prime Minister on December 6 last. This is what he said, according to page 5 of the notes for remarks made by the Prime Minister in the House of Commons debate on petroleum policy on that date:

> A characteristic common to all frontier oil, and oil from unconventional sources such as the tar sands, is that it is much more expensive to develop and to bring into production than wells in the southern parts of Canada. This simple, undisputed fact is often ignored because it contains an unpleasant truth. It means that the days of abundant, cheap energy for Canadians must come to an end. It means that the cost of producing domestic oil must go up before too long. It means that Canadians must be prepared sooner or later, in some way or another to pay for these additional costs or go without oil. Any attempt to hide these facts and to formulate future policies without taking them into account can only lead in the longer run to even greater shortages and hence to even higher prices than Canadians are now experiencing in eastern provinces. In short we must in the long run allow the price of domestically produced crude oil to rise forward a level high enough to ensure the development of the Alberta oil sands and other Canadian resources but not one bit higher.

Is that to be the Canadian price, or what will it be? The Syncrude economists engaged on the tar sand project estimate that the cost of production will likely be $10 a barrel. Is this the price that the Prime Minister talks about, or will it go as high as $14 a barrel, as it has in Venezuela? What charge is going to be added to the Canadian price so that this formula that will be applied by order in council will mean anything at all?

I should like also to refer to what the Prime Minister said on December 21 and December 30 when he was questioned by Bruce Phillips and Carol Taylor in regard to what action we might expect from the government. We ask the government questions every day and each day get a different answer. I am referring to page 8 of the transcript, where the Prime Minister said this:

I think here it's a question of perhaps not communicating the facts well. On the freeze we said quite frankly we'd changed our mind.

Both the leader of this party and the spokesman for the New Democratic Party have pointed out that when the freeze comes off we will want to know the Canadian price. The Prime Minister continued:

When we announced the freeze on the 4th of September it was till the end of January. That was before the Middle East war, before the Arab nations had decided to cut back drastically on their supplies. We were then fighting inflation and we said a freeze till the end of January will give us time to adjust. A month later, less than that, the Middle East war breaks out, energy becomes in short supply. It's no longer a question of fighting inflation. It's a question of making sure we have enough. So I say quite frankly, quite candidly on television, after a lot of agonizing thinking the government has come to the conclusion that we should extend the freeze. You can call it a contradiction. I prefer saying that the government has extended its policy. It felt that its first decision, made before the Middle East war, about which nobody could have any sure prediction, was a wrong prediction—

The question is, how long will the freeze stay on? The Prime Minister was then asked about supply, because he had said that this mechanism was really to guarantee supply. After being interrogated as to why his government had done nothing since 1967 to build the pipeline, he said this, as reported at the top of page 9 of the transcript of the interview:

I think the simplest and to me a telling answer to that, Bruce, is that on the 4th of September when I announced that we would extend the pipe line, Quebec said—never. We don't want to have to buy your bloody well western oil. You won't put a pipe line in here, or if you put a pipe line, we'll make sure that we send the oil in the other direction because we're getting cheap oil from the Middle East and we'll never accept this pipe line. So a stitch in time, for them even the 4th of September was not time.

In other words, the reason he did nothing about the problem, which has now become a crisis not only in Quebec but in the Maritimes, is that the government of Quebec had said "We don't want your bloody oil". I do not know whether to believe that or not, but that is what the Prime Minister said on television. Then, he went on to say this, and this is why I mention the point about consultation. Bruce Phillips said:

There are occasions when what provincial governments have to say to you about the energy question is not a point of view that you would necessarily accept.

I will not read all of the Prime Minister's reply, but he went on to say that we were going to build this such and such pipeline anyhow, whether Quebec wanted it or not. This is the kind of consultation the government has recommended this afternoon. It is the kind of consultation that the premier of Alberta, Mr. Lougheed, experienced, and it is the kind of consultation that the province of Quebec gets from the Prime Minister and his government. I cannot accept for a moment that we are going to get consultation and common sense from the government, either through the Minister of Finance or through the Prime Minister.

Let me examine for a moment the history of this surtax since it was applied. The Alberta minister of resources visited Ottawa to discuss the problem of petroleum shortages. He had not reached home by plane before the Minister of Energy, Mines and Resources double-crossed him and applied the first surtax. And the government talks about consultation! The government's consultation is like the old system that we used to read about but which I have never had tried out on me, though I have heard about it. It is like the mother and father who told son and daughter, when they were sick, to open their mouths and take cod liver oil whether they liked it or not. This is what I call the cod liver oil consultation method of the Liberal party, and it is the kind of consultation that the provinces are going to get.

I cannot believe for a moment that Mr. Lougheed—and I shall have something to say in a moment about Mr. Blakeney—is going to come to this energy conference with the kind of goodwill that I am sure everyone would like to hope would prevail, since he has gone through this recent experience with consultation. The Prime Minister asked: "Well, when I was out in western Canada, in Calgary, why didn't the provinces then raise the question of a national oil policy?" Surely, the Prime Minister does not expect the provinces of British Columbia, Alberta, Saskatchewan and Manitoba to sit down with him and plan a national oil policy for all of Canada. Yet this is the reply we are given. It is the sort of answer we receive when we ask whether there has been consultation and why the government does not have a policy. To summarize part of what I have said, I say that to give this government the power it wants to tax by order in council is to ask the Canadian people to accept in good grace what I would say is the greatest tax fraud ever perpetrated, not only on the Canadian people as the taxpayers but on the consumer using this energy in great quantities, whether at the individual consumer level or at the industrial level.

● (2100)

I started by saying I thought every member of parliament, whether he comes from western Canada, central Canada or the Maritimes, if he realizes his responsibility in coming to parliament, must speak in reference to the national interest. I was most interested to read today an article written by the Premier of Saskatchewan. I hope the government studies this article well before the meeting, because he has said some very important things.

An hon. Member: Table it.

Mr. Woolliams: Somebody says I should table it. That is all this government would do. It tables everything but nothing happens. It is full of words and documentation, but there is no action.

Mr. Turner (Ottawa-Carleton): Everything is right on the table; everything is in the open.

Mr. Woolliams: Yes, everything is on the table all right, but nothing ever gets past the drafting board. Let me quote from what Mr. Blakeney said:

Some parts of Canada face a shortage of gasoline, heating fuel and other petroleum products this winter, and perhaps for several winters, and no one should pretend that this is not going to lead to hardships for some Canadians if nothing is done to protect them from a situation they did not cause.

That situation may or may not be serious, we don't know yet. But it can be met by well-considered joint action by the provincial and federal governments without resort to panic measures.

I think those are pretty reasonable words from the Premier of the province of Saskatchewan. He went on to state in this article:

We will face a much more serious problem in Canada if our major trading partners, particularly the United States, run into deep recession. Canada may be able to take some evasive action, but we could not escape the serious effects of such international events largely beyond our control.

There are parts of this nation where poverty has been an involuntary way of life. There are regions where many of the people, for generations, have struggled against adversity and have had few of the comforts and luxuries of our most prosperous regions.

I might say that this is true of the province of Saskatchewan in which I was born, and was also true of the province of Alberta in 1935 before a certain development took place. It was one of the provinces which did not default on interest payments on its bonds during the depression. That is the point Mr. Blakeney is making. He goes on to state:

Some people may not be able to afford to buy as much gasoline as they need for their cars. But they have cars.

Some people may lose their jobs, perhaps for many months, and this will be very hard on them and their families. But those jobs will return.

This crisis of inequality is the real national crisis we have to cope with. We are talking about large numbers of Canadians, quiet Canadians, who do not make headlines very often. Canadians who have been around for a long time.

He goes on to say that the real crisis is a crisis in respect of regional disparity at various points across this country, and he ends his article with a reference to the surtax provided by this bill:

Only oil, oil belonging to the people of Saskatchewan, should be sold on a different basis. It should be sold at a price, we are told, related to cost.

Now Saskatchewan doesn't object to the principle of selling essential commodities on a cost-plus basis. But why stop at oil? Indeed, why start with oil?

What about freight rates?

Western Canada was promised at the last conference that something would be done about freight rates, but all we have received has been information. Mr. Blakeney then asks:

What about freight rates? Lumber? Building supplies? Chemicals and fertilizer? Farm machinery? Automobiles?

Certainly, there is an inflationary price situation in respect of petroleum products which is working a hardship on those areas to which Mr. Blakeney and Mr. Lougheed have referred, but we must realize that in the city of Toronto the value of a house today will be increased by $6,500 within a few months. We must remember that the price of lumber has gone up under this government by 200 per cent and that we have practically the highest interest rates we have had since confederation. We all realize there is real concern in the country.

Let me say to the government before I sit down that it had many years to make certain that energy could be transported to the various parts of Canada where it is needed at reasonable prices and with equity. The real problem today, whether we are dealing with oil, wheat or potash, relates to transportation. We cannot get the Minister of Transport (Mr. Marchand) to take action in respect of the railroads. This government has done nothing but vacillate and procrastinate as far as these problems are concerned. Our real crisis now is a crisis of government resulting from the fact that this government is doing nothing and, as far as I can see, will do nothing.

[Mr. Woolliams.]

Mr. Béchard: And you call that democracy.

[*Translation*]

Mr. Roch La Salle (Joliette): Mr. Speaker, I want to take this opportunity to make a few comments on this bill which I find most important like everybody else. I have spoken on Bill C-236 which is related to the present crisis and to the problem now facing us.

In our view, the government is introducing a measure that will give it rather extraordinary powers in matters of taxation on a natural resource, which is questionable all the same, from the point of view of provincial jurisdiction. The latter feel, of course, this is an encroachment upon their rights. It is for this reason perhaps that I would like to say a few words on this bill, considering the respect we owe to the provinces.

● (2110)

We must also recognize that quite legitimate wish of each province to try and protect its natural resources. What concerns me as well as many others is to see that this bill that we are asked to pass in this House seems to be premeditated if one considers that we know full well that a federal-provincial conference of first ministers will soon be held. I have had the opportunity of referring to it two weeks ago. The bill now before us today prompts me also to urge that it be passed only after the conference.

We will be told, Mr. Speaker, that this piece of legislation is urgent, that we must act very fast in order to grant the government some powers that are said to be absolutely necessary.

We are also taking advantage of a temporary crisis and I suggest that this piece of legislation would give the government some extraordinary powers.

For the time being we know nothing about the wishes or desires of each province. One can be sure that the provinces are preparing right now briefs to be presented to the conference that will take place in a few weeks. We will know then where the provinces stand. It would be detrimental, it would be a mistake should this Parliament pass this bill quickly without knowing exactly where the provinces stand, their wishes and their desires.

We read in newspapers and we heard the comments of the provincial premiers or of the ministers of national resources of some provinces.

Now, the Minister of Finance (Mr. Turner) gave us an excellent account this afternoon. He introduced his bill very clearly, as the leader of the opposition pointed out. The first part of this bill is very clear as far as the repayment of the collected tax is concerned, but in the second part, one notices an obvious lack of information as to what the government is going to do once the said tax is collected.

We surely expect the producing provinces to be rewarded, we expect the profits of this tax to be distributed to them, but we do not know exactly where the other provinces stand. We are perfectly aware of certain projects on the part of the province of Quebec, as regards the petrochemical industry. Certain agreements were to be con-

cluded apparently with some countries. They are directly concerned with the bill before us today.

We are not entirely sure about the position of the province of Quebec nor that of several other provinces at the present time. A few weeks ago, we heard the minister responsible for energy speaking of a two-price policy. I was glad to hear last week, Mr. Speaker, that because of recent increases, he was considering a subsidy formula that would be agreeable to all provinces. However neither the formula nor the reaction of the provinces are yet known.

I was also pleased to listen to the hon. member for Lapointe saying on television last week that the government should lose no time in subsidizing Quebec and the Maritime provinces, in order to implement this one-price policy across the country.

I take this opportunity to ask all hon. members from the province of Quebec to follow the example of the hon. member for Lapointe (Mr. Marceau). I had a chance to ascertain the position of Quebecers on this legislation. We have gone through several days of discussion on bill C-236 and the one now before us, and we regret the silence of the majority of Quebecers on this legislation. I must say that recently the leader of the official opposition (Mr. Stanfield) made strong criticisms, that members from Quebec were betraying their own province on this legislation. I know that may irritate some hon. members, Mr. Speaker, but I think it is our duty to urge our members to fall in with the wishes of Quebecers.

For example, I see members representing the province of Alberta who do not hesitate to comply with the wishes of the people of Alberta and try and vindicate the interests of a resource that now exists in Alberta, and I congratulate them for doing that job, Mr. Speaker. And I am glad to see that now it is not the province of Quebec that is quarreling with a lack of consultation with the federal government, but Alberta. We had reasons to criticize the federal government or ask for certain powers. Alberta now feels the need to do the same. Members representing that province are doing it beautifully, and I congratulate them on their job. I think that on the current problems, especially the increases that hurt and scare them, as is probably the case with Maritimers, Quebec members have the responsibility of asking this government to understand the importance of knowing the position of the provinces.

That does not mean that the bill introduced by the minister is unacceptable. I think that the first part of the bill undoubtedly meets reality. On the other hand, we would want to know all the implications of that policy and above all know the response of the provinces to the powers that the federal government is trying to vest in itself through this legislation. I therefore, suggest that it is logical for me to appeal to my colleagues from Quebec, as members from Alberta seem to do in performing their first duties in this house. As far as I am concerned, I repeat this appeal to Quebec members. I must say once more, Mr. Speaker, considering the high percentage that they represent within their own party—over 50 per cent—that we must expect a very serious representation on the part of Quebec members, and in view of their substantial number, they should be in a position to make responsible ministers as well as the Prime Minister (Mr. Trudeau) aware of the wishes and needs of their own province. I dare believe that this appeal will be answered, as the hon. member for Lapointe did it so well last week on television. I was pleased to see that the Minister of Energy, Mines and Resources (Mr. Macdonald) had suggested that he would think about the possibility of developing a grant formula for Quebecers.

As to the bill now before us, surely the province of Quebec, as all other provinces, has its word to say, and I think that at the time when this bill is being introduced, it would be wiser to wait for the federal-provincial conference to take place, and thanks to the briefs that will be put forward and to the fact that the provinces will surely make their positions known, I believe that the federal government would then be in a better position to satisfy the wishes of the provinces.

I owed it to myself to make these few comments in order to urge hon. members and the minister or ministers who are responsible for the overall energy policy to try and understand that it is important for the provinces to explain and state their needs perfectly well and to determine to what extent it will be possible, once this bill is passed, to give a favorable answer to the provinces.

● (2120)

I feel it is unthinkable to pass energy legislation before the federal-provincial conference. Responsible ministers or premiers should be asked what they want exactly in the context of oil problems. I think it is nonsense to ask for their opinion after the legislation has been passed. That is why I think it is tremendously important that this bill before us as well as the other bill we will be discussing in coming days should not be passed before the positions of the provinces are clearly known. This way I think we will have met prior consultation with the provinces. That is the way to render acceptable that federalism about which we are told and attempts are being made to convince us of its viability. It will be to the extent in which that consultation with the provinces will have taken place.

Mr. Speaker, I will conclude on those few words by calling upon and urging ministers and hon. members to insist that the federal-provincial conference be held before those pieces of legislation are passed. I hope that knowing better the positions, the claims and briefs of the provinces we will be able to answer them in a positive way. I think we will have also met the wishes of our constituents who have the right to think and demand that we take position on legislation as important as this.

The Acting Speaker (Mr. Laniel): Order. Is the hon. member for Laval rising to ask a question?

Mr. Marcel Roy (Laval): Yes, Mr. Speaker. I heard the pious wishes of the hon. member for Joliette (Mr. La Salle) and I understand why he rose in this House. But the government members have established structures to sensitize ministers through—

The Acting Speaker (Mr. Laniel): Order. If the hon. member wishes to make a comment or to take part in the debate, he may do so in due time. If he wishes to put a question, he must ask the consent of the hon. member for Joliette.

Some hon. Members: Agreed.

Mr. Roy (Laval): Mr. Speaker, is the caucus of the hon. member for Joliette (Mr. La Salle) setting up a policy on the energy crisis?

Mr. La Salle: Mr. Speaker, I will point out to the hon. member for Laval (Mr. Roy) that in the caucus of the hon. member for Joliette, as he so justly said, the freedom to speak according to the interests of our constituents and all other Quebeckers exist. The policy would be based on the interests of my province, Mr. Speaker, and this is why I ask my hon. friends from Quebec to answer in the same way.

The Acting Speaker (Mr. Laniel): The hon. member for Labelle.

Mr. Maurice Dupras (Labelle): Mr. Speaker, the purpose of my intervention in this debate is not to reply to an invitation of members of the official opposition or of other parties. The present crisis is real regardless of what some Progressive Conservative members thought in early December. Of course the crisis interests all hon. members from Quebec, notwithstanding the views of some hon. members who pretend that this matter can be solved in terms of decibels. I think that the already obvious confrontation between Canadians in some parts of the country could increase and become much more serious if, instead of making much political noise with the political problem which we are now facing, we kept a cool head and looked at the situation as it really is.

I believe that the right hon. Prime Minister gave us an excellent example of this on December 6, 1973, when he announced in the House, for the benefit of everyone, the action that the government was planning to take to reduce the difficulties that this crisis could bring to Canadians. Among other things, he wanted to assure Canadians that there would be no serious shortage like the one in Great Britain, Japan, West Germany and other countries, and to announce to the country the action that he and his government were planning to take to prevent Canada from being ransomed as most of the countries by nations which are trying to use this weapon which oil is now for political purposes.

Bill C-245 is precisely designed to permit the government to impose an export surtax of up to $4 per barrel. This bill would also permit controlling our oil exports. In his excellent speech, the minister stated this afternoon that already those $4 might be considered inadequate and that through an amendment they might be increased to $10. This bill also insures the sharing of the benefits drawn from this export surtax. A 50 per cent share for the producing provinces and a 50 per cent share for the federal government are put forward in the bill.

Without anticipating on the government's decision, Mr. Speaker, I am convinced that the adoption of measures to alleviate the difficulties of the Easterners is foreseen when one considers that 50 per cent share which will not be returned to the oil producing provinces.

In the speech he made last December 6, the Prime Minister stated that in the East, Canadians will probably have to pay a little more for their oil and that this was already a recognized fact. However, he indicated that limits will be set to this difference and that these limits will not be allowed to exceed a certain figure.

[The Acting Speaker (Mr. Laniel).]

Surely we can expect that following the federal-provincial conference which will be held on January 22, and 23, next, measures will be taken to see to it that Easterners are not penalized when purchasing oil and mainly home heating oil.

However, this temporary crisis seems to be the weapon that certain politicians were waiting for to overthrow the Liberal government of Mr. Trudeau. A campaign is now underway in Quebec and we have a Mr. Massé—not Mickey, but Marcel—who says to anyone who will listen that the Liberal members from Quebec have simply abandoned their responsibilities and betrayed the people by ignoring the difficulties.

Mr. Stanfield: It is true.

Mr. Dupras: He is an ignorant who does not know what is going on in the Liberal caucus, for if he knew he would understand exactly the pressures and interventions made by members from Quebec. If one could realize and measure the contribution of the Quebec members to some legislations, one would be amazed. I see a number of Progressive Conservative members complaining about "French Power", and there are some people who tour the province of Quebec saying that we are selling out the province. May someone make up his mind: Either it is sold out or not taken care of.

During their unproductive discussions and debates, Mr. Speaker, on consideration of Bill C-236, we repeatedly asked the Leader of the Opposition: What is your policy on this problem?

An hon. Member: He does not have any.

Mr. Dupras: They do not have any!

Some hon. Members: Oh, oh!

Mr. Dupras: The propagandists who tour the province of Quebec in an effort to destroy the confidence vested in Parliament by the Canadians from that province keep saying that we are doing nothing, that we do not care about the problems of the Quebecers. On the other hand, I wonder who is sincere. The Progressive Conservatives should establish some communication between the various branches and the various parts of their party, to make sure they all tell the same story. They have a group saying that the members from the province of Quebec have betrayed their constituents, and another saying that there is a "French power" in the House of Commons. They should make up their minds once and for all.

Mr. Speaker, if there is trouble between Canadians from various Canadian regions, it is because these regions are very much concerned and unable to make up their minds about supporting the steps the government has decided to take to prevent situations which are common in other countries from happening here. In fact, this legislation is not as complicated as all that.

Some hon. Members: Ah! ah!

Mr. Dupras: You are laughing because you do not understand it.

Mr. Speaker, the hon. Minister of Finance (Mr. Turner) tried this afternoon—and I feel he succeeded quite well—to explain to a large number of hon. members the mechanism whereby Canadians will have the necessary means to develop their own non-renewable resources, including oil and all energy resources. And this tax, which is limited to $4, could be increased, should Middle East and Venezuelian producers continue to raise their prices, in order to make sure that the necessary funds will be available for the development of new techniques, the construction of the pipeline which is essential to supply eastern Canada, and that Canadian firms prospecting for oil will operate at a profit.

Mr. Speaker, I wanted everything I said to be taken seriously. I know the situation to be fairly serious and I wonder if the Leader of the Opposition (Mr. Stanfield) considers it to be a good joke on certain areas of our country.

[*English*]

Mr. Baker: We think you are funny.

Mr. Dupras: I have not heard your comments on the subject. I am anxious to know what you think about it. Perhaps you do not have the same opinion as have the westerners in your party.

Some hon. Members: Oh, oh!

● (2130)

[*Translation*]

The Acting Speaker (Mr. Laniel): Order. I would ask the hon. member to address himself to the Chair. In that way, the debate will be—

[*English*]

Mr. Dupras: I am sorry, Mr. Speaker. Through you I would like to remind the hon. member for Grenville-Carleton (Mr. Baker) that if the western members of that party can agree with him, perhaps if they had a serious caucus meeting on the matter and got everyone to agree on the subject, he would be able to rise here—

Some hon. Members: Hear, hear!

Mr. Turner (Ottawa-Carleton): Let us see what policy you have, Wally.

Mr. Dupras: —and we would learn what policy his party has.

An hon. Member: They do not have a policy.

[*Translation*]

Mr. Dupras: Mr. Speaker, each time such a crisis arises, some politicians take the opportunity to divide the country or say that someone wants to divide it. It is quite the contrary. In 1961, the country was divided when the Ottawa Valley line was established. We have abolished it. And if in 1961 we had not taken such a decision, we would probably not be faced with the difficulties we now have.

Oil Export Tax

Mr. Speaker, I find it quite odd that we are being accused of dividing the country when we are doing just the opposite. We are putting all Canadians on an equal footing, that is, we are going to help them all to get a sufficient supply of oil so that houses may be heated at a reasonable price.

Mr. Gauthier: On a point of order, Mr. Speaker.

The Acting Speaker (Mr. Laniel): The hon. member for Ottawa-Vanier on a point of order.

Mr. Gauthier (Ottawa-Vanier): Mr. Speaker, I am sure that the hon. member for Labelle meant the hon. member for Grenville-Carleton (Mr. Baker) and not the hon. member for Ottawa East because that riding is not known as Ottawa East any more.

[*English*]

Mr. Baker: On the same point of order, Mr. Speaker, I am very happy to join with my hon. friend from Ottawa-Vanier in those remarks.

The Acting Speaker (Mr. Laniel): Order, please. This is hardly a point of order but a correction.

Mr. Fred McCain (Carleton-Charlotte): Mr. Speaker, the proportion of difficulty which the Atlantic area will suffer through the differential in price for petroleum products has certainly escaped the powers of influence exercised on the government of Canada today. In spite of all the presentations which have been made by the premiers of the Atlantic area, and in spite of all the presentations that have been made by members to your left in this House, Mr. Speaker, presentations on behalf of the Atlantic area, there is still nothing of any concrete nature which would suggest that there is relief in the offing for a new form of disparity which will exist in that area.

Actually, in contrast, we have had statements from the Prime Minister (Mr. Trudeau) which would indicate it is his feeling that the provinces themselves should pick up the tab for the difference in price, and relieve the industries, the homeowners, the individual truck owners, etc., of the extra burden which they must now expect. He indicates that the provinces themselves should do this. On one occasion he mentioned that the grants to the provinces had been increased and, therefore, they were quite capable of looking after any disparity which may exist.

This is totally unacceptable to the Atlantic area, and regardless of what those members from the Atlantic area who sit on your right, Mr. Speaker, have said to their caucus, it is still not acceptable. Regardless of what the hon. member for Labelle (Mr. Dupras) may have suggested, it is very obvious that there is very little significant influence or input, very little change in policy to be arranged by the presentation of the eastern Canadian problem as it presently exists in connection with the petroleum situation in which we find ourselves.

The unfortunate part of it is that all of the grants which have been made to the provincial governments have been made for equalization and other purposes. They may have been increased for the purposes of education, for the purposes of welfare, for the purposes of DREE, or for any

other purpose you may wish to mention. But as the grants were increased for one purpose or another this was only done in recognition of a problem which then existed.

I think the Prime Minister showed his total misunderstanding of the concept of grants from the federal treasury to the provinces when he suggested that the provinces should pick up the tab themselves, and that it was not the responsibility of the federal government. I say to hon. members opposite that they had better go back and review the synoptic report, or *Hansard* of this House, because the Prime Minister did say that the provinces should pick this up, and they were quite capable of doing so. Read his reply in response to the question posed by the hon. member for St. John's. Read it before some of the members of the Quebec government caucus allow the government to ride roughshod over eastern Canada, including Quebec. I say read it before you make your partisan, divisive speeches, like that of the last speaker, who accused everybody of division except himself, but who in his remarks showed he is sort of fuzzy in his comprehension of the whole problem, and used this occasion to attack others in a personal way. He did not show any real knowledge of the problem that his province faces.

Some hon. Members: Hear, hear!

Mr. McCain: We are not just making idle, idiotic remarks like some hon. members. We are not resorting purely to charge and countercharge across the House. Instead, we are pleading that the government change its course, and recognize the needs as they presently exist. The provinces of eastern Canada, including the province of Quebec, do not have the economic capacity to take up the difference in the cost of the operation of industry, of families, of automobiles, indeed of any facet of our lives.

How serious could this be, Mr. Speaker? It could be so serious that it would negate the effect of all the good intentions of the policies of governments, present and past, which recognized that Atlantic Canada, including part of Quebec, had to have certain special conditions if it were to share in the standard of life which was the objective of the government of the day. Now this is a new burden, a new inequity, which is hurting the economy of eastern Canada, including Quebec. We are being asked at this moment in time to say that this bill will cure the problem. The government has been saying, "Give us all the legislation we want with respect to energy, and we will cure the problem."

I would like the government to answer some questions. I would like it to tell us what the effect would be on the economy of the Atlantic area, what would be the effect on the pulp and paper industry, what would be the effect on the food industry, what would be the effect on all the industries of the Atlantic area which, for various reasons, may have been directed to the use of oil during the past 25 years because it was the cheapest possible source of energy and heating? Now, the increase in the price has reached such a degree that some companies, which have high energy requirements for the production of their goods and services, will find that the cost of fuel in certain instances exceeds the margin of profit which they enjoyed during the last five years.

As of December 15, the cost of home heating oil in the Atlantic area had already risen 60 per cent over a year ago. The cost of gasoline from the refinery, has virtually doubled and, depending on the tax structure, the motorist and the trucker in the Atlantic area have experienced a 30 per cent to 40 per cent increase in its cost. There is no longer any guaranteed source of supply in the Atlantic area. Consumers are discovering that their suppliers are saying they can supply them for the month of January, but then there is uncertainty, even though the National Energy Board has indicated that it can supply Maine with a little oil for its pulp and paper mills. But suppliers cannot see beyond January. As I say, supply in the Atlantic area is uncertain. The only thing certain is that the cost will keep going up.

The increases in costs which I have mentioned came into force before the last change in price. What a pleasant New Year's message it was to learn that Venezuela is going to increase the price of its oil by $4.80, or 80 per cent a barrel. The full impact of this increase is yet to come. What a nightmare for the Atlantic area to learn that the Middle East countries may raise their price as high as $17 per barrel. This means, of course, that Venezuela will follow. What does this do to the price of oil for the farmers, to diesel oil or gasoline? I do not think that we have to tell you that since fuel oil has already gone up by 30 per cent to 40 per cent or, rather, 60 per cent, the rise has just begun. There is no indication in anything said in this House today that any legislation, or regulations which may emanate from legislation will do anything whatsoever to relieve that price rise in Atlantic Canada when the full impact of the increases in the price of crude oil are felt.

● (2140)

The government shows a serious lack of understanding of the principles of confederation. Perhaps because I spent a number of years in a provincial legislature, I am aware of the diminishing responsibility of provincial governments as intrusions by the federal government follow one upon the other. If one has learned anything by observing this government in action for one year as of tomorrow, and perhaps by the day, one year today, it would be that its philosophy is that it cannot put up with the negotiation that is required in a democratic system; that it must establish for itself an autocracy and dictatorial authority; that it must put its power in the hands of boards which are not responsible to anybody. This is what it has done in this energy situation and is what it did in the foreign investment control structure. These things, sir, are not in tune with the creation of a united and harmonious Canada.

I am particularly concerned that this House has been asked to pass either of these bills relating to energy prior to the time that the provincial premiers meet with the government of Canada. This is a philosophical blunder; a complete lack of recognition of the authority, the pride and the responsibility that provincial governments should have, do have and would have if any other party in this House were the government. No other party in Canada has anything like the authoritarian complex and the dictatorial desires which are illustrated by the legislation we are being asked to pass today. This is a tragic situation, Mr.

Speaker. It is this kind of system which brings disharmony. No matter what the hon. member for Labelle (Mr. Dupras) might say, this is the kind of thing that irritates Canadians from coast to coast, to say nothing of the divisive statement, the personal attack ar d the regional attack which that hon. member so unjustly and improperly mentioned in this House.

The hon. member for Calgary North (Mr. Woolliams) said that this government was going to administer a dose of castor oil to the provinces, whether they liked it or not, by the virtue of the authority which would be vested in them by this legislation. I might say that the castor oil they are going to give would not taste much worse or be more offensive than the lack of recognition which has been given to the Atlantic area up to this time.

The Atlantic area wants to know what this government is going to do to alleviate that cost increase. We want an answer to that question and we are entitled to an answer. What is the government going to do to assure the Atlantic area in particular of a supply of fuel oil? It has already stated that there is no visible physical capacity in Canada to transport oil from our present national supply to the Atlantic area or to the province of Quebec. What then are we going to do about price?

I am concerned about the remarks made by the minister today. But first, I wish to associate myself with my leader. I agree totally with what he said; I agree on the lack of clarity of policy and I agree on the lack of understanding of the Canadian problems. I feel very sorry for the people in the Atlantic area who get no understanding from this government, who get no sympathy from it; I feel very sorry for that part of Atlantic Canada which is represented by members on the government side of the House who have not had the courage to speak in defense of their own constituencies and their own communities.

I wonder what is going to happen, for instance, to the pulp and paper industry? Looking at the economic structure of that industry in the Atlantic area, it will be seen that the province of Newfoundland has found it necessary to take over a pulp mill. In many instances, in order to get further development, the provinces have had to find ways and means to support, subsidize or guarantee capital for the construction of new buildings and new production capacity. In these structures and in this production there is a massive consumption of petroleum products. If there is inflicted upon us a doubling, trebling or quadrupling of fuel costs, that industry which has been seriously hurt economically for the past ten years and is just getting on its feet, will receive a further serious setback. What does the Minister of Industry, Trade and Commerce (Mr. Gillespie) or the Minister of Finance (Mr. Turner) have in mind for this area? What does the Minister of Agriculture (Mr. Whelan) have in mind for the farming industry?

In the last ten years, during the administration of this government, the farming industry has faced a trebling of labour costs and a doubling of mechanical costs. Apparently between now and the spring it will face roughly a threefold increase in fuel costs. What solution is the Minister of Agriculture going to offer to eastern agriculture to this problem? The industry is already hard pressed by viture of the massive increases in every other field concerned in the cost of production. What is going to be the continued effect of the various cost increases in fuel on food costs as eastern agriculture undertakes production for a price conscious consumer population?

I noticed with interest the other day that the cost of an acre of potatoes has increased almost threefold in the last ten years. This quadrupling of the price of fuel which we can apparently look forward to will be passed on to the farming community. The Atlantic area to a large degree has become dependent upon highway transport. Are the difficulties of this industry to be recognized? Will additional assistance in the transportation field be offered so that the trucking industry can carry on? This is a very serious situation and trucking firms are looking at their profit and loss sheets. They are looking at the rate structures and are finding that, with existing increases, they are in serious trouble. I suppose it is proper to say that firms in New Brunswick are not going to be in competition with firms in Alberta; therefore, the trucking industry is isolated in New Brunswick and you do not need to give it any special consideration. But we must remember, Mr. Speaker, that the cost of transportation always has been and always will be an integral part of the prosperity or lack of prosperity of the Atlantic region, and this is going to be a major cause of increases in transportation costs, as a large percentage of our goods are moved by truck. Even though presidents of trucking companies have been in contact with the government, and even though stock holders of trucking companies have been in contact with the government, they cannot get answers.

● (2150)

There is one question to which some truck owners would like an answer. I direct this question to the Minister of Finance, or to the Minister of Industry, Trade and Commerce or to the Minister of Energy, Mines and Resources (Mr. Macdonald). Are suppliers to be compelled to continue to supply the trucking industry, as they have been supplying them in the past year? Is the trucking industry to get any assurance that its fuel will be guaranteed and available, and is the government pressing suppliers to this end? I happen to know that one particular firm has received a virtual ultimatum from its supplier of quite some time. That ultimatum has been, "We don't know how long we can supply you, or if we will supply you at all". We have found that the price increases, as applying to some fuels, have been almost exorbitantly passed on to the trucking industry. This is particularly true in a case in which the trucking company may have sought a new supplier for reasons of price some time within the last 12 or 15 months. May we have assurances that this government will say today that as the trucking industry must be supplied with the necessary fuel, it will have priority. This assurance is particularly pertinent to the potato industry, which depends upon trucking for a large percentage of its deliveries to the Canadian market. If, perchance, we do not get that assurance, the lack of it may well impede the whole economy of the Saint John River Valley, which will suffer.

I heard a member from the other side of the House suggest that we, on this side, have no policy. If that were the case, I would have to say, after listening to the Minister of Finance introduce this bill today, that we are certainly in company with others who are no better off than

we are. Let me say that the only policy introduced in this House is one giving the government the right to control and to tax, without first explaining to the people of Canada exactly what will be the consequences and the effects of those actions. We do not know what is the grass root attitude towards the policy. What will be the effect upon Canada if the policy is implemented? What will be the benefit to Canada of the law, as enacted? What will be the opportunity for the provinces to state their case and obtain their just rights? There is no way to tell what the effects of the policy will be. As I said before, I am deeply disappointed that virtually all we have received has been the philosophical point of view regarding what might be done, what should be done and what can be done, but we have not been told emphatically or concretely what will be done.

We have been told that tens of millions of dollars will be collected weekly. We have not been told of what benefit this will be to Canada. The only benefit that would seem to accrue to Canada is this: more money will be brought into Canada, which in itself is a benefit as I acknowledge. But what is the rest of the benefit? There has not been associated with this tax and with this legislation any suggestion that we are going to seek oil, that we are going to facilitate the distribution of oil, that we are to facilitate the exploration for oil or that we are to harness the resources of Canada and try to relieve the situation in one year, two years or even six years. Nothing concrete has been put before us. There has been no suggestion of substituting one form of energy for another, or of developing new opportunities for energy. There has merely been a concentration of power in the hands of government, under a dark cloak, purely for the edification of the government. The government wants to say, "Look at how we are trying?" It does this so that its public relations people can tell all in this land of the importance of the legislation which it has brought forth. But, when members of the government are asked to expound the benefits of this legislation directly, area by area in Canada, they become as confused as the hon. member for Labelle (Mr. Dupras). That hon. member showed that he has no concept of the general policy of his party, and he cannot put forward a policy for himself.

I was interested in listening to the hon. member for Joliette (Mr. LaSalle), who suggested that Quebec was being ill served by this legislation. He was another member from Quebec who said that the province is being ill served by the present policies of this government. His was a much more logical, proper and obvious approach for a Quebec member to take. I say to other members from Quebec that unless the government will implement some unknown factor which may be behind this legislation, Quebec will suffer with the Atlantic area. It will pay prices it cannot afford. Further, we are being led by a Prime Minister who comes from that province. He is selling the province down the river without considering the realities for eastern Canada. May I call it ten o'clock, Mr. Speaker.

[Mr. McCain.]

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

MANPOWER—LOCAL INITIATIVES PROGRAM—ALLOCATION OF FUNDS,—GRANT CRITERIA—REQUEST FOR REFERENCE TO COMMITTEE

Mr. Doug Rowland (Selkirk): Mr.Speaker, on November 9, as recorded at page 7697 of *Hansard*, I asked the following question of the Minister of Manpower and Immigration (Mr. Andras):

> Mr. Speaker, my question is for the Minister of Manpower and Immigration. In light of apparent inequities in the allocation of LIP funds to constituencies, would he be prepared to ask the House for a reference to the Standing Committee on Labour, Manpower and Immigration of the matter of the allocation by constituency of funds for LIP projects and the criteria which have been employed in making those allocations, and would he agree to appear before the committee and provide that committee with a list of the allocations made?

The minister replied to the effect that he would be appearing before the Standing Committee on Miscellaneous Estimates and would make that information known there. I then asked the minister the following question:

> Can the minister assure us if he makes an appearance before the Miscellaneous Estimates Committee during consideration of the supplementary estimates of his department, that the figures, constituency by constituency, of the amounts of money and the criteria will be made available to the members of the committee and that his officials will be there to defend their position?

The minister replied:

> Mr. Speaker, that would be my intention. I point out that the expenditures under last year's Local Initiatives Program were made available in response to a question on the order paper, and that is what I would intend.

Since that time I have been looking for last year's expenditures, which the minister indicated would be made available. They were not made available at that time, nor were they made available later. Further, having looked at this year's allocations, I have done my very best to make heads or tails of the rationale behind them. I find it very strange that the bulk of the large grants to constituencies were made to those of Liberal cabinet ministers. I cannot claim that the allocations were made solely on political grounds because the smallest per capita grant in Manitoba was made to the constituency of the hon. member for St. Boniface (Mr. Guay), a Liberal member. However, when you look at Winnipeg, Vancouver, northern Ontario or Toronto, you see that the second largest grants are almost invariably allocated to constituencies of Liberal cabinet ministers.

● (2200)

According to Manpower officials, funds were initially allocated to a province as a whole. That allocation was made in relation to the over-all unemployment figures of the provinces. They were made, roughly speaking, to the province as a whole, in the same proportions as in 1972-73. Within the province, statistics on unemployment and population were used to calculate allocations on the basis

of Canada Manpower areas. These allocation figures were in turn converted to a constituency base. They were then further modified to take in potential man hours of unemployment as proposed in the project submissions themselves. That is the official explanation of the officials of the Local Initiatives Program.

If the above explanation did indeed fully account for the methodology employed, then it is hardly likely that the constituency of Winnipeg South, that of the Minister of National Defence (Mr. Richardson), would reasonably qualify for its accorded allocation either in terms of local employment rate or size of population as a percentage of provincial population or both. It is the second largest allocation in the province of Manitoba. The largest allocation of local initiative grants was made to the hon. member for Winnipeg North Centre (Mr. Knowles). He represents the core area of Winnipeg where the largest population of the poor and under-privileged is located. That is just. However, the Minister of National Defence represents what is probably the richest constituency in the province.

I have attempted to convert the Canada Manpower Centre figures to the constituencies and that is impossible. I have attempted to convert the Department of Regional Economic Expansion designated and specified areas to constituencies and that is virtually impossible. As a matter of fact, I placed a question on the order paper and the Department of Regional Economic Expansion cannot supply the answer with respect to how many constituencies fall within designated or special areas. I attempted to relate the amounts allocated to the native population within a constituency and that proved to be impossible. I am not going to allege that patronage was involved in the allocation of the local initiative project funds. I really cannot do that when I consider that Winnipeg South, which is the richest constituency in the province, has received the second largest allocation of grants, second to Winnipeg North Centre, a constituency represented by one of my colleagues. The lowest per capita grant in the province went to St. Boniface—

Mr. Deputy Speaker: Order. I regret to interrupt the hon. member but the time allotted to him has expired.

Hon. Warren Allmand (Solicitor General): Mr. Speaker, according to the Minister of Manpower and Immigration (Mr. Andras), as stated by him in the House and before the miscellaneous estimates committee, the first stage in the implementation of the objectives of the local initiatives program was to allocate funds to the provinces and territories in the same proportion as in 1972-73. The 1972-73 allocation was based on historical seasonal unemployment patterns. Especially in urban constituencies, statistics on unemployment by constituency are not maintained.

However, there are operational records measuring the number of persons without employment who are registered at Canada Manpower Centres. As an intermediate step, therefore, an allocation was made to CMC areas, based on the total number of people unemployed in each CMC area during the first quarter of 1973.

Adjournment Debate

ROYAL CANADIAN MOUNTED POLICE—CHARGES AGAINST MEMBERS WORKING AT MALTON AIRPORT—REQUEST FOR INVESTIGATION

Mr. Don Blenkarn (Mississauga): Mr. Speaker, on November 6 last I asked certain questions of the Solicitor General (Mr. Allmand) and the Minister of Transport (Mr. Marchand) in relation to problems that the Royal Canadian Mounted Police seemed to be having in connection with the taxi business at Toronto international airport. I have been in touch with the Minister of Transport about the matter on many occasions, but the matter has now become serious for the Royal Canadian Mounted Police. This is the police force that represents some of the highest ideals of Canadians and which is becoming involved in disciplining taxi drivers at the airport, creating an impossible situation for a police department to handle.

The problem results from a judgment of His Honour Judge Shapiro of the county court of the county of Peel given last year, as a result of which the authority of the town of Mississauga to licence taxis doing business at Toronto international airport was removed. As a result of this, if you, Mr. Speaker, were to decide tonight to drive to Toronto international airport, you, too, could become a taxi driver without being asked to take out a licence and would be able to pick up a fare. All you would need to do to operate legally is to put 25 cents into what is called the "spitter"; this would satisfy the Minister of Transport and you could pick up passengers. In addition, you could surcharge any fare as you felt was desirable, and it would not be necessary for you to have a meter. Nor would it be necessary for you to carry insurance on your vehicle. Indeed, it would not even be necessary for you to demonstrate that your vehicle was roadworthy. As I say, all you would need to do is to pay 25 cents to the "spitter"; you would then get in the lineup like anybody else. Of course, when you have people who are legitimate taxi drivers and have spent a great deal of money buying a licence and a proper vehicle, and anybody and his brother is allowed to get into the lineup, then you have a problem. The problem has arisen because of no licensing, no regulation and no control. People are cruising and picking up passengers.

The RCMP, who are trying to police the airport, have had an impossible situation to deal with. They have had to arrest and charge people who are trying to earn a living. The whole situation has become so serious that one member of parliament I can mention, the hon. member for York-Simcoe (Mr. Stevens), has spoken to me about the problem he had in getting a cab at the airport. He told me he wanted to get over to the Cara Inn but could not get a cab because the fare was only a dollar or so; therefore he had to walk and carry his bag to the Cara Inn.

The Minister of Transport has refused to attempt realistically to regulate the taxi industry at Toronto international airport. In spite of pressure from the industry and repeated complaints not only by myself but by other members of this House, the minister has in effect abandoned his responsibility to police and to organize public transportation at the largest airport in this country. I suggest there is a hands-off policy or an "I don't care" policy. The result is that Charterway Service, which runs the limousine service at the airport, will probably very

soon, if it has not already, discontinue its entire limousine service at that airport.

● (2210)

The charges against the members of the RCMP to which I referred, and certainly there are not 90 as suggested by me in my question, have been laid by persons prosecuted. This has led to a situation in which the police are not even trying to enforce the inept regulations that do exist. It is high time the Minister of Transport took his responsibilities seriously and organized a system of licensing those persons allowed to use commercial vehicles to pick up passengers from this airport.

It is a disgrace that people who come to the city of Toronto to do business, or come as visitors, get taken to the cleaners by some hotshot people who pretend to be cab drivers operating rotten automobiles, without being licensed and without having reasonable metered fares. Surely, they should not have to accept this kind of service at an institution under the jurisdiction of the Minister of Transport. The minister has a responsibility to regulate the taxi service at this airport. He has no right to sit back and suggest that Toronto or the province should get organized. This airport belongs to the people of Canada and is under the control of the Minister of Transport, so this service should be regulated by him. It is not an excuse to put the RCMP in an impossible position, as has been done. There is a requirement on the minister to do something, and that is the reason I raised these questions on November 6 last.

Hon. Warren Allmand (Solicitor General): Mr. Speaker, when the hon. member put this question to me in the House on November 6, I told him I would investigate the situation and report to him. I did so by reporting to him in a detailed letter on November 16. Much of what I said to him then I will have to repeat tonight as not much has changed.

In his question on November 6, the hon. member said some 90 charges of assault and similar offences had been made by private individuals against members of the RCMP in connection with their work at Malton airport. When I investigated and reported on the matter on November 16, I indicated that during the last three years only four charges of any kind were preferred against members of the RCMP at Malton airport; one in 1972, which was dismissed, and three in 1973, one of which was dismissed and the two others were withdrawn. Since November 16, five additional charges of common assault were preferred against members of the force. Two of those charges were withdrawn, and three remain to be heard by the courts. One will be heard in January and two will be heard in March.

I must say that there is a difficulty existing between taxi cab drivers and members of the RCMP resulting from the enforcement of airport vehicle control regulations under the Government Property Traffic Act, and the government airport concession operations regulations under the Department of Transport Act. Enforcement activities in the main involve illegal solicitation of fares and illegal parking by taxi drivers at the Toronto International Airport.

[Mr. Blenkarn.]

In addition there is a conflict between the taxi cab owners and drivers and Airline Terminal Transport, which operates the limousine service, as to prime pickup designations at arrival and departure gates 1 and 2.

REGIONAL ECONOMIC EXPANSION—NORTHERN ONTARIO—DATE OF ANNOUNCEMENT OF AGREEMENT FOR DEVELOPMENT—DEGREE OF CO-OPERATION BETWEEN GOVERNMENTS

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, the Minister of Regional Economic Expansion (Mr. Jamieson) announced last May that officials of his department were meeting with officials of the provincial government to work out a general development agreement for northern Ontario. That meeting began on June 10, 1973. The minister expected to announce the specific program of industrial development for northern Ontario. In September 1973, I asked the minister in the House whether he was prepared to announce a strategy of industrial development for northern Ontario. The minister replied that in a few weeks he would make such an announcement. On October 29, 1973 I asked the minister once again the following question:

> In view of the answer given by the minister in the House in September 1973, that an announcement would be made within a few weeks or a month with regard to development in northern Ontario, and since it is now, over a month, can the minister inform the House when he now intends to announce such a strategy?

This time the minister avoided answering the question by saying:

> It is the working out of a general development agreement that is taking considerable time.

We are well aware of how long it takes for the government not to plan anything. In the meantime, the minister gratuitously announced that the current designations of regions and areas for purposes of the regional development incentives program had been extended to June 3, 1974. In the meantime, the minister continues to dole out, in a most haphazard fashion, a grant here, a grant there, so-called 'incentive' grants, which, for the most part, do nothing at all to alter the existing inequities borne by the workers and the small business people of the underdeveloped regions in this country. There is no apparent urgency felt by the DREE minister, or indeed by the government. There is no apparent pressing commitment to a fundamental restructuring of DREE. At best, its incentive program is as helpful as a straw to a drowning person and, at worst a travesty on the public purse.

Every announcement of change made by the minister is followed by another announcement postponing the previously announced change, which is then followed by another postponement, much in the manner of the one-step forward, two-steps backward routine that has characterized the Liberal Party, and the Conservative Party—

An hon. Member: Oh, no! Why us? Leave us out.

Mr. Rodriguez: —throughout the history of this country. DREE follows the pattern of every other situation in Canada. Under the regional development program, the overdeveloped regions get the one-step forward, and the underdeveloped regions get stuck with the two-steps back-

ward. When the Prime Minister (Mr. Trudeau) was first seeking election in 1968 as Prime Minister, he declared publicly that there were two specific goals for Canada he was dedicated to accomplishing. One was national unity and the other was elimination of regional disparity.

Regional disparities were created and have been guaranteed by the lack of serious long-term planning and attention to the problems of remote or disadvantaged areas. There has been a dearth of ideas and well thought out possible solutions, and consequently a complete lack of productive adjustment to the DREE program. The Liberal and Conservative Parties have always found it easier to let things go until a crisis presents itself. That approach, that philosophy, reigns still, as DREE staff produce working papers that suggest, for instance, tourism as a solution to the problems of northern Ontario, when northern Ontario sits on, and mines, some of the richest ore bodies in the world. While the jobs produced by the minings of those ores go south and to countries all over the world, DREE suggests tourism for northern Ontario and slips in small incentive grants creating three jobs or four jobs or five jobs, and no fundamental change occurs.

If this government's success is to be gauged by the reduction of regional disparity between northern Ontario and southern Ontario, then it has failed miserably. Those of us who live in northern Ontario firmly believe that there is no excuse whatsoever for nickel plating plants, steel mills, wire factories and so on to be built in southern Ontario while our municipalities lack basic amenities or enjoy the highest taxes to provide such facilities. It boils down to simply a lack of sincerity on the part of those who govern to eliminate regional disparity in our neck of the woods. We are no closer to equality of industrial opportunity within our province than we were prior to the Trudeau years. Yes, time is running out on the Liberal Party in northern Ontario, and the sooner the better.

● (2220)

Hon. Warren Allmand (Solicitor General): Mr. Speaker, I think that the Minister of Regional Economic Expansion (Mr. Jamieson) made it clear to the hon. member in his reply on October 29 that there had been excellent co-operation between officials of the province of Ontario and those of DREE throughout the detailed consultations carried out to develop the contents of a general development agreement with Ontario. The fact is that the process of consulting with the provincial government, and of discussing the policy thrusts that will govern the new regional development policy in Ontario, is a lengthy one. The hon. member will agree, I am sure, that full account must be taken of local opportunities and circumstances in this process to ensure that the developmental activities are tailored to the needs of the province and to the requirements of its slow growth regions.

I am pleased to assure the hon. member that the preparatory work on the general development agreement covering the development of Ontario and on subsidiary agreements to provide for the identification and pursuit of specific development opportunities is now in its final stages. I know that my colleague, the minister of DREE, will be pleased to inform the concerned members of this House as soon as the contents of the agreements are finalized.

Mr. Deputy Speaker: The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 11 a.m.

Motion agreed to and the House adjourned at 10.24 p.m.

HOUSE OF COMMONS

Friday, January 4, 1974

The House met at 11 a.m.

ROUTINE PROCEEDINGS

[*English*]

INDUSTRY

TABLING OF TEXTILE AND CLOTHING BOARD'S REPORTS ON COTTON YARNS AND MEN'S AND BOYS' SHIRTS

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, pursuant to Standing Order 41(2) I wish to table in both official languages copies of two reports, the Textile and Clothing Board report respecting cotton yarns and the Textile and Clothing Board report respecting men's and boys' shirts.

Mr. Howard: Mr. Speaker, I rise on a point of order relating to the procedure under motions and the responses or lack of them of the Minister of Transport yesterday in the House about the movement of crude oil from the port of Vancouver to the east coast. In response to one question yesterday the minister said that perhaps we could find another opportunity to discuss this, and so on. It would seem to me, because of the confusion that exists respecting government policy and who is right—

Mr. Speaker: Order, please. Is the hon. member rising on a point of order or is he rising to propose a motion? I think he should indicate to the Chair under what Standing Order he is now seeking the floor.

Mr. Howard: I am sorry, Mr. Speaker. At the outset I did say I was rising on a point of order with regard to the procedure under motions. I do not want to move a motion. My point of order is the obvious disdain of the Minister of Transport (Mr. Marchand) for the House in refusing to state clearly here and to the people of Canada, particularly in Vancouver, what is happening with regard to the authority of his department over ships moving crude oil out of Vancouver and the potential danger that arises therefrom. That is the point of order.

Mr. Speaker: That is hardly a point of order. It may be a point of disorder. I am not sure how to qualify it, but I would doubt that we should have a debate at this time on the point raised by the hon. member.

UNEMPLOYMENT INSURANCE

ALLEGED LACK OF INDUCEMENT TO RECIPIENTS TO SEEK WORK—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Ken Hurlburt (Lethbridge): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity, namely, the widespread resentment of the majority of Canadians about the unemployment insurance rip-off whereby unemployment insurance benefits induce people not to search for work opportunities. I move, seconded by the hon. member for Moose Jaw (Mr. Neil):

That this matter be referred to the Standing Committee on Manpower and Immigration in order to consider the feasibility of a work incentive, such as an increase in the personal exemptions of $100 per month for every month a person is employed in excess of six months during the year.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent.

* * *

• (1110)

[*Translation*]

TRANSPORT

REQUEST FOR ROYAL COMMISSION ON RAILWAY ADMINISTRATION—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Eudore Allard (Rimouski): Mr. Speaker, pursuant to Standing Order 43, I seek the unanimous consent of the House to move a motion concerning a matter of urgent and pressing necessity.

The number of railway accidents throughout Canada having considerably increased, I move, seconded by the hon. member for Portneuf (Mr. Godin):

That the House take this opportunity to appoint a royal commission on the administration of railways throughout Canada and suggest means to urgently remedy the consequences of this deplorable deterioration in this service of prime necessity and national interest.

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

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is no unanimous consent; therefore, the motion cannot be put.

* * *

[*English*]

CLASS ACTIONS BILL

PROVISION OF RIGHT OF ACTION TO CONSUMER GROUPS WHO SUFFER LOSS BECAUSE OF OFFENCES UNDER CERTAIN LAWS

Mr. Stuart Leggatt (New Westminster) moved for leave to introduce Bill C-247, respecting class actions.

Mr. Speaker: Is it the pleasure of the House that the hon. member shall have leave to introduce the said bill?

Some hon. Members: Explain.

Mr. Leggatt: Mr. Speaker, the purpose of this bill is to provide a right of action to any class or group of consumers who may have suffered loss as a result of offences under either federal or provincial consumer protection laws or breaches of contract and where it is impractical for an individual lawsuit to be undertaken because of the nature and size of the loss. A further purpose is to provide to groups of consumers and others the legal and financial stature to stand on an equal footing with business, government or other large institutions.

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

ORAL QUESTION PERIOD

[*English*]

THE CANADIAN ECONOMY

INFLATION—POSITION OF GOVERNMENT ON RAISING BY COMMERCIAL BANKS OF LENDING RATE TO DOMESTIC BORROWERS

Mr. James Gillies (Don Valley): Mr. Speaker, in the absence of the Minister of Finance I will direct my question to the right hon. Prime Minister. Can the Prime Minister tell us, given the fact his government believes that nothing can be done about the root causes of inflation in Canada because it all comes from abroad, whether the government supported the move by the commercial banks of Canada to raise the lending rate to domestic borrowers to one of the highest rates we have had in Canadian history?

Right Hon. P. E. Trudeau (Prime Minister): Without entirely accepting the premise of the hon. member's question, because there are certain efforts that the Minister of Finance and other ministers are making on the international level—

Mr. Baldwin: Hardly noticeable.

Mr. Trudeau: Hardly noticeable to the hon. member for Peace River who is asleep most of the time.

[Mr. Speaker.]

Some hon. Members: Oh, oh!

Mr. Hees: You can see it is Friday morning—he's edgy.

Mr. Baldwin: The Prime Minister must have been wakened for the two o'clock feeding.

Mr. Trudeau: I see the House is not in a serious mood today, Mr. Speaker.

Mr. Gillies: Mr. Speaker, I am not sure I really received an answer to my question but I will put my supplementary question. Now that the Minister of Finance is here, I can direct my question to him. Given the fact that the government has taken the position that Canada can do nothing about the root causes of inflation because apparently it all comes from abroad in their estimation, does the Minister of Finance support the policy of the Canadian commercial banks in raising the domestic lending rate to borrowers to the high level that they have in the past month or two when borrowing is done by domestic borrowers?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, the prime rate was raised by the banks in response to tremendous pressure on the short-term money market both in Canada and the United States as a result of great strength in the expansion of the economy.

Mr. Gillies: Then the question I would like to ask the minister is this: why did the Bank of Canada not raise the prime rate if this is the reason the commercial banks thought this should be done?

Mr. Turner (Ottawa-Carleton): Because, Mr. Speaker, in the judgment of the Governor of the Bank of Canada that was not the move to take.

Mr. Gillies: How is it possible for the minister to take the position that it is appropriate for the commercial banks to raise the cost of borrowing money to domestic borrowers in Canada if at the same time it is not the policy of the Bank of Canada to raise its rate to the commercial banks?

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. I might suggest to the hon. member that this is argument. I am sure he will disagree with me, but I still have to make that suggestion to him.

* * *

ENERGY

DOMESTIC CRUDE OIL—PRICE MECHANISM FOLLOWING LIFTING OF FREEZE AT END OF WINTER—SUGGESTED DEFERMENT OF EXPORT CHARGE LEGISLATION

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I direct a question to the Minister of Finance arising out of the statement by the Prime Minister last December to the effect that the freeze on the price of domestic crude would be lifted at the end of the winter season. May I ask him what price mechanism the government has in mind, on what basis the price of domestic

crude will be allowed to rise and, in particular, what is the minimum differential that will be maintained between the price of Canadian oil sold to Canadian consumers and the world price?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, in my statement yesterday I suggested to the House that the movement of the price of petroleum in the Canadian market, the revenues to be derived from any increase in price, and the burdens that might be incurred as a result of the movement of that price were issues that had to be discussed by the first ministers three weeks from now in Ottawa, and subsequently by the ministers of finance, since the international price structure as it bore upon Canada radically affected the whole fiscal relationship between the federal government and the provinces.

Mr. Douglas: If it is the minister's opinion that the whole question of the price structure is not going to be determined until after the first ministers meeting at the end of this month, would it not be advisable to leave the matter of the legislation dealing with the export charge until after that date and in the meantime deal only with the export tax on which we have some specific information?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I would offer to the hon. gentleman's perception two responses to that question. The first is that the federal government and parliament should be in a position to deal with the matter in the event that we are unable to achieve some sort of satisfactory arrangement in the short term with the provinces. The second is that parliament should put the government in a position where it can deal now with an intensely flexible international situation, which is why the export charge technique is to be used after February 1.

Mr. Speaker: I will recognize the hon. member for Nanaimo-Cowichan-The Islands in just a moment for a supplementary, but I would hope we would not anticipate too much the debate that will take place following the question period. It seems to me that we are now bringing into the question period the debate that is to take place later today. In any event, the hon. member will be recognized for a supplementary.

Mr. Douglas: While recognizing that the federal government needs certain authority to go to the conference, may I ask the minister if he in turn thinks parliament should be asked to clothe the government with certain powers without any clear understanding or undertaking from the government as to how those powers are to be used?

• (1120)

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I think the situation that parliament finds itself in is, first, that it has to be able to deal with the situation after February 1 in as flexible a manner as possible in order not to preclude whatever arrangement is made by the federal government with the provinces; second, that the government is in a position where it can set forth the general principles of the fiscal arrangements, as I tried to do yesterday, and yet leave the conference in the position three weeks from now where there is genuine consultation and genuine negotiations.

Some hon. Members: Oh, oh!

Mr. Turner (Ottawa-Carleton): In other words, if the government were to take the type of fixed position that the hon. member suggests, it would really be precluding a negotiating role for the government at that conference.

OIL—SUGGESTED CONTINUATION OF EXPORT TAX TECHNIQUE DURING FEBRUARY AND MARCH IN LIEU OF IMPOSING EXPORT CHARGE

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a supplementary question for the minister. Would the government find it satisfactory to have authority to continue the existing kind of export tax for, say, the months of February and March with a view to coming back to parliament following the first ministers' conference and then presenting to parliament its full package and in the meantime, during those two months, having the authority to impose an export tax at an appropriate level as has been done over the past four months?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, we have considered the approach that the hon. gentleman suggested yesterday. Perhaps a lot of these questions should be threshed out in the committee stage, but I think we would prefer to be in a position—

An hon. Member: Of course you would.

An hon. Member: You would like a big stick.

Mr. Turner (Ottawa-Carleton): —and I think the country should be in a position where it has an instrument flexible enough to deal with an unpredictable international situation and flexible enough also to deal in a meaningful consultative way with the provinces.

Mr. Speaker: Order, please. The Chair will recognize the hon. Leader of the Opposition for a supplementary, but again I take the liberty of reminding hon. members that we are to be considering this matter later today on second reading and in committee. I would hope that some of these questions could be asked then.

Mr. Hees: Except that you cannot get an answer then.

Mr. Stanfield: Mr. Speaker, I do not know whether this bill will reach the committee stage today, but I should like to ask the Minister of Finance whether the suggestion I made in my previous question would not in fact put the government in a position during the next month or two where it could respond adequately to any change in the international situation?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I do not think it gives the country the flexibility it needs to meet both the international and the federal-provincial situation.

Mr. Bell: We want Macdonald back! He was not that bad!

Mr. Hees: John, you make Thumper look good!

Mr. Baldwin: We would even be better with Benson!

An hon. Member: And look what happened to Benson!

[*Translation*]

INQUIRY WHETHER PROVINCES ARE SEEKING FEDERAL GRANTS IF SALES TAX ON PETROLEUM PRODUCTS ABOLISHED

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I should like to ask a question of the right hon. Prime Minister.

Could he tell the House whether in the correspondence exchanged between his department or the government and the provinces preparatory to the federal-provincial conference on energy, the provinces are saying that they are seeking federal grants to compensate for the loss of revenues if the federal government decided to abolish the sales tax on petroleum products?

Right Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker. In this correspondence, the provinces did not go into those details. Until now, the correspondence has mostly been based on the agendas in very general terms. However, I should point out to the hon. member that I and the Minister of Energy, Mines and Resources have suggested that the provinces should remember that the equalization formula gave them and will continue to give them very considerable funds. We hope that they will indeed consider the possibility of using these funds for reducing taxes on energy and gas.

* * *

[*English*]

ROYAL CANADIAN MOUNTED POLICE

POSSIBILITY OF CHANGE IN UNIFORMS AND INSIGNIA

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I preface my question to the Solicitor General by the question I asked yesterday, as found on page 9004 of *Hansard:*

> . . . my question is for the Solicitor General. I should like to ask the minister whether action is now being taken or is contemplated to change the uniforms and insignia of the Royal Canadian Mounted Police?

The answer given by the minister was:

> . . . no action has been taken to change the insignia or uniforms of the Royal Canadian Mounted Police.

Knowing the minister, I know he was completely truthful and did not have any information along those lines concerning the RCMP, of which he is the responsible political head. I therefore ask whether he will table, first, the administrative bulletin issued in the year 1973 by the commissioner of police—I will not go into detail at the moment—and, second, the latest administrative bulletin, No. 54. I do not have the number of the first one. In bulletin No. 54 members of the force are advised that the gold crown on sergeants', sergeant-majors' and staff sergeants' uniforms is no longer available, that the red serge suit—

Mr. Speaker: Order, please. I wonder if it is necessary for the right hon. gentleman to read the whole document.

[Mr. Hees.]

Perhaps he might consider that the question has been asked and allow the minister to reply.

Mr. Diefenbaker: Mr. Speaker, I apologize. I felt that full information might be helpful to the minister. I ask whether he will table these two administrative bulletins. They will be of information to himself as well as to the House and country.

Hon. Warren Allmand (Solicitor General): Mr. Speaker, I will be pleased to check into those bulletins and table them if it is appropriate to do so. I might say that I did check into this matter after the right hon. gentleman's question yesterday. I spoke with the commissioner's office. He told me that there was no plan to change the insignia or the uniform. But I will check these bulletins and report back to the House.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: Mr. Speaker, the ministerial applause indicates that the ignorance has a larger area than that of the minister. I ask him to get in touch with the commissioner. These administrative orders have been sent out. One was sent out several months ago and the other recently. Changes have been made.

Mr. Allmand: Mr. Speaker, I know that there was a change made, not with respect to the style of the uniform or the colour of the uniform but merely with respect to summer wear.

Mr. Diefenbaker: No, no. This is all year round.

Mr. Allmand: Mr. Speaker, I have already checked with the commissioner's office but I will do it again. I should like to provide the House with the fullest information.

* * *

COMBINES

INQUIRY AS TO REPORT ON ALLEGED PRICE FIXING IN OIL INDUSTRY

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, my question is for the Minister of Consumer and Corporate Affairs. Can the minister tell us whether he has yet received the report respecting the investigation into collusion by price fixing in the oil industry in Canada, for which we have been asking for several months?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, this inquiry is under way through the combines branch of the department. The result of the inquiry would be either its termination because there was no evidence on which charges could be laid under the act, or action by the Attorney General through charges being laid in the courts. I am not in a position to make an announcement at this time.

Mr. Lawrence: In view of the fact that in the United States an investigation into exactly the same matter and involving exactly the same companies started after the investigation began in Canada and the United States gov-

ernment has now started prosecution in the courts against these same companies, can the minister possibly explain to us why there has been delay in regard to this matter in reporting to him and to the government of this country?

Mr. Gray: Mr. Speaker, if I am not mistaken, the action by the United States authorities in their courts came after an investigation lasting at least two years. Our investigation began about last February. I know that the director and his staff want to complete their work as expeditiously as possible, but it involves questioning large numbers of people and examining large quantities of documents. I am sure my hon. friend would not want this work to be done in a way which would not enable it to be carried through to a favourable conclusion in the interests of the public.

* * *

• (1130)

TRANSPORT

REVIEW OF RELEVANT POLICIES AND STATUTES CONCERNING USE OF RAILWAY RIGHTS OF WAY IN LIGHT OF COMMUTER NEEDS OF URBAN POPULATIONS

Mr. John Harney (Scarborough West): Mr. Speaker, my question is for the Minister of Transport. In view of the fact that studies of the rail corridor through eastern Ontario indicate that rapid transit could be developed on the CNR right of way at a cost far below that for subway or expressway development, and given the fact that present statutes and policies give a very low order of priority to the use of rights of way for urban transportation, is the minister reviewing these policies and statutes with a view to giving due weight to the commuter needs of urban populations?

Hon. Jean Marchand (Minister of Transport): Yes, we are, Mr. Speaker, with the government of Ontario and in conjunction with the Minister of State for Urban Affairs.

Mr. Harney: In view of the fact the minister's department will soon be getting involved in establishing rail commuter service north of Toronto, will the minister indicate to the House whether his department is moving toward a national urban transport policy with all the planning and consultation that entails or intervening in urban transit problems on an ad hoc basis?

Mr. Marchand (Langelier): I think we are doing both, Mr. Speaker.

Some hon. Members: Hear, hear!

* * *

ENERGY

OIL—REVISION OF ESTIMATED SHORTFALL IN LIGHT OF PRODUCTION BY COME-BY-CHANCE REFINERY

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources. As the Come-By-Chance refinery is now producing 84,000 barrels a day and large volumes of oil are coming to eastern Canada from British Columbia, has the government revised its projected shortfall of 200,000 barrels per day this winter and, if so, can the minister give us the new figure?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, my information is that the Come-By-Chance refinery is not expected to be in a position to ship before next week. The information I have at the moment is that the basic figures have not been altered, but they obviously will be if Come-By-Chance comes into effect more quickly.

* * *

HEALTH

ALLEGED LACK OF ADEQUATE AMBULANCE SERVICES—GOVERNMENT ACTION

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, I have an urgent question for the Minister of National Health and Welfare. Is the minister in receipt of a document prepared by provincial officials in the health care delivery field which describes emergency ambulance services in Canada as being in a very bad state? This being the case, does the document recommend uniform national standards for ambulance design and equipment, emergency communications, the training of emergency personnel and that the federal government should accept a provincial ambulance service system as an insured service under the Hospital Insurance and Diagnostic Services Act? If so—

An hon. Member: Order!

Mr. Speaker: Order, please. Perhaps the hon. member might allow the minister to reply to the first part of the question and then he can ask a supplementary.

Mr. Grafftey: Mr. Speaker, I have not—

Some hon. Members: Oh, oh!

An hon. Member: Sit down.

Mr. Grafftey: Mr. Speaker, I am not blowing this up. I simply wish to say that many members in this House have constituents who wait over an hour for ambulance services. Questions like this deserve a little bit of attention and respect. This being the case, can we expect immediate action on the part of the federal authorities?

An hon. Member: Sit down.

Mr. Grafftey: What's the use, Mr. Speaker?

Mr. Speaker: Order, please. The hon. member has asked a question. Perhaps the minister might be allowed to reply. The hon. member will have the right to ask a supplementary.

Mr. Grafftey: I appeal to you, Mr. Speaker. The conventional wisdom is that people get to me when I blow my top on things like this. I think it is very poor manners when people are interrupted while asking questions such as this one. I ask Your Honour to protect our rights in this

regard. I now put the question to the minister. Can we expect reasonable action from the federal government within a very short time?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I have not received any document such as mentioned in the hon. member's question. A federal-provincial ad hoc committee of members of the professions concerned studied this situation and reported to the conference of deputy ministers of health. This report has not yet reached the ministerial level, but it will be presented for consideration at the conference of health ministers to be held in mid-February.

* * *

GRAIN

FEED GRAIN—MEASURES TO COPE WITH SHORTAGE IN QUEBEC

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, since the Minister of Agriculture is not present I direct my question to the right hon. Prime Minister.

In view of the great difficulties facing Quebec millers concerning supplies of feed grains and particularly oatmeals, a situation that may well cause a major reduction in food production and thus bring about considerable price increases, can the Prime Minister say what short term action the government intends to take to solve what seems to be a very serious problem?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the Minister of Agriculture is already dealing with the problem. Even now, he is visiting one of the provinces concerned to discuss government matters. I shall be pleased to convey the question of the hon. member to the minister to find out whether or not he can make a statement on the matter.

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I should like to put a supplementary to the Minister of Transport.

As it is now very difficult if not impossible for farmers to buy a carload of western grain because of the lack of railroad transportation, does the minister or the department intend to take steps to improve the situation?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, in the last month or so the shortage of cars has been brought up repeatedly in the House. The railway companies and the Department of Transport are jointly making efforts to remedy the situation.

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

Mr. Speaker: I shall allow the hon. member to put his supplementary but I remind hon. members that there are only a few minutes left in the question period. I hope there will be as few supplementaries as possible so that a greater number of hon. members can put questions. The hon. member for Richmond.

Mr. Beaudoin: Mr. Speaker, according to the minister's answer, there is obviously a shortage of cars at this time. Could he tell us whether the Department of Finance or his own department will suggest to the government to give assistance to the trucking industry in order that these producers may secure grain?

Mr. Marchand (Langelier): Mr. Speaker, this is an entirely new matter. It involves the whole issue of grants and I cannot merely answer yes or no. As for the cars themselves, new ones are being manufactured and we expect to meet our responsibilities in the moving of grain.

* * *

[*English*]

MANPOWER

LOCAL INITIATIVES PROGRAM—REQUEST THAT FUNDS FOR NATIVE OFF-RESERVE HOUSING PROJECT BE ADMINISTERED BY UNION OF NOVA SCOTIA INDIANS

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, my question is for the Minister of Manpower and Immigration. In light of the fact that LIP project 3B-1314 dealing with native off-reserve housing has been granted on a constituency basis in Nova Scotia when according to all the band chiefs in the province it seems unworkable and impractical on this basis, will the minister have another look at this project to ascertain if the funds can be directed to the Union of Nova Scotia Indians for administration, as requested by the band chiefs?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I will look into this and advise the hon. member what might or might not be done.

* * *

GRAIN

POSSIBILITY OF ADJUSTING WHEAT PRICES TO ARAB STATES OR CURBING ALLOCATIONS IN LIGHT OF THEIR OIL POLICY

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, my question is directed to the Prime Minister. In view of the recent $90 million wheat sale to Algeria, which is in addition to an earlier sale of $75 million, will the Prime Minister advise the House if the government is contemplating adjusting wheat prices or curbing wheat allocations or, indeed, attempting to negotiate with the Arab states in light of the Arab states oil policy toward Canada and the free world?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I will be pleased to take note of the question on behalf of the minister responsible for the Canadian Wheat Board.

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COMMUNICATIONS

POLICY RESPECTING APPLICATIONS BY TORONTO CABLEVISION COMPANIES FOR AUGMENTED CHANNEL CAPACITY

Mr. Chas. L. Caccia (Davenport): Mr. Speaker, this question is addressed to the Minister of Communications.

In view of the impending removal of WNED-TV, a commercial free Buffalo public station broadcasted in Toronto on channel 17, what is the policy of the government with regard to cable companies in Toronto that have applied for augmented channel capacity?

[*Translation*]

Hon. Gérard Pelletier (Minister of Communications): Mr. Speaker, I am afraid the question has been prompted by, I must say, totally incorrect press releases from a certain Toronto daily.

So far most households, that is 280,000 households out of 336,000, have had access to channel 17 and they will retain access to it. The problem lies with a very large cable company that has not yet submitted the technical briefs without which it cannot obtain the necessary licences. But all cable companies have known for three years about the coming change and therefore had ample time to make representations to the department and the CRTC.

* * *

• (1140)

[*English*]

AIRPORTS

CHARLOTTETOWN—REQUEST FOR ACTION TO KEEP MAIN RUNWAY SERVICEABLE AND PREVENT CESSATION OF OPERATIONS

Hon. J. A. MacLean (Malpeque): Mr. Speaker, I should like to address a brief question to the Minister of Transport. Will he personally look into the situation at the Charlottetown Airport which has been closed for the last two days, preventing hundreds of people from leaving Prince Edward Island by air, with a view to ensuring that either the efficiency of the maintenance operations is increased or that the facilities required to keep the main runway serviceable are provided?

Hon. Jean Marchand (Minister of Transport): This is a very important question. There is no doubt we are doing all we can to restore the service while at the same time maintaining the necessary security.

* * *

AIR TRANSPORT

PROPOSED PASSENGER HEAD TAX—ESTIMATED COST OF COLLECTION—SUGGESTED INCREASE IN USER CHARGES PAID BY CARRIERS AS ALTERNATIVE

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, may I direct a question to the Minister of Transport. In view of the statement made yesterday by the President of the Canadian Air Transport Association that it would cost 50 cents per passenger to cover the expense of collecting the proposed airport head tax, may I ask the minister what estimate he and his department have made as to the cost of collecting this head tax?

Hon. Jean Marchand (Minister of Transport): The tax amounts to $2.80 a head. I think you would have to multiply that figure by the number of passengers carried.

Some hon. Members: Oh, oh!

Mr. Benjamin: Perhaps I ought to put my question again. I think the minister did not understand what I asked him. If the President of the Air Transport Association is correct, or nearly correct, when he says it would cost 50 cents per person to collect $2.80 in tax, this would represent about 20 per cent of the tax itself. In these circumstances, would the government consider withdrawing this inefficient manner of raising desired revenues and use some other method, specifically that of raising the user charges imposed on airlines?

Mr. Marchand (Langelier): The hon. member will excuse me; I did not understand the first question very well. We do know the cost of collection. I can check the figures and make them known to the hon. member, but I do not have them in my head right now. It is not our intention to suppress this tax. We hope we shall find ways and means to apply it very soon. We believe this tax should be paid by users of airports.

Mr. Hellyer: Raise the taxes and suppress the people.

[*Translation*]

PROPOSED PASSENGER HEAD TAX—SUGGESTED PERCENTAGE CHARGE ON SHORT FLIGHTS

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, I should also like to put a supplementary question to the Minister of Transport as a result of the one I asked yesterday.

Can he explain why it would be so difficult to adjust the simultaneous levy of a fixed charge and a percentage charge? I feel that it is a matter of elementary mathematics, because the charge—

Mr. Speaker: Order. The hon. member has asked a question. He cannot, however, submit an argument in support of his question. He could now allow the minister to answer his question.

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, it is not merely a matter of elementary mathematics. We have to choose between a percentage charge levied on the amount of the ticket, that is the longer the journey, the higher the charge or a fixed amount which means that the price of long flight tickets would not considerably increase. Now what position should be taken if the hon. member finds it is merely a matter of mathematics? I would like him to send me some explanations which could perhaps be useful to me.

Oral Questions

[*English*]

POST OFFICE

SUGGESTED RESUMPTION OF SATURDAY MAIL DELIVERY

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, my question is for the Postmaster General. Now that the Letter Carriers' Union has publicly declared its support, through its president, Roger Decarie, for the return of six day a week mail delivery, when will the hon. gentleman be announcing the restoration of this service?

[*Translation*]

Hon. André Ouellet (Postmaster General): Mr. Speaker, I have often stated that this matter was being considered and that, so far, there is not enough evidence to justify the reinstatement of such a six-day service in our urban centres. The hon. member knows very well, I am sure, that such a service does exist in many parts of Canada, but not in the large cities, because it has indeed been proven to be unnecessary.

[*English*]

Mr. Dinsdale: In view of the confusion during the recent holiday period because of the lack of a six-day service and the statement by Mr. Decarie that he wants this service restored so that the Post Office may get back into the business of postal service, would the hon. gentleman not reconsider this matter in order that the morale of the employees of the Post Office Department can be improved by restoration of pride in service?

[*Translation*]

Mr. Ouellet: Mr. Speaker, I think that the only confusion existing is in the hon. member's mind. He is perfectly aware that there is no six-day service in large cities since 80 per cent of the largest mail users are large companies which in any case are closed on Saturdays.

* * *

[*English*]

ENERGY

INQUIRY AS TO SPECIAL ALLOCATION OF BUNKER FUEL FOR MOVEMENT OF BRITISH COLUMBIA FOREST PRODUCTS

Mr. Frank Hamilton (Swift Current-Maple Creek): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources. Has the National Energy Board made a special allocation of bunker fuel to look after the forest products industry at Canada's Pacific seaboard?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): If the hon. gentleman is talking about export, I would have to inquire. If he is talking about use within Canada, the board does not make allocations for use within Canada.

SUGGESTED USE OF COMMERCIAL AIRCRAFT BY PRIME MINISTER

Hon. George Hees (Prince Edward-Hastings): I have a question for the Prime Minister, Mr. Speaker. As President Nixon has recently demonstrated that heads of state can travel by commercial aircraft without any loss of security, is it the intention of the right hon. gentleman in the near future, and while the energy situation remains uncertain, to use this means of transportation with a view to setting an example in energy conservation?

[Mr. Marchand (Langelier).]

Right Hon. P. E. Trudeau (Prime Minister): Yes, Mr. Speaker. I am not sure in what direction the example would flow, because I have travelled commercially many times. The essence of the operation, however, is to do it at a time when a flight is not scheduled and not known in advance. Otherwise, as I explained the other day, it might cause considerable inconvenience to the travelling public. However, as everyone knows, the press is always anxious to know when I am travelling and the news generally gets out in advance.

Mr. Hees: Since the press is not more interested in knowing when the Prime Minister is travelling than it is in knowing when the President of the United States is travelling, will he advise the House whether he is planning to make a trip by commercial aircraft within the next three or four weeks?

* * *

SHIPPING

REQUEST FOR TABLING OF SPECIFICATIONS FOR TANKERS CARRYING ALBERTA OIL FROM VANCOUVER TO EASTERN CANADA

Mr. Thomas S. Barnett (Comox-Alberni): Mr. Speaker, I have a question for the Minister of Transport related to questions which were asked yesterday about tankers carrying crude oil from Canada's west coast to Canada's east coast. When does the minister intend to fulfil the commitment he made to the Standing Committee on External Affairs on December 3 in response to questions I asked about laying on the table of the House the complete specifications in respect of each and every ship leaving Canada's west coast carrying crude oil to Canada's east coast?

• (1150)

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, if my memory serves me well, I think this list was tabled in the committee itself so the hon. gentleman has access to all the names and specifications of the ships.

Mr. Barnett: In view of the fact the committee met on December 3 and it is my understanding there have been cargoes continuing to depart from the Pacific coast bound for eastern Canada, will the minister table in the House the specifications in respect of every cargo ship which has left subsequent to that date, particularly in view of the fact the committee is not in continuous session?

Mr. Marchand (Langelier): With pleasure, Mr. Speaker.

ENERGY

FUNDY TIDES—AVAILABILITY OF REPORT OF REVIEW COMMITTEE IN TIME FOR FIRST MINISTERS' CONFERENCE

Mr. Robert C. Coates (Cumberland-Colchester North): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources. The minister informed me in December that the review committee report on the 1969 Fundy tidal power report would probably be ready some time in January. Can he now indicate whether this report will be available in time for the first ministers' conference in order that all ministers, including the Prime Minister, will have an opportunity to examine the possibilities and potential of energy from the tides?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I will make an inquiry on that point.

* * *

AIR CANADA

EXPLOSION OF DC-8 AIRCRAFT AT TORONTO ON JUNE 21, 1973—REASON FOR DELAY IN TABLING REPORT ON INVESTIGATION

Mr. Duncan M. Beattie (Hamilton Mountain): Mr. Speaker, my question is for the Minister of Transport. On June 21, 1973, a DC-8 exploded at Toronto International Airport and the minister stated an immediate inquiry would be held and the results would be tabled in the House. Will the minister tell us now the reason for the delay in tabling this report?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, it is for the simple reason that I have not yet received the final report. They are still trying to find out the cause of the explosion.

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TRANSPORT

SAFETY OF RAILWAY OPERATIONS—REQUEST FOR REFERENCE OF TRANSPORT COMMISSION REPORT TO COMMITTEE

Mr. J. R. Ellis (Hastings): Mr. Speaker, my question is also directed to the Minister of Transport. Yesterday the minister indicated he had not read the report of the Canadian Transport Commission. In view of the fact there have been two further derailments in the eastern provinces, I wonder whether the minister would be prepared to direct the report to the attention of the Standing Committee on Transport and Communications?

Hon. Jean Marchand (Minister of Transport): There is no objection to that, Mr. Speaker. We have the report. It has been forwarded to the railway companies and the department. I think there is a series of good recommendations in it, but we should not wait until the committee sits in order to correct what has to be corrected.

Mr. Speaker: The Chair will recognize one or two supplementary questions at this point and then call orders of the day.

SAFETY OF RAILWAY OPERATIONS—ACTION TO OVERCOME DEFICIENCIES IN ORDER TO ENSURE MAXIMUM PERFORMANCE

Mr. Don Mazankowski (Vegreville): Mr. Speaker, I have a supplementary question to the one posed by the hon. member for Hastings. Having regard to the recommendations made by the Railway Transport Committee, which included, among others, a reduction in carloadings to 70 tons or 80 tons and a reduction in speed, the effect of which will reduce the capacity and efficiency of the railways' operations in Canada, which in turn will add to the backlog in the movement of commodities and goods, is the government considering any immediate action jointly with the railways to overcome these deficiencies and upgrade standards in order that the maximum performance can be obtained by the railways?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I think the hon. gentleman has raised one of the most important questions relating to this report, because in the manner it has been made it means capacity will be decreased which will have an impact on the movement of goods. These are the things we are going to study and we will let the House know what our decision is.

SUGGESTED INDEPENDENT COMMISSION TO INVESTIGATE ALL TRANSPORTATION ACCIDENTS

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I wonder if I might ask the Minister of Transport whether in fact he does not now believe that investigations of air, rail and other transportation accidents might be much more expeditiously handled were we to have in Canada an independent commission for accident investigation?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I think that is surely an idea that should be looked into very seriously.

Mr. Speaker: Orders of the day.

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ROYAL CANADIAN MOUNTED POLICE

POSSIBILITY OF CHANGE IN UNIFORMS AND INSIGNIA

Hon. Warren Allmand (Solicitor General): Mr. Speaker, I rise on a point of order. Since the beginning of the question period my office has been in touch with the RCMP and I have an additional answer to the question posed by the hon. member for Prince Albert. I have been told there have been absolutely no changes in the insignia or crest, as of the beginning of the question period.

Some hon. Members: Oh, oh!

Mr. Allmand: I have also been told that administrative bulletin No. 54, referred to by the right hon. member,

deals with postal codes and makes no mention of dress. Administrative bulletin No. 78 dealt with summer dress, to which I referred in the House.

Mr. Turner (Ottawa-Carleton): Mr. Speaker, on a point of order, I apologize to the House for arriving late after the time for motions had passed.

Mr. Bell: We know you have problems; it's all right.

Mr. Turner (Ottawa-Carleton): I wonder whether, with unanimous consent of the House, I could revert to motions to make an announcement on the beef surtax.

Mr. Speaker: Is it agreed?

Some hon. Members: Agreed.

ROUTINE PROCEEDINGS

[*English*]

AGRICULTURE

ANNOUNCEMENT OF PHASING OUT OF SURTAX ON IMPORTS OF CATTLE AND BEEF

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I wish to announce arrangements for terminating the surtax on beef and cattle by February 10. The tax will be phased out in three equal instalments starting January 14.

The surtax was imposed November 3 under Section 8 of the Customs Tariff because unusually large imports of cattle and beef were threatening the stability of the market and endangering the future production of beef cattle in Canada.

The temporary surtax was three cents per pound on imports of live cattle and six cents per pound on beef. Effective midnight January 13 the surtax on live cattle will be reduced to two cents per pound and the surtax on imports of beef to four cents per pound. A further reduction, to take place at midnight January 27, will reduce the surtax to one cent per pound on live cattle and to two cents per pound on beef. The surtax will no longer apply as of midnight February 10.

In announcing the imposition of the surtax on November 3, I said the tax was intended to deal with a temporary situation resulting from the marketing of large numbers of American cattle which had been held back from the market during the U.S. price freeze that ended early in September. The government at that time undertook to review the need for the surtax within 30 days. On November 30 the government said it had been decided to continue the surtax, subject to continuing review.

Mr. H. W. Danforth (Kent-Essex): Mr. Speaker, I should first like to thank the minister for his usual courtesy in furnishing the opposition with a copy of his statement before the House met. I should also like to commend the minister on behalf of the opposition for the imposition of the surcharge at the request of the beef industry. We were worried about the fact that there appeared to be some delay, but we do appreciate the magnitude of the problems involved in the imposition of the tax.

In dealing with the minister's announcement this morning I can only reflect the concern of the beef industry of Canada over the actions of the government. It will be recalled that within a period of just seven months the government completely removed the tax on live and dressed beef coming into this country, restored the tax, by the surcharge doubled the tax and now, Mr. Speaker, by this action it is phasing out the surtax and restoring the position that prevailed before this action began in the first place. I think you can appreciate the concern and the chaos this has caused the beef industry in Canada.

We appreciate very much that the minister did accept the advice of the cattle industry and, knowing full well that this surtax could only be on a temporary basis, we appreciate the fact that the government has decided to eliminate it by phases rather than by abrupt termination.

There are two concerns of the cattle industry I should like to bring to the attention of the government. The first relates to the fact that the minister has in effect telegraphed when the reductions will take place. What this proposal does in effect is, to allow the purchasers of the beef products in Canada to hold off their buying until the elapsing of these various dates, thus enabling them to make an additional profit of up to $1 per hundred on domestic beef products and $2 a hundred on imports.

The other concern of the cattlemen, which is of a most serious nature, involves their hope the government is not completely committed to the reductions on January 27 and February 10, because although the cattle market appears to be in a stable condition now that stability is precarious and could be upset very easily. It is hoped that the government will keep the matter under very serious review, so that if stability does not continue the actions planned for January 27 and February 10 could be rescinded or altered until another look is taken at the situation.

• (1200)

We hope this proposal will create stability in the beef market because it is of the utmost importance to the consumers of this country. There must be a continuity in respect of high quality beef at a reasonable price. The fact still remains that, under present conditions of high input costs, in many instances the profit margin is minimal or non-existent. For that reason we must make sure that this industry remains on a stable footing in order that in the months ahead Canadians can have an ample supply of this very important food.

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, in general I welcome the fact that the government will again be attempting to follow the policy we have followed for a number of years in relation to the United States and Canadian markets in order to attain a balanced market for beef and other meat products. In this way the consumer will get the benefit of the large production which is possible on this continent. I would hope this practice would be encouraged. I think the brinkmanship policy practised in the past few months by the implementation of embargoes and the changing of tariffs, to which the previous speaker referred, was a bad policy. To shift back

to the practical working policy we had before is a good move. We do not know what the effect will be of phasing out the surtax over this length of time in terms of prices and advantages to packers or producers. Certainly, it does give some advantage to some of the processors.

I point out to the government that it has made no move yet toward a real support policy for hogs and beef. This is essential and would be more effective than trying to manipulate the tariff. The Minister of Finance (Mr. Turner) in a speech in Ontario recently, announced there would be a stabilization policy. I thought for a while he had put on the hat of the Minister of Agriculture because he said we should have support prices for hogs, cattle and so on, but he does not mention that in this statement. If we are to have adequate supplies of beef and increasing production, which should be our objective as a nation, then some moves will have to be made in that direction. Until now it has been left to provinces such as Saskatchewan to guarantee a floor price for hogs, for example, and this may be an area which is being overlooked.

The other point I should like to make concerns the relationship of feed supply to beef and hog production. During the question period today, the hon. member for Bellechasse (Mr. Lambert), for instance, pointed out the lack of feed supplies in Eastern Canada and the instability of the market. This is one area in which the government is falling down badly. The lack of policies on the pricing and transportation of feed grains is a serious matter. The interests of neither the seller nor the buyer are being served. The facts can be documented to prove what I say. I trust the government will take note of these important areas as well as juggling tariffs.

GOVERNMENT ORDERS

[*English*]

OIL EXPORT CHARGE ACT

PROVISION OF EXPORT CHARGE, OIL EXPORT TAX UNDER EXCISE ACT AND ALLOCATION OF REVENUES FROM TAX

The House resumed, from Thursday, January 3, consideration of the motion of Mr. Turner (Ottawa-Carleton) that Bill C-245, to impose a charge on the export of crude oil from Canada, to impose an oil export tax under the Excise Tax Act and to allocate certain of the revenues derived from the oil export tax, be read a second time and referred to the Committee of the Whole.

Mr. Fred McCain (Carleton-Charlotte): Mr. Speaker, it is just a year ago today that this session began. It is just a year ago today that a great many members of this House had the privilege of assuming a seat in Canada's House of Commons for the first time. It is a privilege for which I am sure each member is grateful to his constituency. It is to be hoped that each has served his constituency well. It is regrettable, however, that during that year we have had the misfortune to observe a government in operation which has exploited its opportunities for evasion.

The government has exploited the rules of the House and has used this method to continue the secrecy surrounding of its behaviour. It has continued to keep the people of Canada in ignorance wherever possible. It has used the committee system of this House as a means for introducing ministerial statements, statements of policy and long drawn out statements by representatives of the departments. I think this has been done intentionally in order to make it utterly impossible for a committee of this House to function effectively and obtain the information necessary for an intelligent decision to be made in respect of the committee's report. There has been a deplorable neglect by the government of recognition of the democratic privileges on which the work of this House has so long been based. I am deeply disappointed when I hear such answers as we received this morning from the Prime Minister (Mr. Trudeau) when he said he would refer the matter to the minister concerned and gave no assurance that an answer would be forthcoming.

I was again deeply concerned to hear the typical reply of the Minister of Transport (Mr. Marchand) this morning when he suggested to this House that a matter was not anybody's business except his own, that he would let us know what he wanted us to know and no more, and that he would conduct himself in the way he felt was best for Canada, regardless of what anyone else thought. There has been a direct challenge to the democratic system. This has been a shortsighted systematic operation. There has not been any long-range policy. The government has operated on a short-term basis in respect of a problem which is publicly known because it has been written up in the newspapers. It has not been guided by a policy involving long-range foresight and long-range planning. The government has not taken the action necessary to ensure that the nation will have the social and economic policy which Canada deserves. This is a tired, drained out, incompetent cabinet which has led this country nowhere.

I submit to you, Sir, that this government does not have the respect the government should have and does not have the support of the voters of Canada. It has been demonstrated beyond any doubt that Canada needs a fresh and creative group, with imagination and capability for planning, which is not present in the structure of the government today. It is time that we had forthright, courageous leadership which will not be influenced by a Prime Minister who accepts only the advice of those on his political left who espouse ideas which seem to please him much more than the realities of Canada's economy. The indications are that there is a tryst or perhaps even a conspiracy between the Prime Minister and those who are practising socialists in the House, to take Canada along a collision course with the economic reality at a time when others who have learned lessons about the necessity for the exploitation of the best brains in their country have been going in the opposite direction.

• (1210)

At a time when the economic climate for the development of the resources has improved in other nations, we have been discussing in the House the fearsome subject of profits as if that were a dirty word. We have been discussing it in a way which has accused the industry and the private citizen who was seeking to make a living of being

capitalist oriented and not interested in the development of their own country. This is a charge without foundation in fact. It is indeed detrimental to the best interests of our country at a very serious time.

The legislation which has been introduced in respect of the energy requirements of Canada is typical. We have brought in a patchwork regulatory type of legislation which has provided no incentive for anyone to go out to work. It has provided no means whereby the resources of knowledge, technical skill and private and public capability could be encouraged to go forward and seek the solution which must be found if Canada is to remain economically viable.

The only suggestions that have been made by this government in the last year in respect of the economic ills which we have suffered is that the taxpayer will have to help bear the burden, and the government will be given a further opportunity to interfere with the rights and privileges of citizens and other governments in such a fashion that their authority and privileges are restricted. They have exhibited no understanding of the value of national or international goodwill, but rather have been obsessed with the idea of the divine right to rule which is so typical of the present Prime Minister and the cabinet which has continued to advise and support him on this course. There has been a continuing concentration of power in the hands of the central government to the detriment of the provinces, and I abhor this. There has been a total lack of understanding of Canada as it should be.

This is reason enough in itself for the public to reject this government. This government has assumed the position that it is responsible to nobody, and as it has taken on new authority through its authoritative legislation, it has mocked the people of Canada, the democratic structure, and the members of this House in a merciless fashion.

The provinces have little left to deal with when they meet the federal government at the first ministers conference. Yet, the government of Canada has in its hands all the strength it needs to say to the provinces: If you do not like this, this is what we will do anyway. It is not an opportunity for real and proper negotiations. The government of Canada thinks it is now able to confront the provinces and it does not have to have, in the words of the Minister of Finance (Mr. Turner), real and proper negotiations any longer.

I think that one of the typical examples of the unpardonable, incredible and long-term bungling that this government has practised in its last year is the haggling over the method of the development of the tar sands. If Canada were ever in a position where initiative and action were required, it is certainly in the development of the tar sands for the provision of additional fuel for this country. If by any chance all the accusations which the government has made in respect of profits were true, I submit to you, Mr. Speaker, and to this nation, that the government has the instrument in its own hands whereby it can correct any improper profit, and that instrument is taxation.

It is high time that the government took a look at the capabilities of this country in all respects. It should not get itself and the citizens of this country into an improper, uncomfortable and unnecessary position by bringing in short-term, prejudicial legislation based upon the absolute need of power and the support of the socialists in this House. The governing party today is not interested in Canada. Rather, it is interested in power alone and it has demonstrated this to the public on innumerable occasions, thus creating the basis for its own defeat.

Mr. Max Saltsman (Waterloo-Cambridge): Mr. Speaker, I think it is important that the particular bill before us be passed in its entirety before the federal-provincial conference. The provinces have been setting out their positions, particularly the oil producing provinces, and they have a very strong position. We have been reminded on many occasions that in fact the resources are the property of the province, although the movement of those resources is another matter. But the fact that the ownership of those resources under the British North America Act is a provincial right means that the provinces enter the negotiations from a very strong position.

I realize that this debate is creating difficulties for all the members of parliament because all of us here, while the federal interest is uppermost in our minds, cannot help but be somewhat influenced by the provinces from which we come. When there is a federal-provincial confrontation, obviously members, with the best of intentions of fulfilling their duties, find themselves in an awkward position. I have not been adverse to criticizing the members from Alberta in the Conservative party for their position regarding the oil resources.

Mr. Horner (Crowfoot): Try Saskatchewan.

Mr. Saltsman: I want to say that I will not be any less critical of my own colleagues from the province of Saskatchewan if they take a similar position.

Mr. Baldwin: How about British Columbia?

Mr. Stackhouse: Give us a sample.

Mr. Saltsman: I want to say this, Mr. Speaker. If at any time Quebec had ever behaved in the way that some of our western provinces are behaving, there would have been such an uproar in this House and across the nation as would have been difficult to put down. In the worst of times, Quebec has always been the bad boy in confederation, and it has been at Quebec that the finger has always been pointed. But in my recollection, Quebec has never taken the kind of adamant position against the federal government that is now being taken by the western provinces. Their claims for special recognition and certain rights have always been tempered to some extend, and I must say they have always been far more tempered than the voices of the western provinces. For years it has been the west that has had grievances against Quebec. What does Quebec want? Why is Quebec always making difficulties? Now, we have to ask members from the west the same kind of question.

It may be that some of my friends and colleagues in the House will say that I am not really advocating a federalist position, that after all I am from Ontario and that the remarks I have made about those from Alberta and Saskatchewan probably apply equally well to myself or that I am setting out what might be an Ontario position. It may

be so. None of us know for certain to what extent we represent the mood of our province and that of the nation. But I do honestly feel that I am trying to put forward what I think is a federalist position. The west has had its grievances against Ontario. On many occasions when I have spoken in this House I have enumerated them. I think those grievances should be recognized, and some sort of political settlement reached on them. But I also want to say that those grievances have been exaggerated beyond proportion. Too often overlooked is the fact that Ontario has accommodated itself to the needs of confederation, to the need to share the wealth of our society as much as it can.

• (1220)

For a long time when wheat was a glut on the international market Ontario was prepared to buy wheat under a two-price system, under that strange situation in which one of the greatest wheat producing nations of the world was paying more for its own wheat than foreign countries to which it was selling wheat. I know that people in the west have remarkable abilities, but one of their faculties which seems to be under developed is that of memory. We did, in fact, have a two-price system, and we were prepared to pay more for wheat in Canada than we received for it on foreign markets.

Now, when we hear talk about transportation it is as though we never had an accommodation on freight rates, as if there were no subsidization of freight rates, even though there has been massive and intensive subsidization of transportation both in eastern and western Canada. Indeed, the thing has become so mixed up now that no one really knows what true transportation rates are, because one kind of subsidization or correction has been put on top of another, obscuring the real rates.

For a long time now we have had a system of equalization grants by which we try to match the increases and benefits received by one province through federal grants to the poorer provinces. In fact, there has been a very substantial matching of grants, and I will return to this a little further on in my speech. In some cases it has amounted to about one-third of the increase in revenues to a province, which means that as the incomes of the "have" provinces rose this put a burden on the federal government which had to make an equalization payment amounting to one-third of the increases gained by the "have" provinces.

We in Ontario have also played our role in oil, which is the principal subject under discussion today. Again there is a very convenient lapse of memory with respect to the fact that the country west of the Ottawa valley line, the Borden line, for years has been paying substantially higher prices for oil than it might have paid had it got its oil on the world market at the lowest possible price. For 11 or 12 years Ontario and the rest of western Canada, including the consumers in Manitoba, Saskatchewan, Alberta and British Columbia, said it was right that they should be prepared to pay higher prices for oil in order to stimulate exploration and development in the west. Even in retrospect, Mr. Speaker, that was a good policy. Not only was it proper for Ontario and the other provinces to do that, but now we are thankful that that kind of subsidization took place because now we have the stimulation of the gas and oil industry in the west that might not have taken place had there not been a protected market for that oil and gas.

I am not saying this to register a complaint, but merely to put on the record the fact that in many instances a group of provinces, or in some cases one province, has been willing to pay higher prices in order to help out other provinces. This whole confederation of ours is based on trying to diminish to some extent human selfishness, whether it occurs at the personal level, at the provincial level, or at the national level. Here I am talking in a way that goes beyond my responsibilities as a member of parliament. All my life I have been a Democratic socialist. I am a democratic socialist today. As a socialist, it is my view that there should be sharing, whether that sharing is between individuals, or between provinces, or between countries. That sharing must exist. For me to stand up in a political forum and to argue that any one individual, any one province, or for that matter any one country in the world has an absolute right to do with his or its resources and wealth as he or it pleases, to the detriment of everyone else, would be wrong for me as a democratic socialist, just as it would be wrong for me in the Canadian context to argue this as a member of this House.

It does not make much difference, I presume, to the people who are suffering, to the people who have to pay higher prices, to the people who have to adapt themselves to differences and changes, if the people who are extracting those higher prices are the ordinary citizens of a province or, let us say, the ordinary citizens of Saudi Arabia. Perhaps it makes a difference in that the higher price goes to the people of a country rather than to a multinational corporation, but in the final analysis it does not make all that much difference, because the higher price is being extracted from the consumer. As I say, people in Canada who have to pay higher prices to heat their homes, and who have to reduce their standards of living in order to heat their homes, are not going to worry whether the higher prices go to multinational corporations or to the provincial treasuries of Saskatchewan and Alberta. In either case the higher prices will hurt, although maybe not as much in the latter case. This is really the point at issue here. After so many years of being milked by foreign-owned multinational corporations, and having finally decided to take a stand against them and not let all the windfall profits got to those corporations, are we in this parliament now going to say that it is all right for somebody else to come along and become the exploiter of all the rest of us?

That is certainly not the kind of position I am prepared to take. In a federal system, and speaking as a democratic socialist, I say that the struggle must be one to diminish human selfishness, and to increase co-operation through increased sharing and increased equality of position. In order to do that it is necessary to make sure that those who possess power in some way restrain that power, and do not extract everything they might wish to extract from an opportunist situation. That is the position I must take, and I hope it is the position taken by my party.

Up until this point, I have tended to agree very much with the position outlined by the Minister of Finance (Mr. Turner) when he spoke in the House yesterday. I am sorry

that he has had to leave the House for a moment because now I have something critical to say of the minister and of his government. We could have saved ourselves a great deal of our present trouble had the government taken the advice of the NDP a number of years ago. And it was not the advice only of the NDP. I am sure it was also the advice of the hon. member for Don Valley (Mr. Gilles), who at that time was a very distinguished and renowned Canadian academic.

The advice given was that we accept some of the arguments on resource development put forward by the Carter Royal Commission on Taxation. But instead the federal government rejected that advice. I must admit that most of the pressure for rejection came from the multinational corporations, aided and abetted by the province of Alberta, when they insisted that higher taxes should not be imposed upon resource industries, and upon the oil industry in particular. I think it would be worthwhile to recall that Carter advocated that the resource industries should be taxed roughly on the same basis as any other industry. There was no reason for them to be let off the hook. In fact, had that been done there would be no need for this export tax because the extra profits that would have accrued to those companies would have been paid, at least 50 per cent, to the federal treasury.

• (1230)

When we talk about profits, the federal share would have been $2½ billion because the extra profits are in the area of $5 billion without export tax. We could have saved ourselves this confrontation with the provinces if we had done the decent thing, but instead we let the resource industries off the hook. We distorted and continued that mish-mash of a tax system we had at that point and now we are suffering for it. Instead of being on the way to resolving our problems, we now have the political confrontation between the federal and provincial governments which may have to be resolved on the basis of the Carter suggestions.

I think the argument advanced by Premier Blakeney of Saskatchewan is an excellent one when he says that the federal government, in the legislation under discussion today, is proposing to deal primarily with the oil industry. Now, when you deal with the oil industry primarily, you are affecting two provinces in particular, Saskatchewan and, more heavily, Alberta. If we are to have a resource policy in this country I think, as Premier Blakeney has said, that it is not fair to deal with one resource only. After all, Ontario gets a lot of its resource income—not as much as it should—from nickel, copper and zinc. British Columbia gets a lot of its resource income from wood and the associated lumber industry. It is not just the price of oil that is rising but all other commodities as well. Why single out oil? If we do not single it out and impose this export tax, these phenomenal windfall gains are going to accrue to very particular groups of people. If the policy of the federal government is to make any sense, we should tackle all resources and not say to one province that it is its resources alone that are to be dealt with. In this sense there is a real grievance against the federal government which would not exist had we accepted the proposals of the Carter commission which proposed to deal with all resource industries. We did not accept them, however, and now we have a problem.

Prices are always a difficult problem. I know that there are people who are looking for simple solutions and there are various directions in which we can move, but I should like to state some of my personal views. Let us look at the question of subsidization. At the moment there is the idea that the domestic price should be frozen and quite frankly, Mr. Speaker, had the government not moved to maintain the freeze I think we would be facing an election today. I think it is important at this stage, when we are groping for an energy policy and groping for a resource policy, that there should be some interim measures. I see the bill before us as an interim measure, not as a permanent measure. We have to some extent protected the domestic price, and I believe there would have been chaos had we not; at the same time, we have assured that the proper rents are being extracted from our exports.

On the question of subsidization, Mr. Speaker, I do not think we can continue our present policy indefinitely, nor do I think we should dismiss the possibility of a two price system for lumber, oil and gas as an alternative. That is one of the choices we can make, although there may be some difficulty about it. We will, of course, have to accept the idea that prices must reach certain competitive levels. There is some argument for maintaining prices through an allocation system, and for seeing that the savings go to the less advantaged people in our society. For example, when we control the price of gasoline, who are the chief beneficiaries? Admittedly some poor people are helped but the chief beneficiary is the man who drives the Cadillac. The savings in food prices should be passed along as well. On the surface it is very appealing to say that we should control the price of milk but we find that it is not so much the poor people who consume milk; indeed, the bulk of it is consumed by people who are not poor. And so it goes down the line, Mr. Speaker.

It seems to me that if windfall gains and special profits accrue to special groups of people, then those profits should be taxed away and the benefits of those price increases should accrue to all the people of Canada. If we were able to do that in the case of oil, we should do it with everything. Let us assume that a 50 per cent tax rate on the $5 million would give us $2½ billion; just imagine what the federal government could do with that. It could reduce taxation or if it did not choose to do that, there are lots of social problems that cry out for intervention. It is not the taxes which are our chief problem; there are the poor in our society who need to be assisted. We could calculate what the average increase in the cost of fuel is for the ordinary person and if it is $100, he could be given a $100 tax credit or could be given a tax credit for food. If he was not in a taxable income bracket, he could be given a demigrant. The procedure would be close to the heart of my colleague, the hon. member for Winnipeg North Centre (Mr. Knowles).

In a selective way, we could determine the priorities of our society instead of letting the haphazard incidence of prices in the marketplace determine who gets the windfall and who does not. There are many things that we could do, but we need a proper tax system and we do not have it. My colleagues and I have argued for this year after

year. Many of the problems we are facing today would not exist if we had moved in the direction of an equitable tax system. We do not have it now and the chances are that we will not get it for a while, so we have emergency measures such as those before us. For this reason I am prepared to support these measures, not because I think this is the proper way to solve problems—and I am sure the minister would agree that it is not—but until we can find the proper way we must have some instrument to deal with a situation which is in danger of getting out of control.

Let us now examine where the benefits will go. In order to talk about that, we have to talk about the system of royalty payments. It seems to me that one of the first things we should do is disallow royalty payments as deductible items for federal tax purposes. At the moment, royalty payments are treated as an expense. The companies are permitted to deduct these royalty payments from income before they pay federal taxation. That means you give the provinces the right to pre-empt all federal taxes if they choose to do so, simply by determining what the profitability of the company would be. On that basis the province could institute what I call a royalty tax, which would be an equivalent amount, and therefore there could be no taxes payable by those companies to the federal government.

• (1240)

Royalty payments, I think, up to a point are legitimate payments and, up to a certain point, it is legitimate to consider them as a deductible expense. After all, a number of considerations are involved. I am suggesting, however, that these considerations have now, to some extent, disappeared because of the astronomical increase in price. In the normal course of pricing, royalty payments could be considered as legitimate. I have been a supporter of royalty payments as deductible items until the present. Now, we face a different situation.

It could be argued, as the province of Manitoba did during the hearings on the white paper on taxation, that if the federal government were to make available depletion allowances, or limit depletion allowances, that those depletion allowances should not be for the benefit of the company. It was argued that the province, not the company, would lose as a result of the depletion of the resource. The future prospects of the province are being reduced and therefore the province, not the company, should be entitled to the depletion allowance. I think that is a sound argument. To the extent that depletion allowances are permitted, the provinces ought to be compensated, not the companies.

Because the federal government could not see this point, the provinces had to use the much more clumsy instrument of royalty payments in order to make sure that the interests of their people were looked after. The provinces can argue that royalties are used to pay social costs. I am speaking of the building of highways, and the establishment of a transport system, for taking care of the needs of resource industries. Unfortunately, resource industries cause serious social dislocations and disruptions. Therefore, royalty payments are part compensation for the people in the province. In that way, the people are reimbursed to some extent for the pieces they must pick up after the mine closes, or after the operation moves to some more lucrative field if certain taxes are imposed. This is like paying for municipal services. Nobody will argue that the tax a company pays for municipal purposes should be disallowed. Some will argue that some degree of royalty payment is legitimate and that companies are entitled to deduct part of those payments for income tax purposes. But we have gone beyond that point.

Speaking on second reading, the Minister of Finance said that the tax limit must be increased, because no one dreamed six months ago that the price of oil would go as high as it has gone. I submit that, in view of the astronomical increase in price, royalty payments in future should not be permitted to be deductible items, to the extent that these were so considered in the past. The question of royalties must now be dealt with.

The question of royalty payments must be considered along with the question of depletion, payment for services and compensation. Royalty payments are now a means of appropriating all economic rents with regard to resources to the location or province in which these resources are to be found. In other words, the fortuitous circumstance of the phenomenal price rise has meant that this economic rent has been appropriated totally to the area in which the resource is found, and the federal government has been pre-empted from any attempt to tax. This might be a great system, but it is hardly one which I, and, I hope, other hon. members of the federal Parliament, can condone. Someone once said that he had not been elected to preside over the dissolution of a certain political entity. We are not here to preside over the dissolution of the federal tax system merely because prices have been rising around the world. For that reason, I want to examine the export tax.

So long as the export tax was around the $2 level, I fully supported the position that the entire amount generated by the tax should be rebated, in one form or another, to the producing province. That position did not seem to be unfair or harmful to the federal interest. I felt that that kind of money should be repaid to the provinces, particularly as at least 50 per cent of that money was to be reinvested in those provinces. I fully support the position of the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas). It would be better if we could invest directly in those oil resources, instead of trying to determine how much money the companies need as stimulation for activity, how much money they are making, and so on. Instead of speaking of money transfers, I suggest that we should be speaking of public involvement in future development of energy resources in Canada. I think generations following us will be grateful if we take that position, just as people are now grateful for some of the decisions that were made in the past regarding public utilities. However, that is not the issue at the moment.

It looks as if the increase in the tax will be to $6.50. That $6.50 is calculated after allowing for some $4 odd to the oil companies. That $4 figure also includes substantial royalty payments and substantial profits for the corporations. In other words, if neither the provinces nor the oil companies get any more than the $4, they will still be doing rather well, although I think the provinces ought to be

doing somewhat better at the $4 level. Certainly, the companies can make fabulous profits at the $4 level. Just imagine how much they would make at the $10.50 level. So, when we are talking about the $6.50 export tax, we are talking of found money, of pure, unadulterated profits, if profit can be unadulterated.

At the 50 per cent tax level, the federal government would get $2.5 billion per year and the provincial governments would get $2.5 billion per year. That is a lot of money. I do not see why the oil companies should get more than they are making at the $4 level. Of course, the question of the tar sands has arisen. We are told that it will cost more to produce oil made from the tar sands. Nobody is sure how much should be charged; some say that the price ought to be about $6 per barrel. If the government adopted the kind of tax system we advocate, it would not have to worry about needing to reduce the export tax or treating the tar sands oil differently from conventional crude oil. The companies would be taxed according to their profits. The price system would make sure that everyone is treated with the same degree of equity. The companies would receive sufficient stimulation, although speaking personally I would stimulate them right out of business because we would do the developing ourselves. As there may be some difficulty implementing that program for a little while, we must take the second best choice, which is the existing taxation system.

Under our system everybody, the federal government, the provinces, and the people of Canada, would have the advantage of an ample tax base. As I said, $2.5 billion would accrue to the provinces. If prices were to rise, additional phenomenal amounts of money would be at the disposal of the provinces. The arrangement would be equitable, and I think the provinces would be satisfied with their position. I realize that provincial premiers want to continue being provincial premiers and, without being cynical about it, that is their responsibility. I do not fault a provincial premier or member for saying "This is our resource. We have had a lot of grievances and now we are in the driver's seat so it is our right to squeeze." Human society being what it is, maybe to expect too much altruism is not a basis for policy.

• (1250)

For example, I would like to see Canada say at this particular point we are not going to charge the United States the same as the Arabs are charging. I may be accused of being too altruistic. I have made some pretty harsh statements about the United States. However, for us to condemn the Arab nations, the OPEC countries, for unconscionable price increases and then say we are going to adopt that price for the United States leaves a lot to be desired. Maybe Canadians will say I am being too noble, too generous, or that we cannot go all the way. I would like to see my country at least make a gesture and say we will charge 10 or 15 per cent below the price charged by the OPEC countries instead of adopting a parallel course.

The Americans are having the hell squeezed out of them. I do not feel right about saying they are our friends and we will give them some oil, but under the same conditions. I would feel more comfortable if we were to say to the Americans we cannot supply them with oil because we do not have it, but as long as we can supply it we will not take their last drop of blood. I am not particularly proud of that policy being pursued by Canada. I certainly would not argue if the Canadian government would forgo some of those rents in return for a gesture of friendship and an indication that one country does not have the absolute right to squeeze the hell out of another, even though it is in a position to do that.

The other point I want to make before concluding is that if all the revenues go to the provinces, every taxpayer in Canada will not only pay higher prices for fuel but will have to pay higher taxes because the revenues are going to the provinces. In many ways we would be better off to have the money go to the multinational corporations. It would cost less. We could at least tax them and get some of the revenue back. However, if it goes to the provinces, the federal government, under an equalization formula, is committed to paying one third of every dollar to the poorer provinces. For argument's sake, if the revenue of one province increased by $3 billion, and that could easily happen in Alberta, the federal government must then tax the rest of the Canadian people $1 billion in order to make up the equalization payments and abide by its commitment under the equalization formula. They are going to get squeezed in both directions. That would be an intolerable position, a position with which no government would be able to live.

The representatives of the federal government should go to the conference with some understanding of the real grievances of the western provinces. There should be a real desire to find an accommodation for them. They should also ensure that federal prerogatives, rights and the whole purpose of federalism are not bartered away.

Some hon. Members: Hear, hear!

Mr. Gillies: Mr. Speaker, I wonder if I might call it one o'clock.

Some hon. Members: Agreed.

[*Translation*]

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

At one o'clock the House took recess.

AFTER RECESS

[*English*]

The House resumed at 2 p.m.

Mr. James Gillies (Don Valley): Mr. Speaker, this debate on Bill C-245 might well be one of the most important discussions on the development of the Canadian economy to be heard in the House of Commons for many years. I should like to congratulate the hon. member for Waterloo-Cambridge (Mr. Saltsman) on the analysis he gave this morning. While I do not agree with a good deal of what he said, I do agree strongly with the remark he made at the opening of his speech, that he was not speaking as a member from Ontario particularly, but as a

member of the federal House of Commons on a matter of great concern to all Canadians. I was a little surprised that, having made such a statement, he should have gone on to make less than complimentary remarks about people from other provinces. Nevertheless, I think it important to remember that we are not here today debating provincial rights or similar issues, but the evolution of a policy which will be fair and appropriate for all Canadians.

It seems to me that in his speech yesterday the Minister of Finance (Mr. Turner) did succeed in stating the problem. The situation is now clearly defined. The position, as put forward by the Leader of the Opposition (Mr. Stanfield), is that we in this party support the proposition that the export tax should continue through a further two months; we would do everything necessary in the House of Commons to make this possible, so that the government would not be left without the capacity to deal with any situation which might arise in the course of the next quarter of the year.

It is an entirely different proposition, however, to ask parliament to give permanent sanction to a proposal which would change dramatically the whole budgetary procedure upon which this House has operated in the past, especially in the absence of further information as to what is involved. The Minister of Finance has been placing great emphasis lately upon the uncertainty in the economy. I agree with him that there is uncertainty, and it seems to me this is one of the major reasons the government should not be pushing, now, for the permanency of any proposal, but should be supporting flexibility.

My heart was warmed yesterday when the Minister of Finance intimated, during an answer given in the question period, that he would have something to say about the Canadian economy in the course of the debate. Indeed, in the opening part of his address he said he would talk about the Canadian economy. He did remark that we probably are facing the most unique situation we have faced in the recent history of the economic development of Canada, and that the policies we are going to follow now, or that may be followed now, will have deep ramifications for the development of the nation.

• (1410)

I was very disappointed that beyond those opening remarks, and that genuflection toward the economic situation, he did not say much more about it; he did not give us much more of the government's thinking on what is going to happen to the economy as a whole. I agree with him that we are possibly at a watershed in terms of economic development in Canada. What we do here in the next few days may have a great impact on the way this nation develops in the future and I am sorry he didn't say more. About his thinking on the economic issues. There is no question, now that the energy crisis has evolved, that there is a whole new pattern of economic forces operating in the world, forces we have a great responsibility to deal with in an effective and responsible fashion. The minister mentioned only one but I should like to mention four.

The first thing that has happened as a consequence of the oil crisis, as it is now known, has been a major change in the international balance of payments of a great many countries. I do not need to review or recite again the difficulties which are going to be experienced and are being experienced by the European Common Market countries, by Japan and by the United States. The increase in the price of energy and in the price of petroleum products from OPEC countries is bound to have an enormous impact, either directly or indirectly, on the balance of payments positions of these countries. But the problem for these nations is nothing compared to the difficulties which are coming about for some of the less developed countries. It is hard to keep up to date with the statistics because prices change so rapidly, but some of the prices now being quoted could result in taking the entire surplus balance of trade of some countries, simply to pay for energy imports.

Associated with the balance of payments difficulties is the fact that the OPEC countries are going to have enormous surplus reserves. What are they going to do with them, where are they going to put them and what will happen to them? Those are questions about which every nation is enormously concerned. Moreover, what happens to the exchange rates if in fact the United States buys energy in the future at the high prices now being set in world markets. The net result will be that the value of the United States dollar will decline dramatically in world markets and there will be surpluses of United States dollars floating all over the world.

If that happens the price of U.S. goods sold outside the U.S. will be cheap compared to the prices of goods from other countries. Will countries be willing to have the United States flood the world with low priced goods and services because of the oil problem? Not likely! The possibility of increases in tariffs along with other measures designed to impede world trade will be great and cannot be under-estimated. The other possible impact of such an international monetary situation, could be, if we have that sort of devaluation, enormous inflation. People keep wondering why there is so much inflation in Canada and in the United States; certainly one of the reasons has been the devaluation which has taken place in our currency in foreign markets. This condition could be exacerbated if the international situation with respect to balance of payments deteriorates.

I am slightly distressed at the position Canada is taking in this matter—one of wait and see. During periods of uncertainty, it is important to watch how a situation is developing, how it is going and how it is moving, but Canada has a long, important and significant tradition as being a leader in the development of ideas for dealing with international monetary situations. I am sure the Minister of Finance will recall that when the Breton Woods Agreement was established it was often known as the "ABC" agreement; The American, British and Canadian agreement. Canada, for a long time, certainly after World War II, was a leader in developing ideas as to how to deal with international problems.

One of the reasons we in this party were very disappointed that before the Canadian delegation went to Nairobi last spring we were unable to get a statement in the House of Commons as to Canada's position, was that we were therefore unable to debate international monetary matters in the House. We felt it was important for

Canada to take some relatively positive position at those meetings, and that a debate would clarify Canada's official view. One of the ideas evolving in our party, as the members of the economic caucus of the Conservative party will confirm, was that perhaps Canada could put forward at Nairobi some ideas about an international bank for energy, and this of course was long before the crisis arose. I am not suggesting we had the foresight to see the difficulty, but indeed it would have been raised in this House at that time.

I would hope that we will, before any positive positions are taken by the Canadian government with respect to monetary reform, have the opportunity for some serious debate and discussion in the House about the Canadian position. I would hope that Canada can again emerge as a leader, not a follower, in devising policies for dealing with the international monetary situation which has developed because of the energy situation. It is not satisfactory to always take the position that we have to stand and wait. We should be providing leadership in this important field.

In addition to the problems in the international monetary field resulting from changes in balance of payments positions the energy change has enormous implications for the Canadian economy because of our trading pattern. The three areas of the world which are most affected by the energy crisis are the United States, Japan and the European Common Market countries, and they are the three areas with which Canada does most of its trading. We hear over and over again that 25 per cent of our gross national product is generated by international trade. It is inconceivable to me how anybody could believe, given the changes which appear to be taking place in the world, that changes in our trading partners economies will not have some impact on the Canadian economy. What the precise dimensions of the change will be, is hard to calculate. On the other hand, I am impressed by the fact that the responsible ministers of practically every country in the world involved in industrial activity of any dimension, the United States, Japan and the United Kingdom for example are able to make some forecasts as to what they think the impact of the crisis will be on their economies.

There is little doubt that in Canada at the present time the degree of uncertainty in the business community is probably as high as it has ever been. I would submit to you that the reason it is so is not only a result of the changing positions that have been taken by the government in respect of energy policy, but perhaps equally so because the government has not put forth in any detailed fashion what it thinks is going to happen to the Canadian economy.

With great respect, I suggest that when the Minister of Finance talks about psyching our way into a recession we cannot take him very seriously. How can anyone believe we are going to psyche our way into a recession when in fact there is an energy crisis all over the world? How can anyone talk about psyching our way into difficulties when Britain is now operating on a two-day week? Those are facts, and what Canadians want to know is what do these facts imply for the Canadian economy in the future? Surely, with the body of experts we have in the Bank of Canada, the Department of Industry, Trade and Commerce and the Department of Finance the Canadian public has a right to know precisely how the government assesses the economic outlook.

There seems to be a view, held by this government that it is wrong, unfortunate, dangerous, or something of the sort, to tell the Canadian people precisely what the government thinks is happening. On the contrary it would be very sanguine and helpful to the Canadian people to know what is happening. It is unfair to believe that informed Canadians are not concerned about the effect of the energy crisis on Canada. It is important for the government to make clear what it thinks this impact will be. It is bound to be important.

• (1420)

The third effect, so far as economic conditions are concerned, of the change in the energy situation is the adjustment in the competitive advantages among trading nations around the world. There is no question that the change in energy supplies and energy prices could have influence in the long run as considerable as the invention of the steam engine had in Great Britain at the start of the 19th century.

The question is what position will Canada play in the changing world. Do we believe that we should use this new condition as a foundation upon which to build an industrial strategy in Canada? Does it provide an opportunity for new types of economic policy? Are we in Canada, in the broadest sense of the word, to use the energy advantage we have to develop an industrial strategy to take advantage of the energy resources we have by pricing them so that there will be a comparative advantage for us in industrial production? I was somewhat concerned with the remark of the Minister of Finance that when Canada goes to GATT again we must go with the hope of greater co-operation with other countries and for an extension of multilateral agreements.

No one is opposed to the expansion of world trade. The greater amount we can have the better. But, surely it is time to examine what we are looking for. Trade for trade's sake indeed may not be the position we should be taking in the Canadian economy at the present time. Consider the realities of the present situation. It is quite clear that not only in respect of oil but in respect of sugar, coffee and other products international commodity agreements are breaking down. Is it time for the Canadian government to look at the question of whether or not it should be striving for some type of different approach to trade, some sort of bilateral approach to trade. For example, should we be making arrangements with Brazil to make sure that we can trade our products for an assured and significant supply of coffee? Is the GATT approach, which was started after 1946, now outmoded with the changes that are taking place around the world? With the present world demand for resources is the kind of approach we have taken with considerable success in the last decade still correct? I note that a former Minister of Industry, Trade and Commerce said recently that the only processing we do with our raw materials on their way to Japan is kiss them goodbye.

Well, that might be the proper policy, but with the shift in the world that is going on the time has arrived to

examine our resources and to evolve a system of trade policies that are appropriate to the times. To go to GATT with the same set of policies as we did in previous years seems to me to be throwing away an opportunity to reassess the direction in which the economy should move.

Finally, the fourth great impact on economic activity because of the energy changes is that we must determine a resource policy for Canada. I am impressed by the arguments made yesterday by the Minister of Finance, in relation to oil, as to what an important commodity it is, how it plays such an enormous role in the economy and that it therefore deserves special attention. But time surely has come to look at all our resources in the broadest sense and to decide what our resource policy in broad terms will be.

I agree with the minister that the energy situation is a unique one. Obviously, the change in the price of energy was brought about by the monopoly position by the OPEC countries. Under the circumstances any responsible government has a duty to protect its citizens and consumers from those particular circumstances, and of course we have supported that position right along. But it is not satisfactory for the government to deal with similar instances which may arise in such an ad hoc way. What we must do is evolve a resource policy that will involve all the resources of Canada.

The point I am making is that we are dealing with an issue which is much more profound than the import tax. The real issue with which the Canadian Parliament and the Canadian government will have to deal in the course of the next year or so is how the Canadian economy is to be modified and how will it be changed as a consequence of the energy crisis that has hit the world. We must deal with the problem and decide what in the long run we can and must do as Canadians to deal with the changing situation before us.

Given that premise and that foundation it is improper for parliament to tie itself to a position before it knows more about the problems which are developing. For example, we know little about the critical question of what price Canadians will have to pay for petroleum products in the period ahead of us. Until the government can give some idea of what the pricing policy will be it is wrong for parliament to lock itself into the situation we are being asked to accept at the present time. What is the price of oil to be for Canadians? The policy of this party is clear. We believe in one price across Canada allowing for deviations because of transportation costs and so on. I assume that position has been accepted now by the government because clearly differentiation in prices between the Atlantic provinces and Quebec and other parts of Canada is something this nation could not stand at present imported oil prices.

We are delighted that the government has accepted our position. But what level will that price be and how will it be set. What could the price be? It could be the international price. When the Minister of Finance says he is tracking international prices I do not know what that means. Presumably he means Canadian prices would follow an international price. Whether or not you agree with that position depends upon the position you take with respect to pricing resources as a foundation for an industrial strategy.

• (1430)

The second possible price would be, say, a price that permits a reasonable rate of return on investment for people who are operating in the oil industry. This might be the policy that the government will follow. Perhaps they could tell us if that is the direction in which they will go? The third possibility which the government might take is to adopt a price system that would be one price for oil and another price for new oil. The fourth possibility is for the government to establish a price that is equivalent to a price for alternative energy sources such as hydroelectricity or nuclear energy. The fact is that we do not know and it is improper to ask parliament to accept the present proposal without knowing what the pricing policy will be.

Certainly, to go into a meeting with the first ministers of the provinces of this country with the current excise tax proposal makes it almost impossible to go into that conference with a fair and open bargaining position. Members of the government and the ministers involved must want—and I am sure they do want—that conference to be an outstanding success because no one benefits in this country from a fragmentation or fractionalization among various areas.

The minister is concerned about the revenues that are being raised, the impact upon federal-provincial fiscal relationships, and properly so. All of us are concerned that it will be worked out properly. I am sure that every member of parliament wants the consultative process to be back in operation in an effective and meaningful sense. In a debate of this magnitude it makes no sense to refer back to the unfortunate circumstances of the past. What we really care about is how the problem will be solved in the future for the wellbeing of all Canadians. So, surely the federal government wants to go into the conference with the provinces believing that both are coming together to try to solve this most difficult problem in an open and effective fashion.

If the conference starts with this bill enacted it may be difficult for the provincial premiers to believe that the federal government is dealing in an open and straightforward fashion. Therefore, I would urge as strongly as I can, given the situation that is developing around the world because of the energy crisis, given the fact that we know the change in the energy situation in the world is creating a whole new foundation for the development of economic policy, given the fact that we do not know what the OPEC countries will do in the next few months, and given the fact that we really have to work this problem out as Canadians together, to find an adequate solution to help all Canadians, that this parliament accept the proposal of the Leader of the Opposition (Mr. Stanfield) that we have an extension of the export tax to the end of March so that the windfall gains will go in the appropriate direction, and that we wait until after the provincial conference before proceeding with the latter part of this bill.

Some hon. Members: Hear, hear!

Oil Export Tax

Mr. J. H. Horner (Crowfoot): Mr. Speaker, in rising to take part in this debate on Bill C-245 I should like to point out that we have heard a number of terms used, such as "export tax", "export charge", regarding the exports of a resource industry. The minister has stated in his speech that this bill is of great significance to Canada. We have heard much said about windfall profits, who gets them and where they are going. Yes, the bill is of great significance to all Canadians. It is a tax on a resource. A member of the NDP wondered out loud in his speech as to why there should be a tax on only this resource. Why should there not be one on other resources as well. Is oil the only product of which we are short? We are short of steel, we are short of many things. We are exporting many other commodities as well. Perhaps, we should tax some of these other exports.

An hon. Member: Hear, hear!

Mr. Horner (Crowfoot): I hear a member of the NDP saying "hear, hear" to that idea. I think the government should make its position clear. Is this only the beginning of a new system whereby the federal government will raise money for its lavish ideas so as to gather more votes? Is this the beginning of a new turn that the government has taken? Will they be taxing oil as a resource, and what other resource will follow? Will they tax other manufactured goods? After all, steel is made from a raw resource manufactured in Canada. Perhaps we should tax steel as well as oil. Perhaps we should tax lumber of which we are exporting much. The exports of B.C. lumber went up 24 per cent this year, and the prices of building goods have gone up in Canada. Perhaps the government has that at the back of its mind as it spends money lavishly to gather votes.

These are the questions that the government should attempt to answer. They should pledge, before this bill is passed, that this is the one and only tax and that it will only be applied for a time. The bill does not specify that. It provides that the tax will end at the end of January and then it will be called an export charge. As one of the newsmen interviewing the Prime Minister (Mr. Trudeau) said the other day, it is all salami anyway, and the Prime Minister agreed. It is a tax, a charge, call it what you like; it is an export levy. The bill suggests that it will commence on the first of February, but no one knows when it will end. These things should be ironed out. Is this the only tax, and will it be applied temporarily?

With regard to the matter of where the windfall gains should go, and whether Canada has adopted the best policy, let me quote from an editorial in yesterday's Toronto *Star* which outlined some of these problems:

> Energy Minister Donald Macdonald says the price of Canadian oil will have at least to double when the freeze comes off next spring, and may have to become only marginally less than the world price, now about $10.50 a barrel.

Are we to believe that the tax is coming off on January 1, and the charge will come off in the spring, as the Prime Minister said in his speech to the House last month? On the strength of this editorial, one might believe that the Minister of Energy, Mines and Resources (Mr. Macdonald) believes that the tax will come off completely in the spring. The minister has not said that in his speech. I hope he makes his position abundantly clear because we have heard so many conflicting statements on the subject. The Prime Minister says one thing, the Minister of Energy, Mines and Resources says another, and now the Minister of Finance (Mr. Turner) is in the game. He, too, has his own ideas about these windfall profits about which everyone is talking and about what would be the best oil policy for Canada. Certainly, we need further explanations. This editorial continues:

> Second, the oil producing provinces are entitled to some increased return from their natural resource.

Even the Toronto *Star* admits that the oil producing provinces are entitled to some increase. We, from the oil producing provinces, would like a clear definition of the word "some". How big is "some" and how soon is it? The editorial goes on to state the following:

> As we have lately discovered, oil and natural gas have been underpriced in past years in terms of their true energy value.

That is a pretty good admission and we believe that the government is now realizing the true value of energy and that "some" is substantial. The editorial goes on to read:

> But third, the only long-term justification for price increases beyond covering higher production costs, if any, and giving Alberta and Saskatchewan a fair return, is to provide funds for exploration and development of new energy reserves.

I will deal with that a little later, but first I want to emphasize that even the editorial in the *Star* admits there is some justification for price increases, and one reason they give is the higher production costs. The *Star* believes inflation will affect everybody, but not the cost of finding oil. As I say, they disregard the higher production costs, but they do say there is justification to provide funds for exploration and development of new energy reserves. That is a very significant point.

• (1440)

In his speech the Minister of Finance (Mr. Turner) outlined three points that were similar to the points made by the Toronto *Star*. He said there were three important points and they were interrelated. According to him half of the total energy produced in Canada comes from oil, and that a sudden jump in price can cause grave disruption to our economy. If we are to believe the Minister of Energy, Mines and Resources (Mr. Macdonald) that $10.50 per barrel will be the price in spring, then there will certainly be a sudden jump. Of course, we hope that in spring the heating season will have passed.

The second point made by the Minister of Finance was that the competitive forces of supply and demand have not been responsible for the increase in price. That is a debatable point, and I will deal with it later. Then, he went on to say that 2 million barrels per day are produced in Alberta, and that if we increased the price of that oil by $6 or $7 a barrel this would involve a great deal of money. That is certainly an understatement for the Minister of Finance to make, because it does involve a great deal of money.

When talking about oil we should remember that about 80 per cent of the world's reserves are in the Middle East and north African area. Of the Arab petroleum exporting countries, Saudi Arabia, Kuwait and Libya produce about 30 per cent of total world production, and hold

about 50 per cent of the free world's reserves. Recently Venezuela increased the price of its oil to $13.80 per barrel, and the Persian Gulf states increased their oil to $11.65 per barrel.

We must develop alternate sources of energy. What is the United States doing? First of all, it has a two-price system. Even before this crisis came along the United States allowed a 23 per cent increase in the price of oil now in reserve, with no limitation on the price of any new oil that is found. In other words, it is giving quite an incentive to oil companies to find new sources of oil. In essence, the United States is allowing the companies to charge the world price for the new oil that they find. Naturally, in consequence the international oil companies will have a tendency to explore for new oil reserves in the United States. Some 20 per cent to 25 per cent of the oil now used in the United States is new oil, for which the higher world prices are allowed. That is a huge amount of oil, so the incentive must be paying off. When you average the price for new oil and old oil in the United States it comes to about $7.50 per barrel.

What are we doing in Canada? Are we doing anything similar to that? We can say that we have outlined a determined policy to invest $40 million in a national petroleum company. That is a great incentive! That will bring security to the people of Canada, particularly to those who live in the five eastern provinces. Of course, I am speaking facetiously because the people there know that Shell Oil spent $125 million exploring for oil in Quebec and off the Atlantic coast without finding any appreciable amount. There is some talk that this $40 million will be spent on research. I would point out that Syncrude (Canada), which has not really gone into production yet, has already spent $90 million on research, and purchased a lot of its research for a cash price from Great Canadian Oil Sands. Yet here is this great, bold government trying to win the confidence of the five eastern provinces by saying it will establish a national oil company and spend $40 million on research.

How lucky and how fortunate are we? I notice that a meeting will be held next month between Canada and the United States to discuss this whole energy question. According to another report in yesterday's Toronto *Star*, our oil policy has tabbed us in the United States as being the Arabs of North America. The report reads:

> The Canadian Embassy has published a four-page report outlining Canada's oil export policy in a bid to dispell a tendency here to call Canadians "North American Arabs."
>
> The embassy says many in the United States misunderstand Canada's aims . . .
>
> A Canadian embassy official said yesterday that the proposed export levy "raised a number of questions and some explanation had to be made that Canada was not engaged in flagrant profiteering."
>
> The embassy publication says the purpose of the proposed increase is "to help forestall an increase in prices charged to Canadian consumers . . .
>
> The report went on: "At that same time, we were also anxious to ensure that the return on Canadian oil in your market was not significantly less than that being received for oil imports from other countries . . ."

Even they recognize that there is going to be an increase some time, but they are not sure when. The significant thing is that the Canadian embassy was instructed to do this.

The Canadian government must also realize that if we impose an export tax on our trading partner, the United States, it can retaliate. Two-thirds of the energy produced in Ontario is produced with American coal. I do not suggest that the United States place an export levy on that coal, but it could if we play around with this concept of profiteering at the expense of our neighbour. I noticed that last month the Prime Minister made the statement that in the long run we must allow the price of domestic crude oil to rise high enough to ensure development of the Alberta oil sands and of other Canadian resources, but not one bit higher than that. That is in line with the statement in the Toronto *Star*. And he said there would have to be some further exploration.

It is interesting to note that the president of Imperial Oil of Canada appeared before the National Resources and Public Works committee on December 20 last. It is the largest international oil producing company operating in Canada, and he is a man fully knowledgeable of the oil industry. In response to a number of questions asked by committee members he very clearly stated that Imperial brings all its oil up from Venezuela, and he did not expect any cut back in supply. I questioned him, as reported at page 43 of the committee proceedings, about the building of the pipeline to Montreal. Imperial is the owner of a one third share in the Interprovincial pipeline system in Canada. I asked were they going to build a pipeline that could supply the Montreal market, and he replied that in no way could they do that. They would build a pipeline to put only 200,000 barrels a day into Montreal. I asked if they would still leave Montreal open to international prices, and he replied that they had to because they did not have enough oil in Canada.

I want to read what he said about that very point because it emphasizes the need for exploration and development. He said:

• (1450)

> I thought I had described the situation, Mr. Horner, that if we tried to supply Quebec and the Maritimes with the pipeline extension that would be required, if you went to that degree, then you would probably be looking at five or six years of supply, availability and proven reserves to date.

We have five or six years' supply of available resources to date if we supply Montreal and the Maritimes from the traditional reserves which are 85 per cent in Alberta! Five or six years' supply, Mr. Speaker; I cannot emphasize that enough. Anybody knows, for example, that the tar sands contain huge reserves, but the technology to extract the oil has yet to be developed. Only one-fifth of the land mass involved has less than 100 feet of coverage. He says that we have only five or six years supply for all of Canada if we do not make further discoveries! He goes on:

> We would not have sufficient lead time either to bring in the Arctic discoveries or the Tar Sands. We would not have enough development in the Tar Sands to do no more than—

Then, he continues:

> Therefore, you are going to run out of crude. You are going to cut off your traditional suppliers—

We do not have great reserves and whether windfalls go to international oil companies or not, they have to go to somebody to develop those reserves. Syncrude hopes to go on production by 1978, but they will be lucky if they are in production by 1980, and they are only going to produce 125,000 barrels per day. We need ten more Syncrude plants in the tar sands if we are to have enough for all of Canada. At page 45 of the committee report Mr. Armstrong emphasized again that if a pipeline were to be built to supply Montreal, another 200,000 barrels per day would have to be put through. That is the amount that western Canada could supply in view of the known reserves there. If the NDP, which is apparently running the government, believes that a national oil company is the answer—and that is one way in which we can prohibit the windfalls going to what we might call the wrong people—then we have to get into the business and get the national oil company producing oil.

In a recent column in the Toronto *Star*, Jack McArthur suggests that the government would have to pay about $2.5 billion to buy 51 per cent of the common stock of Imperial Oil at recent market prices. Referring to the government he said:

That would make you the leader in Canada but far from completely dominant.

He is quite correct and this is the choice that the government has to make. If they want to guarantee ample supplies of oil to all Canadians, they will have to get into development and that development will have to be speeded up. We have five or six years' supply for all of Canada.

Now, how do you speed up development? You entice and encourage somebody to do the development. But how do you entice and encourage them if you limit them to a price of $3.83 per barrel? It is commonly called $4 a barrel but $3.83 is what the companies in Alberta are getting today. How do you speed development at that price, particularly when development money will flow in the United States and when new oil is found there, the market price will be charged.

The Minister of Finance stated that the competitive forces of supply and demand are not responsible for the increase. At the time I said that point was debatable because, in a way, supply and demand are responsible for the increase. I have before me a pamphlet produced by the Petroleum Society of CIM dated September 30, 1970, the first page of which reads:

On Wednesday, September 23, 1970, Dr. Wilson Laird, Director of the Office of Oil and Gas, U.S. Department of the Interior, testified before a U.S. Senate Sub-Committee on the "current status of the American oil supply situation". In an abstract he said that the spare productive capacity for oil in the southern 48 states and in Venezuela is now almost fully being utilized.

In 1970 it was recognized that the oil in 48 states and Venezuela was being fully utilized! The paper continued:

Texas and Louisiana cannot raise production very much further and in fact, all ". . . the lower 48 states are approximately at their maximum production capacity at this time." He noted also very clearly that Venezuela the biggest overseas supplier of eastern U.S. and eastern Canada is producing almost at its maximum potential.

That was a statement made in 1970 by a man with full knowledge of the oil industry, and who was responsible to the United States government, when he testified before a U.S. Senate subcommittee. He pointed out that we will have to rely on some other sources if our consumption of oil increases. So supply and demand have played a part, Mr. Speaker. As early as 1969 and 1970 we should have expected that oil prices would increase.

Then what about the Arab situation? In a speech which I made in this House some time ago, I said that an oil expert had told me that in the North American market, oil consumption has increased by about 6 per cent per year for several years; that European and Japanese consumption has increased at a rate of about 12 per cent per year; and that to meet these increases the Arab countries would have to increase their production by at least 30 per cent per year. No matter who owned the oil, anybody increasing the production of a non-renewable resource by 30 per cent per year would start to wonder whether it would not run out some time. They have a legitimate right to increase their price somewhat, not as much as they have but as they have said, there are bigger fish in the water than higher oil prices and they are after the bigger fish. But, Mr. Speaker, they also cut back production by seven million barrels per day. Since they produce about 30 per cent of the oil in the world, this naturally creates a shortage. Therefore there is a tendency to say that supply and demand have had some effect on oil prices because of the Arab cutback. Whether that cutback was necessary is another question.

The question now comes up "What does the west want?". A socialist member from the golden triangle of Ontario said this afternoon that for years he had heard the expression "What does Quebec want?". Now, he is wondering "What does the west want?" That made people ponder. Richard Gwyn, a columnist for the Ottawa *Journal* interviewed Premier Lougheed of Alberta and Premier Blakeney of Saskatchewan and in an article on December 22, 1973, had this to say:

The affluence of Alberta is almost overpowering. New office blocks and apartment buildings tower upwards in Calgary and Edmonton. There is no sales tax, and home owners get a tax rebate.

The article continues:

"All of this comes from a depleting resource," says Lougheed. "The revenues won't last long. We have to use them to build a post-oil Alberta: petrochemical industries, steel, forestry products."

Blakeney says the same thing, only more cautiously.

That is to be expected from a Socialist, I suppose. That is what Alberta and Saskatchewan seek and will get. According to Gwyn's column, that industry must come from somewhere. He goes on to say:

• (1500)

Ontario is going to be the loser. Both premiers believe that in the energy debate, Ontario has been hiding behind Ottawa's skirts.

I am not saying that is not right. Alberta and the west want more industry, more development and more people. We do not want to see only central Canada continuing to grow: I do not think it is wise to expect that. The federation of provinces, working under a federal system of government, want to divide up the spoils. The provinces are asking Alberta to do that. We are supposed to divide up our resources, not to be too greedy and to hand out our oil. Alberta says, "Fine; we will do that." But it says to the

rest of the country, "You do the same; you give us some of your industry. Move your industry and your people out here. We do not want to see Canada grow and become industrialized at the expense of our non-renewable resources."

To my mind that is an important point. In some ways underdeveloped nations and countries in the Middle east are saying the same thing. They are saying, "If you want our oil, we will sell it. But your manufactured goods are too expensive; we cannot afford them. We need manufacturing industries and we want more industrialization." That position is understandable.

If this country's industrial policy is to be based on our energy resources, it is clear that there must be development in my part of Canada. It is not good enough for the Minister of Regional Economic Expansion (Mr. Jamieson) to say that we will give money to the unemployed, or that we will spend money creating jobs in areas of unemployment. That is not what Premier Lougheed of Alberta is saying. He wants Canada to be built up where the resources are. Our work force in Canada is mobile. Alberta welcomes people from all over Canada. The province is saying, "Do not expect us to supply you with our non-renewable resources at a low price which does not encourage the further development of those resources."

There has been much talk of windfall profits. I suppose the oil companies are making windfall profits. What are they doing with the money? Last year, 70 per cent of the profit made by the oil companies was plowed back into the development of more oil in Canada, not necessarily in Alberta alone. Shell spent $125 million in exploration off the east coast and did not make a significant find. Huge expenditures are involved in the development of oil and gas resources and in bringing them to market. Panarctic has spent $45 million of the federal government's money in finding and developing natural gas, and much more must be spent in taking the gas to market: the linking of the market with the gas wells will entail a very large expenditure.

What does this bill do? It provides for the imposition of an export tax. At the end of four months, that is, at the end of January, that tax will have brought in about $145 million. The government says that 50 per cent of the proceeds of the tax will go back to the provinces. You could dig up all kinds of quotations from *Hansard* to show that the Minister of Energy, Mines and Resources (Mr. Macdonald) has suggested that the other 50 per cent will be spent in the provinces in the development of resources, so that politicians who follow him can stand up and say, "We still have reserves for five or six years". Perhaps that will be said five or six years from now, although I hope development will keep ahead of our rate of consumption. However, this bill does not say that. The other 50 per cent will go to federal government coffers to help bail out the Minister of Finance (Mr. Turner) with respect to equalization payments.

Mr. Alexander: That is not what Macdonald said.

Mr. Horner (Crowfoot): That is not what the minister said, quite right. Just over a month ago the Prime Minister (Mr. Trudeau) said in this House that this money will go back to the provinces. He said in the question period that it will go back to the provinces for developing more energy supplies. He has not said that recently; he has said we can do a number of things, equalize the price or things of that sort. He did not say how we would spend the other 50 per cent.

Mr. Alexander: There is confusion over there.

Mr. Horner (Crowfoot): There certainly is. The bill does not say where the money from the export tax is to go. It does not guarantee the provinces 50 per cent. It merely says that 50 per cent of the tax goes to the province; it does not say that 50 per cent of the capital charge must go to the province. There is a difference.

Mr. Stanfield: The bill says that 50 per cent may be paid.

Mr. Horner (Crowfoot): As the Leader of the Opposition (Mr. Stanfield) says, the bill only says that 50 per cent may be paid to the province. I think the minister owes this House a clear explanation. Is this to be the first and only export charge to be levied on the export of our resources? Is the provincial government to get 50 per cent of the present tax, or 50 per cent of the charge?

If the charge increases to $10 per month, the government will gain $300 million per month, of which the provincial share would be $150 million. Oil companies, whether provincially, internationally or Canadian-owned, must have adequate returns which will encourage them to find more oil. They will not be so encouraged if the price is held to $3.83. A wise and resourceful premier would hold off the discovery of any more oil until the price went higher and we could market our non-renewable resources at fair and equitable prices. That means, as the Toronto *Star* said, prices higher than are being charged today.

The Prime Minister said that oil prices must rise if we are to ensure the development of our oil sands. It is no secret in Alberta that the agreement reached with Syncrude outlines a schedule under which oil prices between 1978 and 2000 A.D. will rise to nearly $15 per barrel in order to provide 7 per cent return on capital.

Mr. Stanfield: That will not apply right away.

Mr. Horner (Crowfoot): That will not be right away. It is conceivable that in the 22 years between 1978 and 2000 A.D. the price could go to higher than $20 per barrel, especially if present inflation rates continue under this government.

Mr. Stanfield: They will not be here that long.

Mr. Horner (Crowfoot): No, they will not be here that long. Even the Prime Minister admits that there must be some increase in the price of our oil or our resources will not be developed. The independent petroleum producers of Alberta have told us that it costs over $14 per barrel to find the oil which must be found to replace the oil we are now using. Today it costs $14 to find a barrel of oil. This gives some idea that we can expect further development at $3.83 a barrel.

Oil Export Tax

• (1510)

It should be clear to all Canadians that oil security means national security. The minister and the government owe it to all Canadians, whether they be in the five eastern or the five western provinces, to encourage further finds and development of our resources so we can have the oil security and national security which we need. We will not encourage further development with a national oil company which is only being allotted $40 million. In an article in yesterday's Toronto *Star* headed "Ottawa thinks small in oil big league", Mr. McArthur said—and I do not like the expression—it is just petty cash and peanuts. If the Minister of Finance and his cohorts think that socialism is the answer and a national oil company would do a better job than private enterprise, they should buy 51 per cent of the stock of Imperial Oil. According to Mr. McArthur this would cost $2.5 billion. For Shell Canada the figure would be $600 million and for Gulf Canada it would be $750 million. Mr. McArthur had all the prices in yesterday's Toronto *Star*.

Get in the business, boys, but let's find further reserves. We cannot expect Canadians in any part of this country to be secure with a five or six-year supply of oil. According to Mr. Armstrong, the president of Imperial Oil, that is all we have. It should be pointed out that since World War II there have been eight periods in the free world when there has been what might be called a shortfall of oil supply. In every other year the American supply of oil has taken up the slack. In essence, the American supply has bailed out the western world on every other occasion. Today that supply is completely used up; they are short 8 or 9 per cent of their requirements, which is not very much—but they used to export. As recently as seven or eight years ago they did not even want to accept Alberta's oil.

We must realize that this oil tax concept, oil charge concept or oil export charge concept is of very short range. The best thing that could happen to Canadians today would be to have an election and get this government out of office, because these short-term policies with which they are trying to obtain votes are endangering the long-term security of every Canadian whether he lives in Alberta, the Maritimes, Newfoundland, Quebec or Ontario.

Some hon. Members: Hear, hear!

Mr. Horner (Crowfoot): These short-term policies are endangering the security of this nation. As I said, oil security means national security. We must have further development to give us oil security. This proposed measure will not do that. The minister should explain that this measure will only be in effect until spring, at which time Alberta will be quite willing to phase in as gently as possible an increase in oil prices for the poor people of central Canada, Ontario in particular. Certainly it must be phased in if we want to create the oil security which will give us national security.

Mr. Deputy Speaker: Order, please. I should advise the House that if the Minister of Finance (Mr. Turner) speaks now he will close the debate on second reading.

[Mr. Horner (Crowfoot).]

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I want to deal briefly with two or three points that have been raised in the debate during the past day and a half. The first point was raised by the Leader of the Opposition (Mr. Stanfield) and the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas). It concerns the destination of the 50 per cent of the apportionment that under the bill will go to the federal government during the first four months of the export tax.

The House will recall the bill provides that in the months of October, November and December, 1973, and January, 1974, the proceeds of the export tax are apportioned 50-50 between the producing provinces, on the ratio of their production, and the federal government. The amount of money we estimate to be dealing with in the four months is $152 million, which is very close to the figure put forward by the hon. member for Crowfoot (Mr. Horner). Under the bill, $76 million will go to the provinces. As a result of the transfer of that money, those revenues will qualify under the Federal-Provincial Fiscal Arrangements Act as shared revenues and the bill to the Canadian taxpayer under the heading of equalization will be in the nature of $25 million. That is an account that will have to be taken into consideration.

I want to give the undertaking that regarding the $76 million which will go to the federal government, that money will be spent on and invested in research, resources and development industries in western Canada within the range of commitments given at the western economic opportunities conference.

An hon. Member: Exploration?

Mr. Turner (Ottawa-Carleton): Including exploration.

Mr. Stanfield: The minister is withholding the amount he estimates will be required through equalization payments.

Mr. Turner (Ottawa-Carleton): No, Mr. Speaker. I recognize that in terms of the commitment given by my colleague, the equalization payment for those four months is something the federal taxpayer will have to bear. I might deal with that at a later stage.

What I am saying now about the 50-50 apportionment under this bill applies only to the months of October, November, December and January. That was the limit of the commitment of the Minister of Energy, Mines and Resources (Mr. Macdonald). The Prime Minister (Mr. Trudeau) said in his statement in the House, that the sharing of revenues after January 31 will depend upon what arrangements we can make with the provinces at the forthcoming conference.

Mr. Horner (Crowfoot): It will not be less than 50 per cent?

Mr. Turner (Ottawa-Carleton): That is a question to be negotiated. I would not want to prejudice either the federal or provincial position on that subject.

Mr. Horner (Crowfoot): You can start from that base.

Mr. Turner (Ottawa-Carleton): I never neglect the words of the hon. member for Crowfoot. This afternoon I

did not know whether or not he was bearing a message to this House and the government; but I will read his words very carefully.

I now wish to deal with the second subject. The Leader of the Opposition expressed concern about the export charge part of the bill. I heard his tentative suggestion again this morning in the question period. It is important to note that the sharing of the proceeds of the revenue after January 31 has been left open for negotiation at the conference. This is a matter for the two levels of government. It does not directly affect producers, exporters or consumers, but the situation as between governments on the one hand and exporters on the other obviously has to be clarified as soon as possible, whatever the split may be. If an agreement is reached at the conference which is inconsistent with the bill, and other mechanisms are decided on, it is obvious the government will seek to amend the oil export charge act at the next session of parliament accordingly.

• (1520)

I have been asked by the hon. member for Crowfoot, by the hon. member for Waterloo-Cambridge (Mr. Saltsman) and others what the eventual price will be. The Prime Minister set out the principles in his speech to the House setting forth the national oil policy. I declared it again yesterday in general terms. I urge the Leader of the Opposition and the hon. member for Nanaimo-Cowichan-The Islands to read the principles upon consideration of which I think the price ought to be based. But in the final analysis price will represent the source of the revenues which have to be shared as against the burdens which must also be shared in this country through taxation or whatever mechanism may be used.

Today we face a situation—I am speaking of the fiscal relationship between the federal government and the provinces—in which, because of international price distortions imposed by a quasi-monopolistic situation, new benefits and new burdens are experienced in various parts of the country. It is incumbent upon us to achieve some sort of solution whereby a fair return is given to the companies concerned and due recognition is given to the fact that the resources of the provinces are being depleted.

In addition, the federal government must be left in a position where it can equalize the benefits and equalize cost factors affecting consumers, including industrial users, across the country while taking into consideration also the additional equalization burden which falls upon the Canadian taxpayer as a result of additional, uncontemplated revenues going to the producing provinces. These, as the hon. member for Waterloo-Cambridge said this morning, represent about one-third of a dollar for every dollar of revenue going, say, to the province of Alberta. In other words, for every dollar of additional revenue, under the equalization formula the federal taxpayer has a commitment under the fiscal arrangements legislation to distribute 33 cents to the seven provinces receiving equalization payments.

All this has to be worked into an equation which is fair as far as the sharing of benefits is concerned and fair as far as the sharing of costs is concerned. The federal taxpayer must not find himself in the position of picking up the tab for the whole exercise. This being the case, the matter becomes one for negotiation between the federal government and the provinces, taking into consideration, obviously, the position of the companies as well.

Mr. Stanfield: You can always come back to parliament.

Mr. Turner (Ottawa-Carleton): Yes, but I cannot give a commitment as to price to this parliament and yet enable my colleagues, the Prime Minister and the Minister of Energy, Mines and Resources, to attend this conference in a bona fide, meaningful way. I must have a flexible tax mechanism enabling us to enter this conference free and willing to deal with the producing provinces which own the Crown lands in a way that makes sense.

Mr. Alexander: All you need is a proposal, not a bill.

Mr. Turner (Ottawa-Carleton): Well, the federal government must be able to rely on a mechanism which at least places it in a bargaining position equivalent to that enjoyed by the provincial governments.

Mr. Alexander: You are moving unilaterally.

Mr. Turner (Ottawa-Carleton): No. The final question put to me, or implied during the debate was whether the government was taking the taxing power away from the elected representatives of the people, here in parliament assembled, and delegating it to some other body, in this case the National Energy Board. Again it must be borne in mind that the situation is volatile and unpredictable. The government must be allowed a reasonable degree of flexibility to deal with the situation. The maximum figure presently allowed in the bill is $4, which I suggest is unrealistic and should be replaced by a figure of $10 which would carry us through in the immediate future.

The figure of $10 would establish the outside parameter of the charge, thus protecting the traditional rights of parliament. The government is not asking for a blank cheque, but for a maximum amount beyond which it cannot go. There are precedents for granting authority of this sort and when we get to clause by clause examination of the bill I shall be glad to cite them. But the actual amount of the export charge after January would be set monthly, not by some advisory committee drawn from the private sector, as one or two members have suggested, but by the governor in council, the cabinet, which is the body made up of elected representatives of the people reporting directly to parliament, subject to a maximum amount, whatever it is, set by the representatives of the people. The governor in council will act on the advice of the National Energy Board which is an independent agency possessing the most expert knowledge in this area.

These are the points I wanted to deal with at the present stage. Obviously, when we get into committee further consultations and discussions as to how to resolve this matter will be necessary. But if I may say so, I believe this has been a damned good debate.

Mr. Stanfield: I rise on a point of order, Mr. Speaker. I wish to say that I expect the bill will go through second reading without difficulty. But it is not to be taken by the Minister of Finance that there is any agreement on our

part to the proposal he is making to bring the $4 up to $10. It should be clearly understood that the passing of the bill on second reading does not involve any agreement on our part to the change.

Mr. Turner (Ottawa-Carleton): I hope we shall have further consultations about that, but I can assure the Leader of the Opposition that I do not take anything in this House for granted.

Mr. Horner (Crowfoot): Would the minister permit a question? Since this whole question of oil and the tax has aroused great national interest, will the conference in January be open to the public and will it be televised so that we can take part in it at least as an audience?

Mr. Turner (Ottawa-Carleton): As I understand it, the Prime Minister is the host of the conference and it is to be an open conference. If the provinces agree, it could be televised, I understand, though I might stand corrected by the Prime Minister. As to whether or not there might be participation by way of a live hot-line, I am not sure this is in the cards.

• (1530)

Mr. Bell: Mr. Speaker, I should like to pose a question for clarification. In response to a question asked this morning by the Leader of the Opposition (Mr. Stanfield), the minister said—I think these were his words—that the charge had to be maintained and there could not be a substitution or a continuation of the excise tax because of international as well as dominion-provincial aspects. He has given us the dominion-provincial reasons and whether they are justifiable remains to be seen; but would he now give us the international reason he needs the charge?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, it is because of the unpredictability of the international price factor as against the imposition of or voluntary agreement to a price freeze. This is to give us a margin against predictability. It is for that reason I suggested we needed a flexible instrument. The "blues" I received in this respect were a little garbled.

An hon. Member: We will give you that in about two months.

Mr. Turner (Ottawa-Carleton): I hope you have a good weekend.

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

The Chairman: The committee will commence its consideration in respect of clause 2 of the bill.

On Clause 2—*Definitions.*

Mr. Ritchie: Mr. Chairman, this bill really establishes two very important departures from established practice and indicates a very drastic and new change in our concept of confederation. I am afraid this will not do anything to decrease the drastic alienation of western Canada. The problem raised is that for the first time, at least to any large extent, non-renewable resources belonging to provinces are to be subject to federal regulation in order to give what is called by the Minister of Finance a fair oil policy for all of Canada, and at the same time levy an export tax which will not be returned to the provinces in total or will not go through the usual channels of distribution to the companies and eventually to the provinces and to the whole of the country.

Let us consider what is a fair price oil policy. It will consist, so far as the consumers are concerned, of providing the smallest price to be paid by consumers of oil and gas, while still making it economical for oil and gas to flow from the ground. Conversely, the producers will seek the highest price possible. It is fortunate at the moment that this oil and gas is produced in western Canada, because it makes it easier for this administration to continue to discriminate against that part of the country. This direct invasion of provincial rights seems to be unprecedented. This tax bill will do nothing to assuage the feeling that western Canada is cut off from the destiny of the country and that its only value to Canadian confederation is as a resource base.

This past year has seen an increase in the stresses and strains on confederation. These stresses and strains have increased, not diminished. The end of last year saw a call to arms by Alberta and Saskatchewan, with governments of totally different political stripe, to make sure they have control in respect of the price of their own oil. The small possibility which emerged from the Calgary conference that things would be better has obviously become a political mirage. Even at that conference the federal government made little or no promise of substance, even as to regional banking and freight rates. Alberta and Saskatchewan have moved to take new powers unto themselves, and Ottawa is finding this difficult. We may become involved in a constitutional battle. Of course, if the oil and gas were located in central Canada, Ottawa would not have this problem with the legislation which Alberta and Saskatchewan are now enacting.

Perhaps it would be wise to look at the reason the world price of oil has changed and how our Canadian situation fits into the circumstances. There has been a worldwide increase in commodity prices. One cannot really blame the Arabs for increasing the price of their oil. The minister suggested there was a quasi-monopoly situation involved, but in fact they were selling oil for five cents a gallon and finding that it wound up in western Europe selling at $1 a gallon. The price of their crude oil has increased only 16 per cent in 25 years up until the recent increases. The Shah of Iran, as reported in last week's newspapers, made what I think is a very apt comment when he said the western nations had been buying oil for practically nothing and selling them goods at rates 50 times as high as the increase in the price of oil.

As the minister has said, the price of Arab oil at the end of 1972 was $2.50 a barrel, with much of it ending up in western Europe where consumers were paying over $30 for the resulting gasoline. One cannot really blame the Arabs for asking a higher price for this non-renewable resource. We should perhaps also heed the Shah's statement when he suggested that western civilization should not be burning gas and oil in their cars and homes, but should be conserving it in order that it could be used for

the manufacture of those things which are so important to our industries.

In addition to the increase in the price of oil there has been an upward revision of the price of renewable and non-renewable resources. I think that is one reason this fair price for oil will create problems. For instance, the world copper price has increased by 300 per cent over the past three years. The price has almost doubled since last year. The prices of lead and zinc have increased respectively by 200 per cent and 800 per cent since 1968. This is much greater than the increase in the price of oil. The price if iron ore has increased by 50 per cent since 1969. The prices of many other commodities have increased substantially in recent years. Nickel prices have increased 50 per cent, grain prices have increased 300 per cent since January, 1972, and lumber prices have increased substantially. In addition, there have been varying degrees of price increases in respect of chemicals which represent over $530 million in exports, with the major source being Ontario and Quebec and oil and gas being the largest base component in their production.

In addition, Mr. Chairman, we export a tremendous amount of electricity, some of which is produced in Ontario by using Alberta gas. Bearing this in mind, should Alberta gas be priced artificially low while Ontario electricity commands the highest possible price on the United States market? It certainly can be seen that the increase in the price of world commodities and many of our resources has been even greater than the increase in the price of oil and gas. This certainly poses the question: If we are to have a two-price system for oil and gas over a long period of time, particularly when in fact oil and gas can be replaced by other forms of energy in many instances—and the world will have to use these other forms of energy eventually—will this two-price system in the long run be a good thing for Canada?

The export tax applied across the board will, in effect, increase the cost of exports to foreign buyers or, alternatively, reduce the Canadian dollar income to the Canadian producer. If the Canadian domestic price is kept low, the purchasing power of the Canadian dollar within Canada for these products will be increased. Artificially low resource prices within Canada will automatically lead to uneconomical and wasteful use of the resource, particularly in comparison with the situation which exists in the rest of the free world. It also creates an unbudgeted tax bonanza for the federal government at the expense of the purchaser and/or the provincial governments' royalty income and requires a costly bureaucracy to administer it. It does not increase the purchasing power of the Canadian dollar relative to its products or imports.

• (1540)

The export tax on oil has the effect of negating specified prices. It destroys, to some extent, the sanctity of contracts. It is a neat way to increase Canadian income in a period of rising prices and will be just as effective on some of our larger export items such as metals, wood products and grain contracts. But it can work the other way as well. If world prices collapse, will foreign buyers live up to their purchase contracts, or could this start significant unemployment in our mine and forest operations? In a period of rising prices, will foreign buyers live up to their longer term contracts to supply bauxite or many other products in which we are not self-sufficient?

If a price freeze and export tax is required on oil, it should be equally justified on all other natural resources. A large range of manufactured and semi-manufactured products use oil and gas as one of their major components. Many of these products are exported. If an export tax and price freeze is applied to oil and gas, then it should be applicable to those products which will be subsidized by cheap Canadian energy and sub-stock. Sudden change in the value of base products clearly has an upsetting effect on the economy. Sudden changes create dislocation and require faster adjustments than is humanly possible. I think, therefore, that in the long term the price of oil and gas must approach world prices unless we wish to accept considerable retaliation by our trading partners and create great problems internally.

The price freeze, with all the uncertainty and the problems between the federal and provincial governments, is certainly creating problems for the future in the matter of supply. It is probably only a natural response that most consumers feel there are unlimited supplies of oil and gas at ever decreasing prices. It is wise to look at what the United States did 19 years ago which brought them into this position. At that time prices were placed on products under the guise of providing assistance to consumers. Now it has become apparent that this was a great disservice to the consumer. The incentive for producers to explore was taken away and additional reserves did not keep pace with demand. Wasteful use of energy through the use of automobiles, and so on, permeated the North American economy.

Contrary to what Canada is doing, the United States is taking off price restraints and allowing the market to set prices on new supplies. Record exploration dollars are flowing back to help find the much needed energy. Here in Canada we are following the example of the American administration of 19 years ago. This would make more sense if we had been steadily increasing our reserves, but the last three years have shown a decrease in conventional oil resources by half a billion barrels a year. There is certain to be, until the provincial problems are settled, a very unsatisfactory situation in the structure of the industry.

Then, again, the Mackenzie Valley pipeline must be in a state of great uncertainty. It is generally considered that this would be beneficial to Canada but requires the joint co-operation of the United States and the Canadian governments. But the unilateral application of government must certainly sour our external relations and make the possibility of coming to an agreement on the pipeline much more difficult. It will obviously encourage the Americans to think that the Prime Minister (Mr. Trudeau) and the Minister of Finance (Mr. Turner) are not very sincere and do not have any great conviction that the Mackenzie Valley pipeline could or should be built. This will perpetuate the view of those on the United States side who believe that oil out of Prudhoe Bay should be moved under the guise of the United States flag. Furthermore, with the possible formation of the national petroleum company, all the large integrated companies such as Imperial, Shell, and so on, are a possible takeover. Until

the actual framework is decided, the fear of possible takeover is present.

It is certainly small wonder that investment brokers do not recommend the purchasing of stock of the senior integrated companies because they are prevented from going outside Canada, but recommend those small Canadian companies which have acreages outside Canada and which are not affected by the political quagmire in which Canada finds itself. The North Sea especially is attractive. It seems significant, also, that most of these small companies have more Canadian money in them than the large integrated companies which are precluded from going outside Canada. The small company is able to operate outside Canada and indeed around the world. It seems ironic, at a time when we are complaining about the amount of foreign investment in our resource industry, that it is more practical for a Canadian to invest his money in a Canadian company operating outside this country than it is to invest in a company operating inside the country.

I now turn to the application of this tax and the stated intention of the government to keep the price of oil and gas below the world average in order to prevent hardship throughout Canada. However, there are other sides to the coin. Premier Blakeney showed one of these, as reported in a *Globe and Mail* article, when he pointed out that Saskatchewan, as opposed to Alberta, on the whole is a have-not province except that it does have some extra oil. He points out that as consumers—and the same could be said for Alberta—the people of the province of Saskatchewan depend on the state of the world market for the availability and pricing of commodities such as farm machinery, automobiles, lumber, fruit, vegetables, and so on, which are required by a province with a severe climate.

But this government in Ottawa is saying that it is not right that the province of Saskatchewan should sell its oil at the world market price, and it should be sold at a price related to cost. If Canada is to have a price for oil which in the long run would be below the world price, then this involves really the setting of a political price for gas and oil. If a government must set the price, it will be set on the political pressure of the day and not on any valid market price. A central, national marketing agency for oil will find itself torn between the consumer, who will want oil at as cheap a price as possible, and the producer who naturally will want as high a price as possible. As well as that, conflicts between the various regions of Canada will continue to arise and will become more serious. If these conflicts are not resolved, confederation will become increasingly an empty drum.

• (1550)

I suggest that in the future we should handle so-called windfall profits through a type of excess profits tax. Such a mechanism would allow for further bona fide exploration funds which we need very badly. The minister has said that he has $76 million to give for exploration. I suggest that the federal government is not involved in the exploration of oil and that $76 million will not get it very far. My proposal would not disturb the royalty system according to which the provinces obtain their income and, above all, it would include all the resource companies and all the gold companies which have seen the price of their

[Mr. Ritchie.]

product go up three times. It would include the copper companies which have seen the price of their product go up three times, the zinc companies which have seen the price of their product go up eight times, as well as the manufacturing industries which are also making windfall profits as a result of the situation in the world.

Furthermore, if this suggestion were adopted, the tax would not carry the stigma of the present export tax which seems to be directed at one or two of the prairie provinces and these provinces will not be the only ones to carry the brunt of providing cheap oil and gas for Canadian consumers.

Mr. Gleave: Mr. Chairman, I would like to start by saying that I wondered, when I read the statements of the Prime Minister, of the Minister of Energy, Mines and Resources and of the Minister of Justice, who is from Saskatchewan, whether this government by accident or design is heading toward a confrontation with the provinces. Then, when I saw the proposals in this bill which quite deliberately infringe upon the resource base of the provinces in the proposed charges to be levied on oil from the provinces, I wondered if the stage is being set rather deliberately for the meeting between the first ministers of the provinces and the Prime Minister in the future.

The Premier of Saskatchewan—part of which province I have the honour to represent—felt it necessary to state on the public media the position of that province in respect of the oil resources in Saskatchewan. He did not adopt an attitude of confrontation, or an aggressive or belligerent attitude as did the Prime Minister in Vancouver and as did the Minister of Justice when he had the opportunity. In fact, the Premier of Saskatchewan said:

> —I want to talk to you about our new oil policy for Saskatchewan.
>
> Before I do let me first say that the Saskatchewan government approves of most of the moves toward a national energy policy announced late last week by the federal government.
>
> We support extension of the oil pipeline to Montreal—
>
> We support the intent of the federal government to hold down the price for Canadian consumers of western Canadian crude.
>
> We do not, however, accept the federal government's division of proceeds from the export tax which gives to the producing provinces only half of the windfall profits on exported oil.

I quote this for the benefit of the members of this committee because I think that the Minister of Finance and those shepherding the bill may not be aware of this fact. The Premier of Saskatchewan continued:

> Oil and gas are resources that clearly belong to the provinces. It has been our position from the start that the full proceeds of the export tax, which really represent windfall profits, must be returned to the owners of the resource, the producing provinces.

This is a pretty clear statement. If you look at the bill you will see different sections relating to the export charge which state that those who deliver or handle the fuel shall do so and so, shall keep certain records and do certain things. However, when it comes to what is to be returned to the provinces, the bill states, as the hon. member for Crowfoot mentioned, that the federal government may return half to the province. There is the difference, Mr. Chairman. The premier went on to say:

> Our new oil policy . . . is to conserve oil for Saskatchewan consumers in the future, to capture for the people of Saskatche-

wan the full benefit of all future windfall profits and to encourage further exploration and research in Saskatchewan.

In a statement to the House on December 6, the Prime Minister said that the exploration company would undertake exploration in the Northwest Territories and in the provinces. I wonder whether the federal government will set up an exploration agency which will turn to the provinces of Saskatchewan, Alberta, British Columbia and Manitoba and take out a licence to explore for oil in those provinces. Is that the intention? There are many loose ends lying around here. It was pointed out to the Minister of Finance by the Leader of the Official Opposition and by the energy spokesman for our party in the initial stages of discussion on second reading—

The Chairman: Order, please. I wonder if the hon. member would not agree that this is a good point at which to recognize that it is four o'clock. If so, and I thank the hon. member for his co-operation, it is my duty to rise, report progress and request leave to consider the bill again at the next sitting of the House.

Progress reported.

[*Translation*]

The Acting Speaker (Mr. Boulanger): It being four o'clock, the House will now proceed to the consideration of private members' business as listed on today's order paper, namely public bills, notices of motions and private bills.

• (1600)

[*English*]

Mr. Reid: Mr. Speaker, I believe there have been consultations and agreement to take Bill C-46 standing in the name of the hon. member for Surrey-White Rock (Mr. Mather).

PRIVATE MEMBERS' PUBLIC BILLS

[*English*]

CRIMINAL CODE

MEASURE TO PROHIBIT OWNERSHIP OF PETS BY PERSONS CONVICTED OF CRUELTY TO ANIMALS

Mr. Barry Mather (Surrey-White Rock) moved that Bill C-46, to amend the Criminal Code (cruelty to animals), be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

He said: Mr. Speaker, Bill C-46 now before the House is one which I introduced five or six years ago, and the government has taken some action along the lines proposed in it. Actually, I had thought of dropping the bill, giving credit to the government for acting in that way and trying to take a little credit myself for inspiring that action. However, as one active in the parliamentary animal welfare committee I am in contact with the Animal Welfare Federation of Canada and I have found from them, from the SPCA and generally speaking from the humane movement throughout the country that there

is still need for action in line with what this bill proposes. As a result, I have left the bill on the order paper and I am grateful for having these few minutes to explain why I think that at least the subject matter of the bill should be referred to a standing committee for further consideration.

The explanatory notes to the bill state:

> The purpose of this bill is to enable a magistrate who has imposed a sentence upon a person convicted of an offence of cruelty to animals to prohibit also such person from owning, harbouring or otherwise possessing an animal or a bird for a stated period of time as part of the sentence.
>
> At present, magistrates are limited to fining or jailing any person convicted of cruelty to animals. The vast majority of magistrates are most reluctant to ever impose a jail sentence for this type of crime.

I have already given some recognition to the fact that the government has taken steps in line with this private member's bill. Actually, this was done when the Prime Minister (Mr. Trudeau) was minister of justice. It would have done a great deal of good except for the fact that the government qualified what was proposed to the extent that persons found guilty of cruelty to animals suffer no prohibition of ownership of animals or birds until they have been convicted for a second time. The power of prohibiting these people from animal ownership is given to magistrates only on a second offence. According to the SPCA and the humane societies, this makes very little sense and I am told that some of the courts are also unhappy with the present legislation. Magistrates will rarely jail a person for animal cruelty to animals. Fines are a most inequitable manner of handing out punishment. A large corporation such as a multimillion-dollar railway company can be, and in fact has been, involved in some phase of cruelty to animals and fined only $100. A pet shop may be fined $50.

The key to curtailing cruelty to animals in this area is to give power to the magistrates to prohibit ownership of pets. For the law to continue to allow the guilty to own animals or birds, thus letting them be mistreated for a further period, is very wrong. As you know, Mr. Speaker, the courts are clogged with various other types of cases. With their limited resources it is most difficult for the humane societies of the country to bring persons to court; and when a person is brought to court he may be released with a warning not to commit the offence again.

It is true that in British Columbia and Ontario under other legislation there is power to remove a mistreated bird or animal from ownership for a limited period of time. But while this may be some help, it does very little to stop the cruelty that goes on, some of it of a rather gruesome nature. What is wanted by the animal welfare movement is a clear provision in the Criminal Code, effective right across the nation, which will on a first offence prohibit ownership or possession of animals or birds for a period of at least, I would say, two years.

There is every protection now in the law for the convicted party to appeal. His rights are well protected in the ordinary way under the present judicial system. Prohibition of ownership is the one effective and exemplary punishment which will ease the suffering of so many birds and animals that are in captivity.

I would like to conclude by drawing the attention of hon. members to the existence of the parliamentary animal welfare committee. This is a voluntary, ad hoc group made up of members of both houses and of all parties. We meet from time to time to discuss matters such as those touched upon in this bill. I would hope that many hon. members will introduce themselves to the work of this committee so that from time to time we may all gain factual and useful information on this important subject.

In conclusion, I urge hon. members at least to permit the subject matter of this bill to be referred to a standing committee, presumably the justice and legal affairs committee, where it can be examined in detail.

[*Translation*]

Mrs. Albanie Morin (Louis-Hébert): Mr. Speaker, it seems rather ironic that I, who introduced an amendment to Bill C-2, wish to take part in the debate on Bill C-46 aimed at preventing cruelty to animals.

I would like at this point to congratulate the hon. member for Surrey-White Rock (Mr. Mather) for introducing Bill C-46. However I think we should undertake the education of society at large which is rather indifferent about charges laid as regards cruelty to animals.

I more particularly refer to clause 1 of the bill. It is quite commendable, as I said, and I quote:

(7) —the Court may, if it thinks fit, prohibit such person from owning, harbouring, or otherwise possessing any animal, bird, domestic or otherwise, for a period not exceeding two months—

This is the case of a person who has been sentenced previously.

In fact, who will ever go to the police to complain that such a person, previously convicted of an offence, has an animal or a bird at home? It takes a dreamer to introduce such a clause, unless the public is really concerned about eliminating cruelty to animals.

I must say again that I am fully in agreement with the purpose of the bill introduced by the hon. member for Surrey-White Rock. I hope this bill will not end up the way of most private bills, but be referred to the Standing Committee on Justice and Legal Affairs.

It is interesting to note the way people react the cruelty to animals. We have daily evidence of this. On the highways of the province of Quebec, on the great many occasions when an animal has just been hit, how many people will stop to give assistance to the wounded animal? More often than not, a second vehicle fails to stop, runs over the animal and puts it out of its misery.

I now come back to Bill C-46. It is all very well to pass legislation to prevent cruelty but if nobody bothers to lodge a complaint against those who are cruel to animals what is going to be the use of this legislation?

I remember a few years ago going to the country where I happened to see a horse which was blind in one eye. I asked neighbours how come that poor animal had only one eye. I was simply told his owner got mad one day and struck it in the eye. I noted with great stupefaction that no one among that farmer's neighbours had filed a complaint with the police department to have action taken against that farmer who had been cruel to his horse.

Another time in Quebec City I heard about two children who had been very cruel to a cat. They had poured gasoline over the poor cat, then with a match set him on fire and the poor cat was burnt alive. The parents of those children never stopped to think about the poor animal. So once again this Bill C-46 is very commendable but people would have to be educated, particularly children.

I would not want to spend undue time on this because I would like very much this bill to be referred to the Committee on Justice and Legal Affairs. I now stop at clause 1(8) where one can read:

(8) Everyone who owns, harbours or otherwise possesses any animal or bird, domestic or otherwise, during a period for which he is under prohibition as provided is guilty of an offence punishable on summary conviction—

Once again how is this provision going to be applied? If people do not even care about helping injured animals on roads or in farm yards how are the provisions of such a bill going to be enforced? I leave that matter to the hon. member's consideration, and again I congratulate him for aiming at preventing cruelty to animals, but in my opinion the enforcement of the bill seems a little questionable.

• (1610)

[*English*]

Mr. Walter Smith (Saint-Jean): Mr. Speaker, the subject matter of Bill C-46 is one which is dear to the heart, I am sure, of every member of the House. Indeed, it is a subject matter which can be of far more significance than one might ordinarily ascribe to it. I believe a good deal of the essential character of any society can be learned from an examination of that society's laws with respect to the treatment of animals. If a society, through its laws on the subject, demonstrates a deep respect for the well-being of animals, it can be a reliable indicator that that society is well advanced in human values. The degree of sensitivity and humanity of any society can, in significant measure, be judged by its laws on the treatment of animals. We recall the sage test of simpler times: You may know a good deal of a man's character by the way in which he treats his horses.

Fortunately, I believe our present Canadian law on the treatment of animals reflects well upon Canadian society. Our concerns in this respect, as reflected in our laws in this regard, are well advanced. Our criminal law prohibits anyone from causing or permitting unnecessary pain or suffering or injury to animals or birds; it prohibits abandoning animals in distress, or wilfully neglecting to provide suitable accommodation, food, care and shelter; it prohibits gaming with animals, animal fights for gaming purposes, and so on.

Also, I believe it added appreciably to the law when four years ago the Criminal Code was amended by this government to empower a judge to prohibit a person from owning or possessing an animal or a bird if that person had demonstrated vicious or cruel conduct toward animals. The amendments contained in Bill C-46 would not in themselves substantially alter the current state of the law but would bring about some minor changes. I think none of us would want to argue with the general purport of the bill to strengthen the sanction and deterrence against abuse to animals. In so far as these amend-

ments would affect that general purport, they would receive my wholehearted support. I believe there is some merit in some aspects of the bill, but unfortunately it seems to me that merit is combined with a principle which is essentially unacceptable.

I can see some merit in permitting a judge to order that a person be prohibited from owning or having in his custody an animal or a bird if that person is convicted of cruelty to the animal or the bird. At present, the law allows the judge to prohibit a person from owning or possessing an animal or a bird only on a second, third, fourth or subsequent conviction for cruelty. There may be some merit in giving a judge the power to prohibit ownership or possession by a person upon his first conviction, but combined with that I see in the bill a principle which always has been fraught with danger and one in respect of which we should always in this House proceed only with the greatest care and caution, and that is the principle of minimum penalties.

Under the present law, if a man is convicted for a second time of cruelty to an animal the judge may prohibit that person from owning or possessing an animal for a period of up to two years. And if the person who is the subject of a prohibition order of that kind breaches that order by taking possession or ownership of an animal while under prohibition, then he is guilty of an additional offence and may be fined up to $500 and imprisoned for a period of up to six months. You will note that the present penalty for disregarding an order of prohibition made by a judge is a fine of up to $500 and/or imprisonment of up to six months. In both cases the penalty is defined in terms of maximum; that is, a maximum fine of $500 and a maximum term of imprisonment of six months.

• (1620)

This is the case with all summary conviction offences. Every summary conviction offence under the Criminal Code, including this summary conviction offence—that is, cruelty to animals—carries with it the penalty of a fine up to a maximum of $500 and/or imprisonment up to a maximum of six months. The bill before the House would alter the penalty on breach of a prohibition order against ownership after conviction. It would impose a minimum fine of $250 and would empower the judge to impose a term of imprisonment for a minimum period of three months. In other words, it would remove the discretion which is currently vested in the judge. If he found the man guilty, he would have to fine him at least $250, and if he imposed a term of imprisonment it would have to be for at least three months. That would be the case, totally irrespective of the circumstances surrounding the commission of the crime.

One can readily see that this amendment removes the flexibility which traditionally is vested in the judge, to fit the sentence to the crime. The seriousness of the crime can range all the way from a rather slight and technical breach of the law to a blatant and horrendous disregard for it. By and large, our law has adopted the principle of permitting the maximum flexibility for judges to impose a sentence which fits the seriousness of the crime. Under the present law we say to the court, in effect, that if a person is convicted of breaching an order of prohibition against owning an animal, it may impose a fine on that person of whatever amount it considers to be appropriate, given the seriousness of the offence, and may impose a term of imprisonment from one day, in the case of less serious circumstances, up to as much as six months in the most serious circumstances.

Throughout, it is left to the court to determine what the sentence should be in accordance with the seriousness and the circumstances of the offence. And throughout, of course, the decision by the court is subject to appeal either by the Crown or by the aggrieved person. It is this principle which would be altered if Bill C-46 in its present form were to be approved. It would remove the flexibility in the court to fit the sentence to the seriousness of the crime. It would force the court to impose a minimum sentence of $250 and, in the case of imprisonment, to a minimum term of three months. That sentence may in a particular case be far too severe. In yet another case and in other circumstances it may be far too lenient. By and large and in a general kind of way we have always resisted building into our criminal law precisely defined penalties, as opposed to defining certain parameters within which our courts are left with discretion to be exercised according to the seriousness of the particular offence.

As to the proposed penalty for breach of a prohibition order with respect to this particular crime, I seriously question whether a minimum penalty is really justified. Without in any way condoning cruelty to animals, which is a reprehensible act and ought always to be subject to punishment, I think it is necessary to keep the offence in proper perspective. If a minimum penalty is called for here, then the penalty for many other seriously anti-social acts would have to be reconsidered.

It may display less a faith than is justified in the good sense of the judiciary of our country to prescribe minimum penalties for a situation where there has been flagrant disregard of an order of prohibition made by the court. Indeed, I believe that if we were to accept the principle of minimum penalties with respect to this particular crime, that is, with respect to the crime of cruelty to animals, we would have to reassess the penalties that apply to all summary conviction offences under the Criminal Code. I do not think one could justify the imposition of minimum fines and minimum terms of imprisonment with respect to this particular crime and not have similar minimums in respect of other summary conviction offences which may indeed be more serious than this one. It is for this reason that I say before we accept this principle in the bill we ought to have a full and complete understanding of how it affects other sections of the Criminal Code and other offences.

Let me illustrate my point, Mr. Speaker, with but one example. Under section 245 it is an offence punishable by summary conviction to assault someone else. The penalty for common assault is a fine of up to $500 and a term of imprisonment of up to six months. There is no minimum fine and no minimum period of imprisonment prescribed by the Criminal Code for an assault. I question whether it would be defensible to have a minimum fine and a minimum term of imprisonment for breach of a prohibition order against owning an animal and not have a similar minimum or, indeed, a lesser penalty for assaulting another human being. This is the kind of conflict which I

see would be introduced into the sentencing provisions of the Criminal Code if Bill C-46 as presently drafted were to pass this House.

That is why I said at the outset, Mr. Speaker, that while I see some merit in the bill and while I laud the intention of the proposed amendment, I find some portions of it, the one providing minimum penalties in particular, to be quite unacceptable. Before accepting the proposition of a minimum penalty in the case of a prohibition, I think all members would want to see how this would affect other summary conviction offences in the Criminal Code.

Mr. Mather: Mr. Speaker, would the hon. member permit a question? Having in mind the fact that the hon. member has found merit in part of this proposal and that he would like to see some aspects of it studied further, would he be prepared to allow the subject matter of this bill to proceed to committee for that further examination?

Mr. Smith (Saint-Jean): Mr. Speaker, I could agree to that.

Mr. Jack Cullen (Sarnia-Lambton): Mr. Speaker, I commend the hon. member for Surrey-White Rock (Mr. Mather) for the legislation he has brought forward. We have come to expect from the hon. member legislation and motions to do with the safety of motor vehicles and anti-smoking campaigns. Today the hon. member has brought forward Bill C-46 which seeks to provide an additional penalty to be added under section 402 of the Criminal Code with respect to people who are cruel to animals. Frankly, I am not as hung up on the problem of a minimum penalty as my colleague seems to be. Actually, the individual with whom we are concerned already will have had one chance. He already will have been convicted and fined a certain amount or given a certain sentence in accordance with the facts in the first instance.

I think it is proper to provide for maximum penalties so that judges and magistrates may exercise the greatest discretion in determining the penalty to be imposed for an offence. Once an individual has been found guilty, and disobeys a court order, he may be subject to further penalty. If an individual disobeys an order of a civil court, he may be held in contempt of court. Here we are speaking of an individual who violates a specific court order which requires him not to do something specific. He has already committed a criminal offence. He has already had his first opportunity. He has been given a trial and the discretion of the court has been exercised. In all probability, as the hon. member suggested, the result was a fine. Notwithstanding being given all these opportunities in the first instance, he then violates or in effect contravenes the order or judgment of the court and he is now faced with a minimum fine.

• (1630)

The amendment proposes that the law says, in effect, to the individual, "You have had your first chance. You will have your second chance, but in that situation you know what you will face. You will not face a judge who is lenient, who does not like animals or cannot be bothered with this kind of thing." No judge or magistrate will be able to fine someone $1 or $10 or say, "Don't let it happen again." The individual knows when he contravenes the order that he will face a particular minimum fine. The judge has no option; he must at least impose that minimum fine.

If this had appeared in section 7 of the amendment I would have agreed, but when it appears in the second section where the individual has already had his opportunity, I think it is appropriate that this particular sentence should apply. I do not know that the analogy is complete, but I know that in the days when I used to practice law and defend people on impaired driving charges, a magistrate had a particular discretion on the first offence: on the second offence it was an automatic jail term. I remember on one occasion hoping that my client would not be convicted of impaired driving because drunk driving was a first offence and he would only go to jail for seven days, whereas on a second conviction for impaired driving he would have gone to jail for 14 days. My point is that on the second offence there is a good case to be made for establishing a minimum penalty.

It bespeaks well of this country that we have in the Criminal Code a section dealing with individuals who commit the offence of cruelty to animals or birds: from the explanatory notes this goes from (a) to (g) and applies to people who do various things wilfully, without reasonable excuse, and so on, and the action they take in one form or another which results in pain or suffering to animals. It bespeaks well that we have in our Criminal Code provisions to protect animals that are unable to protect themselves or are not able to speak on their own behalf. The country is right in having this kind of legislation in the Criminal Code.

I think the amendment proposed by the hon. member is good. For my part, I would like to see more discretion in respect of offences of this nature where an individual who has done something such as abusing an animal would not have the privilege or the opportunity of having an animal in his possession for a certain period of time. Where a person has committed vandalism, that individual should repair the vandalism, be it writing on a school wall, a broken window or vandalism to any public building. The magistrate should have the opportunity to say to the individual that he must restify the damage he has done. That seems to be the way the law is heading.

I have yet to learn of this type of punishment being criticized by the general public. I know we read more of this in the United States. When a person is convicted of drunk driving, the judge may indicate that he must attent a school of safe driving for the next year or two and lectures on why persons should not mix drinking and driving. That is a much more effective penalty than simply paying a fine. In a positive way judges are reacting to what society is demanding. The individual must not only do these things which are punitive but he must learn something.

I remember reading a placard in front of a Presbyterian church in my area. Different sayings are put up from day to day. On one occasion it read, "If you would learn something, teach it to others." That is the type of punishment the hon. member is suggesting under amendments (7) and (8) to section 402 of the Criminal Code. I feel that when an individual has committed an offence and is guilty of committing a second offence violating a court

order, he should know at the outset he is facing a minimum penalty or a minimum sentence. He knows he starts from there and works down, if you will.

I commend the hon. member. I know there are others who want to speak on this bill. I thought I should make the point that I am happy we have this legislation before us. I am pleased to see this type of amendment. Whether the bill or the subject matter of the bill goes to the committee does not bother me too much. I see some hon. members on the edge of their seats waiting to participate in this very important debate. Bearing this in mind, I will resume my seat.

[*Translation*]

Mr. Albert Béchard (Bonaventure-Îles de la Madeleine): Mr. Speaker, I should like to congratulate the hon. member for Surrey-White Rock (Mr. Mather) for his fine initiative, which is not the first as regards this issue, and I should also like to make a few comments on Bill C-46 sponsored by the hon. member for Surrey-White Rock during the few minutes allotted to me.

At this stage, Mr. Speaker, it would be appropriate to remind the House of the scope of Criminal Code section 402 to which the bill being examined this afternoon refers.

Section 402 of the Criminal Code stipulates that:

(1) Every one commits an offence who

(a) wilfully causes or, being the owner, wilfully permits to be caused unnecessary pain, suffering or injury to an animal or bird,

(b) by wilful neglect causes damage or injury to animals or birds while they are being driven or conveyed,

(c) being the owner or the person having the custody or control of a domestic animal or bird or an animal or bird wild by nature that is in captivity, abandons it in distress or wilfully neglects or fails to provide suitable and adequate food, water, shelter and care for it,

(d) in any manner encourages, aids or assists at the fighting or baiting of animals or birds,

(e) wilfully, without reasonable excuse, administers a poisonous or injurious drug or substance to a domestic animal or bird or an animal or bird wild by nature that is kept in captivity or being the owner of such an animal or bird, wilfully permits a poisonous or injurious drug or substance to be administered to it,

(f) promotes, arranges, conducts, assists in, receives money for, or takes part in a meeting, competition, exhibition, pastime, practice, display, or event at or in the course of which captive birds are liberated by hand, trap, contrivance or any other means for the purpose of being shot when they are liberated, or

Mr. Speaker, although I may seem to wish to extend the debate on this matter, I believe that it is important and relevant to know what section 402 stipulates since the hon. member for Surrey-White Rock wants us to amend it. I continue the quotation:

(g) being the owner, occupier, or person in charge of any premises, permits the premises or any part thereof to be used for a purpose mentioned in paragraph (f).

(2) Every one who commits an offence under subsection (1) is guilty of an offence punishable on summary conviction.

Consequently, Mr. Speaker, anyone found guilty of offences such as those I have just mentioned and as described under Criminal Code section 402 is guilty of a criminal offence and punishable on summary conviction. This means, therefore, that in fact anyone found guilty of one of the acts described under section 402 can be condemned to a fine of up to $500, to six months in jail or both.

• (1640)

[*English*]

In addition, under the law as it presently stands, the judge who hears the case has the power to prohibit a person convicted of an offence for a second or any subsequent time from owning or having custody of a bird or animal. The bill before us would change the present law in two respects. One of these proposed changes is of minor concern but the other, I submit, has broader implications and should be fully understood before receiving the approval of this august House. Before discussing the two proposed changes in detail I wish briefly to comment on the history of the current law.

Hon. members will recall that prior to 1969 a judge, on convicting a person of cruelty to an animal or a bird, had no power to prohibit that person from continuing to own or keep animals or birds. Even though a person might have been convicted three or four times of cruelty to an animal or a bird, even though a person might be notorious for his mistreatment of animals or birds, a judge had no power to stop such a person from owning or keeping an animal. In order to rectify this situation an amendment was made to the Criminal Code in 1969. The then minister of justice, under whom I had the honour to work, stated before the Standing Committee on Justice and Legal Affairs on March 18, 1969:

The purpose here is to give us some more effective way of curbing cruelty to animals. Prosecution in itself appears not to have stopped convicted persons pursuing the practice of being cruel to animals. We want the power to prohibit anybody who has been convicted on two or more occasions from owning an animal.

Perhaps it is due to the hard work of the hon. member for Surrey-White Rock (Mr. Mather) that the then minister of justice, now Minister of Finance (Mr. Turner), put forward that amendment to the Criminal Code. Parliament accepted the proposition and amended the Criminal Code accordingly. I understand there is no jurisprudence since the amendment to section 402 which would indicate that the amendment has not been sufficient to achieve its purpose.

As the law now stands, then, anyone convicted of cruelty to an animal or a bird can be fined an amount up to $500. In addition, the judge may order the person convicted to be jailed for up to six months. In the case of a second offence, the judge may again fine the defendant up to $500 and impose a prison term of up to six months. In addition, the judge may prohibit that person from owning or having in his custody an animal or a bird for a period of up to two years.

How would the bill we are discussing affect the present law? In the first place, it would empower a judge to make an order prohibiting a person from owning or having in his custody an animal or a bird for a period not exceeding two months, on a first conviction, not exceeding six months on a second conviction, and not exceeding two years on a third or subsequent conviction. In other words, the first proposed amendment would permit a judge to prohibit on a first conviction rather than on only a second or subsequent conviction. Second, it would precisely

define the period of prohibition, whereas the present law empowers the judge to prohibit for whatever period he considers proper up to two years. In addition, the bill would provide for a fine of not less than $250 or imprisonment for not less than three months, or both, for breach of a prohibition order.

The first of these amendments is, I think, of somewhat small significance. Of far greater significance is the limitation which would be imposed upon a judge in ordering a period of prohibition. Instead of the judge having leeway up to as much as two years, he would by virtue of the passage of this bill be restricted to prohibiting the person from owning an animal or a bird for not more than six months on a second conviction, not more than two years on a third conviction, and not more than two months on a first conviction. The question here is whether it is desirable to impose this kind of limitation on the discretion of the judge.

• (1650)

Let me give an example to show the application of the present law and how it would differ if it were amended by Bill C-46. Supposing a man were convicted today of cruelty to his dog because he kicked it: under the present law the judge would probably fine the man and warn him that if he was convicted again he would be liable to a fine or a term of imprisonment, and in addition could be prohibited from owning an animal or a bird for a period of up to two years. Supposing, then, three months later the same man was again convicted for having similarly beaten the dog to within an inch of its life: under the present law, not amended by Bill C-46, the judge would have the power to fine that man up to $500, place him in prison for a period of up to six months, and in addition he would have the power to prohibit the man from owning a dog for up to two years. That is as the law stands at present.

Under the amendment proposed by the hon. member in Bill C-46, on a second conviction of that man for beating his dog the judge would continue to have the power to fine him $500 and impose a term of imprisonment, but he would be limited to prohibiting the man from owning an animal for a period of six months only. No matter how cruel and vicious the attack on the second occasion, the judge, under this amendment, would be limited to prohibiting that person from owning an animal for six months. Under the present law the judge would have the power to prohibit him from owning an animal for up to two years. In view of what I have just pointed out, I do not know what purpose Bill C-46 would serve. That is why I question whether he would want to, in effect, tie the hands of the judge in this way in respect of a second conviction.

Of far more consequence than either of these results that would flow from the amendment proposed by the hon. member for Surrey-White Rock in Bill C-46 is the proposal to provide for a minimum fine and a minimum term of imprisonment for breach of an order of prohibition. I say this is of far more significance because it introduces into the Criminal Code in respect of this offence a minimum fine and a minimum term of imprisonment. Having done this, you remove any discretion from the judge who has heard the case. I think this is the kind of change which ought to be fully understood and completely considered by the House before the principle is accepted.

[*Translation*]

Mr. Speaker, during the few seconds left I would like to remind the House that the debate on the bill introduced by the member for Surrey-White Rock reminds me how you can go too far when you sympathize exceedingly with animals' plight. I do not mean to speak against the hon. member's bill or that I am in favour of cruelty to animals. On the contrary, I have at home a few animals which I would not like to be mistreated and which I would never dare to mistreat myself.

However I would remind the House how emotions may be exaggerated when an animal is being mistreated or killed. This reminds me of the foolish propaganda made in connection with the so-called killing and in fact the hunting of seals in the Gulf of St. Lawrence. Totally rigged films were shown as propaganda throughout Europe showing how Canadians could be cruel to animals. And I do say that those films were totally rigged. I am very much involved in this since in my constituency as in several parts of the Maritimes seal hunting is each spring a welcome crop which brings money into the pockets of the poor fishermen who lived through winter thanks to unemployment benefits and social welfare.

You know how harmful this has been to the population of the Maritime provinces and mainly of the Magdalen Islands. This is why I do not want to go overboard about hunting and about whatever can be done to animals because if we sympathize more with animals than with people hunters will no longer be allowed to shoot a moose or to go fishing and catch a good salmon.

The Acting Speaker (Mr. Boulanger): The time provided for the consideration of private members' business has expired. It being five o'clock, this House stands adjourned until two o'clock next Monday pursuant to Standing Order.

At five o'clock, the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Monday, January 7, 1974

The House met at 2 p.m.

[*English*]

PRIVILEGE

MR. RODRIGUEZ—REPORT RELEASED BY CANADIAN EMBASSY IN WASHINGTON ON ENERGY POLICY

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, I rise on a question of privilege. My question of privilege arises out of reports that the Canadian embassy in Washington has released a special report on Canadian energy policy. In view of the fact that this special report which has been released to the American press and business community is not available to Canadians from any source, including the office of the Secretary of State for External Affairs, members of this House are placed on an unequal footing with American businessmen in terms of knowledge of the government's fluctuating policy.

Mr. Speaker: I gather that what the hon. member has in mind is more a grievance than a question of privilege which would require the proposing of a motion to the House. The Chair has to decide whether there is a prima facie case of privilege in the matter raised by the hon. member. While the hon. member may have a grievance which has its usual redress under the rules of the House by the filing of a notice of motion for the production of papers, I am not sure that I could suggest this remedy to the hon. member.

I think I have to rule that there is at most a grievance, and I do not think the matter would be helped by a finding that there is a prima facie case of privilege.

ROUTINE PROCEEDINGS

[*English*]

NATIONAL RESOURCES AND PUBLIC WORKS

Sixth report of Standing Committee on National Resources and Public Works—Mr. Cullen.

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

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ENERGY

TABLING OF CORRESPONDENCE WITH IMPERIAL OIL RESPECTING ATHABASCA OIL SANDS PROJECT

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, pursuant to Standing Order 41(2) I should like to lay on the table copies in both official languages of correspondence with Imperial Oil Limited with regard to the Athabasca oil sands, the Syncrude project. Letters in similar terms were sent also to the three other partners in the project.

* * *

AIRPORTS

PICKERING AIRPORT INQUIRY COMMISSION—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Ron Atkey (St. Paul's): Mr. Speaker, pursuant to Standing Order 43 I wish to raise a matter of urgency relating to unwarranted restrictions in the government's terms of reference for the Pickering Airport Inquiry Commission. Therefore I would like to move, seconded by the hon. member for York-Simcoe (Mr. Stevens):

That, in view of the blatant assumption in the order in council setting up the Pickering Airport Inquiry Commission that a second international airport is required for Toronto, and in view of the fact that the commission is restricted to a consideration of only new evidence as to need and location, new evidence being defined as something that was not in the mind of the Canadian government on January 30, 1973, and in view of the discriminatory rules as to evidence and costs adopted by the commission, the government give consideration to amending the order in council to permit a fair and objective inquiry with full public participation on an equitable basis.

[*Translation*]

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

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is no unanimity; the motion, therefore, cannot be put.

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

[*Text*]

SPORT CANADA BUDGET

Question No. 2,687—**Mr. Jelinek:**

1. Who determines spending of the budget of Sport Canada?

Order Paper Questions

2. What percentage of the budget is for administering actual sport programs?

3. What is the breakdown of the budget (a) by province (b) by age groups (i) 8-10 years (ii) 10-12 years (iii) 12-14 years (iv) 14-16 years (v) 16-18 years?

4. How much money is earmarked for Sport Canada over the next (a) two (b) five years?

Hon. Marc Lalonde (Minister of National Health and Welfare): 1. The minister, on the advice of his departmental officials.

2. Sport Canada provides financial support to National Sport Governing Bodies which in turn administer the sport programs. The only sport program directly administered by Sport Canada, is Demonstration Projects, which accounts for less than 1 per cent of the budget.

3. The Sport Canada budget is for support of National Sport Governing Bodies, for national events, international events, hosting world events and training. The support to competitive events is aimed at athletes 16 years of age or over. Sport Governing Bodies include all age groups; however, since age ranges are not determining factors in whether a Body receives a grant, an age breakdown is not available.

4. Specific amounts over the next two or five years have not yet been approved by the government. However, in the Speech from the Throne, the government proposed to more than double the current level of expenditures under the Fitness and Amateur Sport Program over the next three years, in response to the increasing importance of fitness for the well-being and health of Canadians and the need for greater opportunities for people to participate in sports activities.

CATERING—COMMONWEALTH HEADS OF GOVERNMENT MEETING

Question No. 2,707—**Mr. Stevens:**

1. Did the government purchase special bars of soap for the use of Commonwealth delegates recently staying in Ottawa hotels and, if so, for what reason?

2. Did the government judge the regular bars of soap used by Canadians and other tourists in those hotels not to be appropriate and. if so, for what reason?

3. (a) From whom did the government purchase any special bars of soap for the Conference (b) were competitive bids invited and, if not, for what reason (c) how much did the government pay per bar?

4. (a) Who handled the sale of food to journalists and staff at the Commonwealth Conference (b) was this contract awarded after appropriate tendering procedures and, if not, for what reason?

5. (a) How was the contract awarded for the food concession in Place du Portage in Hull (b) were tenders and/or competitive bids invited and, if not, for what reason (c) were Ministers of the Crown and/or Members of Parliament from the National Capital Region consulted in any way with reference to this award and, if so, for what purpose?

Hon. Mitchell Sharp (Secretary of State for External Affairs): 1. No.

2. Not Applicable.

3. Not Applicable.

4. (a) Nate's Delicatessen. (b) Owing to the international situation there was no way, until late in the preparations for the meeting, that the Media Committee of the Heads of Government Task Force could make a realistic estimate of the number of journalists who would wish accreditation and determine the service required. Further, structural alterations to the Connaught Building were necessary to accommodate the catering equipment. Since this equipment varied from firm to firm a rapid choice was necessary if the alterations were to be completed in time for the August meeting. Despite the indefinite number of people expected and the limited time available for making a choice of caterers, oral estimates were obtained and a thorough comparison made. An oral survey of 11 firms in Toronto, Montreal and Ottawa was carried out and only three companies, all in Ottawa, indicated interest: Morrison-Lamothe, Capital Foods and Nate's Delicatessen. Members of the Media Committee met with each of the caterers concerned and outlined the special requirements for service at the Media Centre. These included reasonable prices, an international menu, and service seven days a week sixteen hours a day with twenty-four hour-a-day service in case of emergency. Operations of the bar were included in the catering arrangement. Nate's Delicatessen was the only one of the three companies concerned considered by the Media Committee to be suitable for the job, since it was the only one experienced in operations of this nature. Reasons included a more varied and interesting menu, service including china and silverware rather than plastic utensils and paper plates, and more reasonable prices. Included in the more reasonable prices were bar prices. Nate's also had sufficient equipment to fully supply their own kitchen within the building. Other interested caterers did not have this equipment and it would have been necessary for the government to make supplementary arrangements for its provision.

NEGOTIATION OF ABORIGINAL RIGHTS

Question No. 2,771—**Mr. Clark (Rocky Mountain):**

In any settlement or negotiation of aboriginal rights, is it the intention of the government to take into account the interest of individual native people who are neither Inuit nor registered Indians?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): In dealing with the various Indian and Inuit land claims, the government intends to take into account the possible claims of all persons who may legitimately advance such claims. It is expected that parliament would be the final arbiter of who has such an interest and the extent of that interest.

CANADIAN ASSISTANCE TO BANGLADESH TO FINANCE DEVELOPMENT OF EARTH SATELLITE STATION

Question No. 2,783—**Mr. Blenkarn:**

1. What interest is the government receiving from the government of Bangladesh with respect to an $8,000,000 loan to finance development of that country's first earth satellite station?

2. Will such an earth satellite station do anything to eliminate poverty in Bangladesh?

Hon. Mitchell Sharp (Secretary of State for External Affairs): 1. The development assistance loan extended to Bangladesh for the construction of an earth satellite station carries no interest charges.

2. The development of an adequate international communications capability is considered by the Bangladesh

government to be a high priority requirement. By facilitating international contacts of all kinds, including trade, it is expected that this communications system will contribute directly towards the economic and social development of Bangladesh, just as similar communications systems in Canada contribute to the economic and social development of this country.

IMPORT OF COMPUTER SERVICES

Question No. 2,792—**Mr. Forrestall:**

1. In the light of the increasing need of the marine construction industry to modernize in the direction of the use of Computer and Numerical Control design and production, is it the intention of the government to ensure that all such computer services originating from outside Canada will be suitably charged according to the Customs Act?

2. Have there been instances in the past five years in which such imported services destined for marine utilization or marine-related service have not been charged with duty under the Customs Act, and, if so, for what reasons?

Mr. John M. Reid (Kenora-Rainy River): I am informed by the Departments of Finance and National Revenue as follows: 1. It is the intention of the government to ensure that computer services entering Canada will be imported in accordance with Customs laws and regulations. An interdepartmental committee has been set up to study, among other things, the effect of the Customs law as it relates to computer programs and computer processed data.

2. There have been no instances where duty has not been charged when applicable under the Customs Tariff.

ATOMIC ENERGY OF CANADA LIMITED PERSONNEL

Question No. 2,830—**Mr. Knight:**

1. What salaries, honoraria or expenses are paid to the Officers and Directors of Atomic Energy of Canada Limited, listed separately for each person?

2. What directorships, in addition to membership on AECL's board, do each of the 11 directors hold?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Atomic Energy of Canada Limited advises as follows: 1. According to the by-laws of the company each director other than those in the Public Service of Canada is entitled to be paid salary at the rate of $100 per diem while engaged in the work of the company together with any expenses properly incurred by him in connection with the work of the company. It has not been the practice to make public the salaries of officers and employees of the company.

2. The information requested is not within the knowledge of the company.

DEPARTMENT OF ENERGY, MINES AND RESOURCES—PUBLICITY EXPENDITURES

Question No. 2,859—**Mr. Nystrom:**

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

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

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

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): 1. 1972-73, $76,473; 1973-74, $47,178.

2. None. The above figures include direct advertising (i.e. purchase of space in periodicals, production of films and TV clips, exhibits and printing of publicity material). Publicity and information work was done by the department in-house and through federal government agencies.

3. See No. 2 above.

CRTC—PUBLICITY EXPENDITURES

Question No. 2,864—**Mr. Nystrom:**

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

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

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

Hon. Gérard Pelletier (Minister of Communications): 1. The amounts of money spent by the Canadian Radio-Television Commission on publicity and/or information in each fiscal year 1972-73 and 1973-74 to date are as follows: Total expended 1972-73, $140,408.20; Total expended 1973-74 to September 30, 1973, $14,335.55.

2. The purpose of this activity is to notify the public of the agenda of public hearings and of decisions of the Canadian Radio-Television Commission. The advertising in 1972 and 1973 up to September 1973 was placed in Canadian publications through the following advertising firms: John Doherty and Co., 46 Elgin St., Ottawa, Ontario; The Harvard Agency, 85 Sparks St., Ottawa, Ontario; Carleton Cowan Public Relations Limited, Tower A, Suite 2100, Place de Ville, Ottawa, Ontario.

3. None.

SELECTION OF MEMBERS FOR PORT AUTHORITY OF PRINCE RUPERT

Question No. 3,008—**Mr. Howard:**

1. What is the name of each person who has been proposed as a member of the Port Authority for the Port of Prince Rupert?

2. On what date will the said Port Authority be appointed?

Hon. Jean Marchand (Minister of Transport): The Ministry of Transport advises as follows: 1. No persons have been proposed for nomination to the Prince Rupert Port Authority.

2. Members of the Port Authority will be nominated in the near future.

Order Paper Questions

FEDERAL ASSISTANCE TO HYDRO-QUEBEC RESEARCH INSTITUTE

Question No. 3,027—**Mr. Firth:**

1. What were the amounts and purposes of grants or loans made by the government to the Hydro-Québec Research Institute in the fiscal years 1972-73 and 1973-74?

2. Is it the intention of the government (a) to table the terms of such agreements (b) to make available to the public the results of research made possible by such funding and, if so, in what manner?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): The Department of Energy, Mines and Resources reports as follows: 1. Loans for capital construction of research facilities: 1972-73, $2,500,000; 1973-74, $1,600,000 (budgeted). Grants for research and development: 1972-73, $325,000; 1973-74, $325,000, (budgeted).

2. (a) Under consideration. (b) A condition of the agreement is that there be effective dissemination of results. This is being achieved by publication of results in technical literature and also through the mechanism of the Technical Advisory Committee established under the agreement.

PRIVILEGE OF FREE TELEPHONE CALLS FOR GOVERNMENT OFFICES OUTSIDE OTTAWA

Question No. 3,035—**Mr. Schumacher:**

1. Do offices of the government departments situated in locations outside Ottawa have the privilege of free telephone calls to (a) other government offices (b) Members of Parliament (c) the parent departmental office and, if not, is there a flat rate charge for each call made by these offices to the above?

2. What is the amount of such charges in each case?

3. Do any government departmental offices in Ottawa/Hull have free telephoning privileges to their counterparts situated in other locations and, if so, which offices?

Hon. Gérard Pelletier (Minister of Communications): 1. (a), (b) and (c), no. "Is there a flat rate?" No. Charges depend on the distance of the call and its duration.

2. Calls made on the commercial toll network are charged for at standard tariff rates. Calls made on the government intercity network which is leased from the carrier and managed by the Government Telecommunications Agency are charged to the departments using these facilities. These charges to user departments represent an equivalent share of the costs of leasing the facilities and their administration. Economies of scale are realized due to the large quantity of facilities leased. The schedule of charges to departments is adjusted down to reflect improved efficiency of use or adjusted up when higher tariffs are applied by the carriers. Typical costs on this network for a six minute call are Ottawa-Vancouver $3.50 and Ottawa-Toronto 65 cents. These costs compare with equivalent commercial toll calls of $5.70 and $2.23 respectively.

3. No.

[Mr. Marchand (Langelier).]

GOVERNMENT ASSISTANCE TO FRIENDSHIP CENTRES

Question No. 3,063—**Mr. Rowland:**

1. Of the $25 million which was announced would be spent by the government on assistance to Friendship Centres over a period of five years, commencing in the fiscal year 1972-73, for each of the five fiscal years involved, how much has been spent or will be spent in the following areas (a) core funding (b) capital projects (c) demonstration projects?

2. With respect to the demonstration projects what percentage of the funds is anticipated will be spent directly by the Friendship Centres and what percentage by organizations and individuals other than the Friendship Centres?

Hon. James Hugh Faulkner (Secretary of State):

1. Year	Core Funding $	Capital Projects $	Demonstration Projects
1972-73	1,177,600.30	190,000	—
1973-74	1,400,000.00	450,000	—

Parliament has not yet approved the Main Estimates for 1974-75, 1975-76, and 1976-77.

2. The criteria for the Migrating Native Demonstration Projects fund have not been established. It is not possible to ascertain the relative amounts that may be awarded to friendship centres and to organizations other than friendship centres.

INCREASE IN NUMBER OF FRIENDSHIP CENTRES

Question No. 3,064—**Mr. Rowland:**

1. With respect to the $25 million which was announced would be spent by the government on assistance to Friendship Centres over a period of five years, commencing in the fiscal year 1972-73, what was the projected anticipated annual increase in the number of Friendship Centres?

2. To date, what has been the actual increase in the number of Friendship Centres?

Hon. James Hugh Faulkner (Secretary of State): 1. Originally, it was anticipated that there would be an increase of six friendship centres, from 37 to 43, in 1972-1973 and an approximate annual increase of two per year thereafter.

2. To date, the department has funded 12 new friendship centres: nine in 1972-1973; three in 1973-1974.

COST OF OPERATION OF PRIME MINISTER'S OFFICE

Question No. 3,073—**Mr. Cossitt:**

1. What has been the total cost of the operation of the Prime Minister's Office for each fiscal year 1958 to March 31, 1973?

2. What is the estimated cost of the operation of the Prime Minister's Office for the present fiscal year?

3. How many persons have been employed by the Prime Minister's Office in each fiscal year 1958 to March 31, 1973?

4. What was the total number of persons employed by the Prime Minister's Office as of October 30, 1973?

Right Hon. P. E. Trudeau (Prime Minister): 1. Available records do not permit an accurate answer to this portion of the question for the fiscal years prior to 1970-71. In these years the costs involved were part of the general operating expenditures provided in Estimates for the

Privy Council Office. As of fiscal year 1970-71 the operation of the Prime Minister's Office was budgeted as a Program Activity. (See Minutes of Proceedings and Evidence No. 12, April 9, 1970 of Standing Committee on Miscellaneous Estimates). Salaries, contracts and travel expenses 1970-71, $900,839; 1971-72, $1,131,398; 1972-73, $1,384,927.

2. $1,486,814.

3. See answer to Part 1. Man years utilized 1970-71, 85; 1971-72, 85; 1972-73, 88.

4. Eighty-eight.

CANADIAN POSITION TOWARD LOAN CREDIT APPLICATIONS FROM CHILE

Question No. 3,108—**Mr. Rodriguez:**

1. What is Canada's present position towards loan credit applications from Chile through the World Bank?

2. To the knowledge of the government, has any political decision by a foreign government had any bearing upon the credit rating for Chile during Allende's government and the viability of the Chilean economy, in particular, from 1970 to 1973 and, if so, which one?

Hon. John N. Turner (Minister of Finance): 1. Canada's present position toward loan credit applications from Chile through the World Bank is that such applications should be considered on their technical merits and in the light of the country's creditworthiness situation. Last summer, the bank management was negotiating with the Allende government in the preparation of a small initial loan designed to assist the government in meeting its debt service obligations to the bank. This proposal had not yet been submitted to the Executive Board for approval when the government changed, and since then it has been held in abeyance awaiting the completion of negotiations with the new government.

2. Political decisions by the Canadian government had no bearing on either the credit rating for Chile during the period of the Allende government or on the viability of the Chilean economy from 1970 to 1973. It would be inappropriate for a member of the Canadian government to comment on the effects, if any, of the actions or decisions of any other government on the credit rating and economic viability of a third country.

DEPARTMENT OF AGRICULTURE—RESEARCH EXPENDITURES

Question No. 3,138—**Mr. Schellenberger:**

How much money was budgeted by the Department of Agriculture for agricultural research in each of the past three years and, of that amount how much was spent on (a) Department of Agriculture Research Stations (b) universities (c) provincial research stations (d) private industry (e) individuals?

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

		(a)	(b)
	Budgeted for Agricultural Research ($000's)	Amount spent on Research Stations including Institutes, Experimental Farms and Substations ($000's)	Grants ($000's)
1972-73	54,668	51,135	799
1971-72	51,006	47,705	800
1970-71	49,505	44,716	800

(c), (d) and (e), nil.

Order Paper Questions

DEPARTMENT OF AGRICULTURE—CROP RESEARCH

Question No. 3,139—**Mr. Schellenberger:**

What was the total amount of money budgeted by the Department of Agriculture for crop research for the fiscal years ending March 31, 1973 and March 31, 1974 and, of that amount how much was spent on (a) repeseed (b) soybeans (c) field peas (d) faba beans (e) other protein producing oilseeds (f) forage crops (g) cereal crops?

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

	1972-73 ($000's)	1973-74 ($000's)
Crop Research	14,741	15,827
(a) rapeseed	800	1,040
(b) soybeans	120	120
(c) field peas	100	100
(d) faba beans	20	20
(e) oilseeds	Nil	Nil
(f) forage crops	2,780	3,040
(g) cereal crops	5,100	5,300

DEPARTMENT OF AGRICULTURE—RAPESEED RESEARCH

Question No. 3,140—**Mr. Schellenberger:**

Of the total amount of money budgeted for rapeseed research by the Department of Agriculture for the fiscal years ending March 31, 1973 and March 31, 1974, how much was spent on (a) removal of glucosinolates (b) decreasing the amount of eruric acid?

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

	1972-73 ($000's)	1973-74 ($000's)
(a)	180	180
(b)	180	180

DEPARTMENT OF AGRICULTURE—SOYBEAN RESEARCH

Question No. 3,141—**Mr. Schellenberger:**

Of the total amount of money budgeted for soybean research by the Department of Agriculture for the fiscal years ending March 31, 1973 and March 31, 1974, how much was spent on research into early maturity of soybeans?

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

1972-73 ($000's)	1973-74 ($000's)
20	20

CONFEDERATION BUILDING—INTERIOR WALL CONSTRUCTION

Question No. 3,144—**Mr. O'Connor:**

1. What was the total of all costs in connection with the tendering, construction and destruction of a number of cinder block walls adjacent to stairwells in the Confederation Building?

Order Paper Questions

2. Is it the intention of the Department of Public Works to proceed with the wall construction project either in the form originally contemplated or in amended or modified form in the future and, if so, on what date?

3. What is the purpose of such program and what are the anticipated costs?

Hon. Jean-Eudes Dubé (Minister of Public Works): 1. $350.

2. No. Fire doors are to be installed at six locations in lieu of the originally specified solid walls. The scheduled completion of the total project was November 30, 1973 but the revisions will extend the completion date to December 30, 1973.

3. The purpose of this program is to comply with National Building Code Fire Safety Regulations enforced by the Dominion Fire Commissioner. The regulations require a fire separation of exit stairwells from the remainder of the building. These fire separations may be in form of fire-rated doors or by solid non-combustible partitions. The anticipated costs are $14,700.

DEPARTMENT OF TRANSPORT—EQUIPMENT OF AIRCRAFT WITH EMERGENCY LOCATER TRANSMITTERS

Question No. 3,157—**Mr. MacLean:**

Are all aircraft operated by the Department of Transport of a class or kind required to be equipped with emergency locater transmitters (ELTS) by July 1, 1974, now so equipped and, if not, on what date will such aircraft be so equipped?

Hon. Jean Marchand (Minister of Transport): Ministry of Transport aircraft are not all equipped as yet with emergency locater transmitters, ELTS, but will be by July 1, 1974.

DEPARTMENT OF TRANSPORT—AIR ACCIDENT INVESTIGATION DIVISION

Question No. 3,180—**Mr. Forrestall:**

With respect to the answer to Question No. 2,759, how many air accidents have been investigated by the Air Accident Investigation Division since its inception and, of these, how many have been made public in each year?

Hon. Jean Marchand (Minister of Transport):

Reports and Publications Released by the Aircraft Accident Investigation Division

Report Type	Number Published	Circulation	Remarks
Summary	3177	8000	These reports have been issued on selected accidents since the organization of the division at the beginning of 1959. The selection is made by the division on the basis of its potential value to the aviation community as a preventive device. Since the beginning of 1959, of the 5,697 accidents investigated, 3,177 or 55.7 percent have been reported in summary form. Those not reported are the accidents which are repetitive in nature (e.g. ground-loops involving light aircraft).
Synopsis	1400	850	This type of report was introduced during 1970 to supplement summary reports. Every accident in Canada is reported upon in this publication as quickly as possible to enable members of the aviation community to initiate immediate appropriate preventive action.
Major Accidents Reports	13	300–1000	Reports of accidents which have been categorized as major have also been issued since the inception of the division. These reports follow the ICAO format for reporting significant accidents, and are more comprehensive than summary reports.
Annual	1 year	1200	Is an annual statistical summary of all accidents in Canada. It is circulated to members of the aviation community and the public who have expressed an interest.
Public Inquiries	2	on request	There have been two since the inception of the division. Such reports are prepared by the Commissioner and are made available to any enquirer.

NUMBER OF PILOT LICENCES ISSUED

Question No. 3,181—**Mr. Forrestall:**

1. How many licences has the Department of Transport issued to pilots by class for each year since 1965?

2. How many have been issued to date this year?

3. Does the Minister of Transport consider that sufficient staff exists to process such applications without critical delays to pilots involved?

Hon. Jean Marchand (Minister of Transport): 1. Number of pilot licences issued by Department of Transport since 1965.

Class of Licence	1965	1966	1967	1968	1969	1970	1971	1972
Private	3,011	4,499	5,415	5,646	4,922	4,397	4,262	4,252
Commercial	660	1,225	1,394	1,354	931	845	780	959
Senior Commercial	92	147	259	238	356	265	190	251
Airline Transport	195	316	382	283	330	295	220	310
Glider	55	64	99	150	159	173	147	203

2. Number of pilot licences issued by Department of Transport to September 30, 1973.

Class of Licence	January 1, 1973–September 30, 1973
Private	3,621
Commercial	942
Senior Commercial	250
Airline Transport	408
Glider	293

3. Generally speaking yes, except that there are certain periods of the year in which flying training peaks sharply and in these circumstances some delays in the issuance of licences occur.

*DRUG LEGISLATION

Question No. 3,193—**Mr. Grafftey:**

1. What are the results of a study undertaken to determine the effect of advertising and price listing on the consumption of drugs intended for the public at large?

2. Will the old 1908 legislation be abrogated and, if so, on what date?

3. Does the government ensure that the necessary steps are taken by the provinces to control the sale and distribution of these drugs so as to pave the way for the abrogation of this law?

4. Does the government intend to take appropriate measures to introduce new legislations on drugs?

5. Could the Minister of National Health and Welfare assure the House that the new legislations will prevent pharmaceutical firms from fostering their own interests at the expense of public welfare?

Mr. John M. Reid (Kenora-Rainy River): 1. A nation-wide study, concerning the use and reasons for use, of drugs that are advertised to the general public has not yet been initiated. Preparatory work is now being done. It is expected that the study will begin early in the new year.

2. Legislation to repeal the Proprietary or Patent Medicine Act of 1908 will be introduced at an opportune time.

3. The conditions of sale and the distribution of drugs intended for the public at large are a Provincial responsibility. The Federal Government, however, will continue to assume its concern for the safety and effectiveness of all drugs.

4. Yes, if necessary.

5. Any new legislation respecting drugs will be designed to serve the interests of the public.

CNR—LEASING OF LOCOMOTIVES

Question No. 3,194—**Mr. Hollands:**

How many railway locomotives are presently under lease to Canadian National Railways from US railroads?

Hon. Jean Marchand (Minister of Transport): The management of Canadian National Railways advises as follows: Sixty-six.

CNR—PURCHASE OF CONCRETE RAILWAY TIES

Question No. 3,195—**Mr. Hollands:**

Has the Department of Transport, or any agency acting for DOT, contracted with a British company to manufacture concrete railway ties for use by Canadian National Railways and, if so (a) what is the name of the company (b) on what date were tenders called (c) who were the bidders (d) what were the amounts of the bids (e) where in the CNR system are the concrete ties to be used?

Hon. Jean Marchand (Minister of Transport): Neither the Ministry of Transport, nor any agent acting for the Ministry has contracted with any British company to manufacture concrete railway ties for use by Canadian National Railways.

CNR—GRAIN CARS

Question No. 3,196—**Mr. Hollands:**

How many railway cars designed for hauling grain have been built for Canadian National Railways in the past 12 months?

Order Paper Questions

Hon. Jean Marchand (Minister of Transport): The management of Canadian National Railways advises as follows: None. However, the Canadian Wheat Board purchased 2,000 grain cars in 1972, of which 926 cars were assigned to CNR.

CNR—RAILWAY FLAT CARS CONSTRUCTED IN PAST 12 MONTHS

Question No. 3,197—**Mr. Hollands:**

How many railway flat cars designed for transporting lumber have been constructed for Canadian National Railways in the past 12 months?

Hon. Jean Marchand (Minister of Transport): The management of Canadian National Railways advises as follows: Six hundred thirty-six bulkhead flat cars.

CNR—FLAT CARS PRESENTLY UNDER CONSTRUCTION

Question No. 3,198—**Mr. Hollands:**

How many railway flat cars designed for transporting lumber are presently under construction for Canadian National Railways?

Hon. Jean Marchand (Minister of Transport): The management of Canadian National Railways advises as follows: Two hundred thirty-six bulkhead flat cars have been delivered from a total of 400 ordered for construction.

PURPOSE OF TRIP BY W. C. HOOD TO ROME, 1971-72

Question No. 3,223—**Mr. Knight:**

1. In the fiscal year 1971-72, what was the purpose of the trip made by W. C. Hood, Assistant Deputy Minister of Finance (salary range: $34,000-$40,000), to Rome ($935)?

2. In what month of the year was this trip made?

Hon. John N. Turner (Minister of Finance): 1. To attend, with the Minister of Finance, the meeting of the Ministers of Finance and Central Bank Governors of the countries in the Group of Ten, in Rome.

2. November and December, 1971.

PURPOSE OF TRIP MADE BY G. P. KIDD, 1971-72

Question No. 3,226—**Mr. Knight:**

1. In the fiscal year 1971-72, what was the purpose of the trip made by G. P. Kidd, Vice-President of CIDA (salary range: $23,500-$29,000), to Nassau, London, Vienna, Barbados, Caribbean ($1,411)?

2. In what month of the year was this trip made?

Hon. Mitchell Sharp (Secretary of State for External Affairs): 1 and 2. April 8-24, 1971, During this period Mr. Kidd was in Barbados to attend a meeting sponsored by the Caribbean Development Bank to discuss the Agricultural Development Fund and also in Antigua to attend a meeting of the Caribbean Development Bank; April 30-May 3, 1971, Visit to St. Lucia to attend the opening ceremonies of the Hewanorra International Airport; May 21-June 1, 1971, Mr. Kidd was in Vienna to attend a meeting of the United Nations Industrial Development Organization; June 1-4, 1971, Mr. Kidd went from Vienna to London to attend a meeting of the Commonwealth Fund for Technical Cooperation. This is a fund adminis-

tered by the Commonwealth Secretariat; June 17-19, 1971, The trip to Bridgetown was necessary in order that Mr. Kidd could attend the seventh meeting of the Board of Directors of the Caribbean Development Bank; August 17-25, 1971, The trip to London was necessary in order to attend further meetings of the Commonwealth Fund for Technical Cooperation; September 19-24, 1971, Mr. Kidd was in Nassau to attend a meeting of the board of representatives of the Commonwealth Fund for Technical Cooperation and also a meeting of Commonwealth Officials and Finance Ministers.

PURPOSES OF TRIPS MADE BY D. G. HURST, PRESIDENT OF ATOMIC ENERGY CONTROL BOARD, 1971-72

Question No. 3,229—**Mr. Knight:**

1. In the fiscal year 1971-72, what were the purposes of the trips made by D. G. Hurst, President of Atomic Energy Control Board (salary range: $28,000-$35,000) to (a) Boston ($246) (b) Washington ($160) (c) Vienna ($1,107) (d) Miami ($372)?

2. In what months of the year were these trips made?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Atomic Energy Control Board reports as follows: 1. (a) To attend the Annual Meeting of American Nuclear Society and to attend committee meetings; (i) Editorial Advisory Committee, Nuclear Science and Engineering; (ii) Honours and Awards Committee; (iii) Ad Hoc Program Committee, American Nuclear Society 1972 International Meeting; (iv) Planning Committee; (b) To meet with United States Atomic Energy Commission regulatory officials concerned with reactor safety and licensing to review problems of common interest. (c) To attend the 4th International Conference on Peaceful Uses of Atomic Energy, Geneva, as one of five official representatives of Canada and give a paper entitled "Government, Utilities, Industry and Universities: Partners for Nuclear Development in Canada and Abroad"; to attend the General Conference of the International Atomic Energy Agency, Vienna, as alternate delegate. (d) To attend the winter meeting of the American Nuclear Society and to attend committee meetings; (i) Ad Hoc Program Committee, American Nuclear Society 1972 International Meeting; (ii) Planning Committee.

2. (a) June. (b) July. (c) September. (d) October.

PURPOSES OF TRIPS MADE BY J. B. SEABORN, 1971-72

Question No. 3,231—**Mr. Knight:**

1. In the fiscal year 1971-72, what were the purposes of the trips made by J. B. Seaborn, Assistant Deputy Minister of Consumer and Corporate Affairs (salary range: $28,000-$35,000), to (a) Paris ($906) (b) Washington $161) (c) Paris ($643)?

2. In what months of the year were these trips made?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): 1. (a) Paris, to attend Consumer Policy Committee meetings of the Organization for Economic Cooperation and Development (OECD). (b) Washington, accompanied Minister for informal discussions with American officials concerned with consumer affairs. (c) Paris, to attend Consumer Policy Committee meetings of the Organization for Economic Cooperation and Development (OECD).

[Mr. Sharp.]

2. (a) June, 1971. (b) November, 1971. (c) December, 1971.

PURPOSES OF TRIPS MADE BY D. F. PARKHILL, 1971-72

Question No. 3,236—**Mr. Knight:**

1. In the fiscal year 1971-72, what were the purposes of the trips made by D. F. Parkhill of the Department of Communications (salary range: $28,000-$35,000) to (a) Natik, Massachusetts ($78) (b) Ljubljana, Yugoslavia ($1,043) (c) London, Paris, Rome ($1,790) (d) Paris ($2,073)?

2. In what months of the year were these trips made?

Hon. Gérard Pelletier (Minister of Communications): 1. (a) Business meeting concerning mass computer memories with officials of "Photomem Incorporated", Natik, Massachusetts. (b) To attend International Federation of Information Processing Congress 71 as member of Canadian delegation. (c) i. Preparatory meeting, in London, with chairman of 5th Annual Conference of the Intergovernmental Council for Automatic Data Processing. ii. Head of Canadian delegation at 5th Annual Conference in Rome of the Intergovernmental Council for Automatic Data Processing. iii. Meeting in Paris with Organization for Economic Cooperation and Development Secretariat to prepare draft report on policy issues of Computer/Telecommunications Interaction. (d) Chairman of meeting of Organization for Economic Cooperation and Development panel on policy considerations of computer communications interaction.

2. (a) April, 1971. (b) August, 1971. (c) October, 1971. (d) November 29-December 4, 1971.

PURPOSES OF TRIPS MADE BY MAXWELL HENDERSON, AUDITOR GENERAL, 1971-72

Question No. 3,243—**Mr. Knight:**

1. In the fiscal year 1971-72, what were the purposes of the trips made by Maxwell Henderson, Auditor General (salary range: $37,500-$42,-000), to (a) New York, Geneva and Vienna ($8,081) (b) Jerusalem ($1,060)?

2. In what months of the year were these trips made?

Hon. John N. Turner (Minister of Finance): 1. The purpose of the trips made by Maxwell Henderson, Auditor General in 1971-72 to: (a) New York, Geneva and Vienna was to audit of the accounts of the United Nations and its specialized agencies and all travel costs were recovered from those bodies; (b) Jerusalem was to address and participate in the Jerusalem Conference on Accountancy.

2. The trips to: New York were made in April, May, June, August, October and November in 1971 and in January and February 1972; Geneva was made in October 1971; Vienna was made in October 1971. Jerusalem was made in October 1971.

PURPOSES OF TRIPS MADE BY DOUGLAS FULLERTON, CHAIRMAN OF NCC, 1971-72

Question No. 3,249—**Mr. Knight:**

1. In the fiscal year 1971-72, what were the purposes of the trips made by Douglas Fullerton, Chairman of the National Capital Commission

(salary range: $34,000-$40,000), to (a) Yugoslavia ($1,062) (b) England ($1,213) (c) Yugoslavia ($1,435)?

2. In what months of the year were these trips made?

Hon. Ron Basford (Minister of State for Urban Affairs): In so far as the National Capital Commission is concerned: 1. (a) Belgrade, Yugoslavia (June 6-12, 1971) Annual Conference, International Federation of Housing and Planning, including visits to new towns. (b) (i) Meetings in London with various planners of Greater London Council; November 29-December 3, 1971. (ii) Invited Canadian representative at Ditchley Conference on Urban Development; December 3-6, 1971. (c) Yugoslavia, Italy and England. (i) Conference in Zagreb; October 11-16, 1971, International Union of Local Authorities on "Citizen Participation and Local Government". (ii) Visits to three Italian garbage incineration plants, October 18-20, 1971. (iii) London, negotiation for Colonel By Papers October 21, 1971.

2. Answered above.

PURPOSE OF TRIP MADE BY J. F. HARMER, 1971-72

Question No. 3,257—**Mr. Knight:**

1. In the fiscal year 1971-72, what was the purpose of the trip made by J. F. Harmer, Assistant Deputy Minister of National Revenue, Taxation (salary range: $28,000-$35,000) to Rio de Janeiro ($300)?

2. In what month of the year was this trip made?

Hon. Robert Stanbury (Minister of National Revenue): In so far as the Department of National Revenue, Taxation is concerned: 1. Mr. Harmer travelled to Rio de Janeiro to attend the 5th General Assembly of the Organization Centro Interamericano de Administradores Tributarios (CIAT).

2. The trip was made in May, 1971.

PURPOSE OF TRIP MADE BY J. A. H. MacKAY, 1971-72

Question No. 3,258—**Mr. Knight:**

1. In the fiscal year 1971-72, what was the purpose of the trip made by J. A. H. MacKay, Deputy Postmaster General (salary range: $40,000), to Washington, London, Buenos Aires and Mexico ($1,620)?

2. In what month of the year was this trip made?

Hon. André Ouellet (Postmaster General): 1 and 2. June 7, 1971, to hold discussions with Postmaster General U.S. Postal Service, Washington. October 14-19, 1971, to attend Commonwealth Postal Conference London, England. November 2-3, 1971, Mexican Postal Administration en route to PUAS Congress. November 4-6, 1971, Argentina Postal Administration. November 7-21, 1971, to attend the X Congress of PUAS, Santiago, Chile.

PURPOSE OF TRIP MADE BY G. M. SINCLAIR, 1971-72

Question No. 3,259—**Mr. Knight:**

1. In the fiscal year 1971-72, what was the purpose of the trip made by G. M. Sinclair, Assistant Deputy Postmaster General (salary range: $28,000-$35,000), to London, Brussels, Paris, Berling and Berne ($1,996)?

2. In what month of the year was this trip made?

Hon. André Ouellet (Postmaster General): 1. The purpose of the trip was to negotiate, with foreign postal administrations and foreign airlines, an agreement to receive and handle, at airports and airport postal facilities, all Canadian letter and printed matter mails that had previously been transported by surface means and to arrange for the onward transmission of additional foreign mails by foreign air carriers to countries not served by Canadian airlines. The trip was scheduled so as to coincide with meetings of the Universal Postal Union in Berne to meet with representatives of the following postal administrations on the same subject: Japan, Austria, Australia, Italy, Switzerland, Holland and Russia. Mr. Sinclair met with the German postal administration and officials of Lufthansa in Bonn, West Germany. He did not visit Berlin.

2. May 1971.

PURPOSE OF TRIP MADE BY W. BAKER, 1971-72

Question No. 3,267—**Mr. Knight:**

1. In the fiscal year 1971-72, what was the purpose of the trip made by W. Baker, Assistant Deputy Minister of Public Works (salary range: $30,000-$32,000), to San Juan and Puerto Rico ($616)?

2. In what month of the year was this trip made?

Hon. Jean-Eudes Dubé (Minister of Public Works): 1. The purpose of the trip mentioned was to respond to an invitation to address a conference sponsored by the American Public Works Association. This is a non-profit association of "Public Service" agencies, primarily from the United States and Canada, but with some representation from other nations.

2. The Conference took place March 22-25, 1972.

PURPOSE OF TRIP MADE BY BERNARD OSTRY, 1971-72

Question No. 3,275—**Mr. Knight:**

1. In the fiscal year 1971-72, what were the purposes of the trips made by Bernard Ostry, Assistant Under Secretary of State (salary range: $28,000-$35,000), to (a) Tokyo, Kuala Lumpur ($3,365) (b) London, Paris, New York ($295)?

2. In what months of the year were these trips made?

Hon. James Hugh Faulkner (Secretary of State): Trips made by Bernard Ostry, Assistant Under Secretary of State: (a) Tokyo, Kuala Lumpur, London, Paris ($3,365): To attend the Commonwealth Asian Pacific Regional Youth Seminar; meetings on youth and travel accords; July, August, and September, 1971. (b) New York ($295): To attend the American Immigration and Citizenship Conference; February, 1972.

PURPOSE OF TRIP MADE BY B. C. HOFLEY, 1971-72

Question No. 3,280—**Mr. Knight:**

1. In the fiscal year 1971-72, what was the purpose of the trip made by B. C. Hofley, Assistant Deputy Minister of the Solicitor General Department (salary range: $23,500-$31,000), to France ($734)?

2. In what month of the year was this trip made?

Hon. Warren Allmand (Solicitor General): 1. To attend a symposium organized by the International Centre of

Comparative Criminology on Crises in the Administration of Justice in Metropolitan areas.

2. April.

PURPOSE OF TRIP MADE BY I. C. CORNBLAT, 1971-72

Question No. 3,284—**Mr. Knight:**

1. In the fiscal year 1971-72, what was the purpose of the trip made by I. C. Cornblat, Assistant Deputy Minister of Transport (salary range: $28,000-$35,000), to Paris and London ($1,168)?

2. In what month of the year was this trip made?

Hon. Jean Marchand (Minister of Transport): 1. The purpose of Mr. Cornblat's trip was the discussion of financial and administrative support for the Ministry's Transportation Liaison function in London, England, and to provide technical support for the minister's participation in the Paris Air Show, including the promotion of Canada's STOL expertise. Mr. Cornblat is now deceased.

2. The trip was made during the period May 29 to June 5, 1971.

PURPOSE OF TRIP BY P. TASCHEREAU, 1971-72

Question No. 3,285—**Mr. Knight:**

1. In the fiscal year 1971-72, what was the purpose of the trip made by P. Taschereau, Vice-President of the Canadian Transport Commission (salary range: $40,000-$45,000), to Washington ($284)?

2. In what month of the year was this trip made?

Hon. Jean Marchand (Minister of Transport): The Canadian Transport Commission advises as follows: 1. To address the National Institute, American Bar Association, on the subject of the National Transportation Act and the Canadian Transport Commission.

2. April.

PURPOSES OF TRIPS BY R. R. COPE, 1971-72

Question No. 3,286—**Mr. Knight:**

1. In the fiscal year 1971-72, what were the purposes of the trips made by R. R. Cope, Vice-President of the Canadian Transport Commission (salary range: $28,000-$35,000), to (a) France, Germany, London, Sweden ($194) (b) Washington ($220) (c) Washington ($231) (d) Boston ($173) (e) Washington ($196) (f) London, Paris ($356) (g) Chicago ($219)?

2. In what months of the year were these trips made?

Hon. Jean Marchand (Minister of Transport): The Canadian Transport Commission advises as follows: 1 and 2. (a) London, May: Discussions with U.K. officials re user charge policies, user cost research, and international transportation research. (b) Washington, June: To attend Council Meeting of Transportation Research Forum. (c) Washington, November: To meet with consultants re pending Canadian Transport Commission Telecommunications Cost Study. (d) Boston, December: (i) Meeting with consultants re pending Canadian Transport Commission Telecommunications Cost Study. (ii) Luncheon address to Association of Interstate Commerce Commission Practioners. (e) Washington, January: Meetings with consultants re CTC Telecommunications Cost Study. (f) Amsterdam, Brussels and Paris, February: Discussions on expansion of international transport research with College of Europe, Netherlands Institute of Transport, and Institut des Recherches de Transport. (g) Chicago, March: To attend Council Meeting of Transportation Research Forum.

[Mr. Allmand.]

PURPOSE OF TRIP MADE BY A. SAUMIER, 1971-72

Question No. 3,291—**Mr. Knight:**

1. In the fiscal year 1971-72, what was the purpose of the trip made by A. Saumier, Assistant Secretary of the Ministry of State for Urban Affairs (salary range: $28,000-$35,000), to Munich ($1,143)?

2. In what month of the year was this trip made?

Hon. Ron Basford (Minister of State for Urban Affairs): 1. A fact-finding trip in Mr. Saumier's dual capacity as federal representative on the Board of Directors of the Organizing Committee for the 1976 Olympics and as Chairman of the Senior (Federal) Interdepartmental Committee on the 1976 Olympics.

2. The trip was made in November.

PURPOSE OF TRIP MADE BY J. W. MacNEILL, 1971-72

Question No. 3,292—**Mr. Knight:**

1. In the fiscal year 1971-72, what was the purpose of the trip made by J. W. MacNeill, Assistant Secretary to the Ministry of State for Urban Affairs (salary range: $28,000-$35,000), to Paris ($788)?

2. In what month of the year was this trip made?

Hon. Ron Basford (Minister of State for Urban Affairs): 1. To represent Canada at a meeting of the Environment Committee of the Organization for Economic Cooperation and Development.

2. February.

PRIME MINISTER'S CAR

Question No. 3,319—**Mr. Howard:**

1. How many miles per gallon are obtained by the Fleetwood Cadillac made available for the use of the Prime Minister?

2. Does the Prime Minister intend to participate in the voluntary restraints program suggested for energy conservation by using a different type of automobile?

Right Hon. P. E. Trudeau (Prime Minister): 1. 8.3 miles per gallon.

2. Reply to Question No. 2,135 in part reads as follows: "The automobile to be used by the Prime Minister, by the Queen and by visiting Heads of State and Heads of Government . . .". The same reply referred to security and technical equipment provided in the vehicle. The vehicle is assigned to the Prime Minister by the RCMP and has been built to security standards recommended by the RCMP. The Prime Minister will use any type of vehicle assigned from time to time for his use. When he is not on official business and there is no security consideration involved, he frequently rides in a smaller police car, a Ford, or drives his own car.

CODOFIL

Question No. 3,320—**Mr. Grier:**

1. What is the annual salary of the Canadian adviser to CODOFIL?

2. What are the responsibilities of this official?

3. To whom is this official accountable?

4. In what respects has Canada's financial contribution towards CODOFIL already produced considerable returns in publicity and goodwill?

Hon. Mitchell Sharp (Secretary of State for External Affairs): 1. We understand that, at the time of his employment, the Canadian adviser received from CODOFIL an annual salary of $18,000. In the fiscal year 1972-73 the Canadian government contributed $8,000 to the adviser's salary.

2. As adviser for technical and cultural co-operation, his main task was to conceive and develop action programs in the framework of the responsibilities given to CODOFIL by the Legislature of the State of Louisiana.

3. He was accountable to CODOFIL authorities.

4. The evaluation report recently submitted by an independent firm of educational consultants to the Louisiana State Department of Education highly commended the programs developed by CODOFIL in the area of French instruction at the primary school level. The adviser played an important role in the development of these programs. More directly, the 1972-73 contribution has resulted in favourable publicity for Canada in the local United States press and has promoted contacts between Louisiana and some Canadian and international non-governmental associations. Related to it was the offer to a Canadian student by a Louisiana university of a scholarship in Petrochemistry. The Canadian contribution was also well received in Francophone countries which have participated with Canada in international activities organized by CODOFIL.

STERILIZATION OF MENTALLY RETARDED

Question No. 3,325—**Mr. Rowland:**

Have persons diagnosed as being mentally retarded been subjected to sterilization before reaching the age of puberty in the past five years and, if so, in what numbers and in which jurisdictions?

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

TRAINING IN TORTURE TECHNIQUES

Question No. 3,326—**Mr. Rowland:**

1. Within NATO (a) does there exist a unit or other grouping which has as its purpose training in torture techniques or interrogation in depth, involving serious physical abuse (b) is there any organized capability within such a group for inflicting and sustaining torture and, if so, is Canada making efforts to have the practice discontinued?

2. Can the government give absolute assurances that no Canadians have been, are now, or will be involved in such activities within NATO?

Hon. Mitchell Sharp (Secretary of State for External Affairs): 1. (a) NATO does not run or sponsor any type of training in torture techniques or interrogation in depth. (b) Not applicable.

2. Not applicable.

GREAT PLAINS PROJECT

Question No. 3,327—**Mr. Coates:**

1. What involvement does the government have with or in the Great Plains Project or with Great Canadian Research and Development Foundation Inc.?

2. Has the Prime Minister and his office sponsored this project and, if so, on what basis and in what amount and how was approval secured from Parliament for the use of such funds in this project?

3. Has the Prime Minister consented to the use of his name and his office in the soliciting of funds from private business establishments and, if so, on what basis and what control does the Prime Minister, or his office, exercise over the expenditures of monies secured by this foundation?

4. (a) Who are the officers of the Great Canadian Research and Development Foundation Inc. (b) on what date was it established (c) on what date was Phase I of the Great Plains Project undertaken, who were the individuals involved in this project and how were they compensated for services rendered?

5. What was the cost of Phase I of the Great Plains Project?

Right Hon. P. E. Trudeau (Prime Minister): 1. In the initial stages, the government supported the Great Plains Project by providing financial assistance through the Prime Minister's office. In July 1973, officers of the project were informed that their dealings with the government should be channeled through the Department of Industry, Trade and Commerce. Great Canadian Research and Development Foundation Inc. is the not-for-profit corporate arm of the Great Plains Project. The government has not had any involvement with Great Canadian Research and Development Foundation Inc.

2. Although the Prime Minister's office has provided financial support to the Great Plains Project, it is not a sponsor of the project. Funds for the project were included in Privy Council Estimates for the fiscal years 1970-71, 1971-72, 1972-73 and 1973-74 (See reply to Question 107). The project was funded on a contract basis, as approved by Treasury Board, in the amount of $236,274.33, final, over fiscal years 1970-71 to 1973-74.

3. No.

4. (a) Great Canadian Research and Development Foundation Inc. was incorporated in the province of Ontario. The names of its officers are not on the files of the Department of Consumer and Corporate Affairs. However, correspondence with the Great Plains Project indicates that its directors are V.H. Atrill, Ph. D., Major General M.T. Friedl, C.D., and R. Rohmer, Esq., DFC, Q.C. (b) According to a name-search done in the Department of Consumer and Corporate Affairs, Great Canadian Research and Development Foundation Inc. was incorporated under the laws of the province of Ontario under the name Mid-North Research and Development Foundation Inc. on September 24, 1969. Its name was changed to Great Canadian Research and Development Foundation Inc. on

March 22, 1973. (c) Formal approval of financial support for Phase I was given on December 1, 1970. The Chairman, V.H. Atrill, was compensated on a per diem fee basis. The Deputy Chairmen, Messrs. R. Shannon and R. Rohmer, together with senior developmental officers of corporations in Canada and senior developmental scientists from Canadian universities attended project meetings free of time charges.

5. Thirty-six thousand dollars.

UNEMPLOYMENT INSURANCE COMMISSION—OVERPAYMENTS—QUEBEC REGION

Question No. 3,335—**Mr. Godin:**

For the territory serviced by the Unemployment Insurance Commission Montreal Regional Office and for each fiscal year 1971-72 and 1972-73 (a) what was the amount of overpayments made to various unemployed persons (b) what amounts were recovered (c) what was the cost of legal proceedings?

Hon. Robert K. Andras (Minister of Manpower and Immigration):

	1971/72 $	1972/73 $
(a)	2,430,247	9,680,798
(b)	1,787,295	7,033,009

(c) Where proceedings were taken, the cost was added to the amount to be recovered.

WINTER WORKS PROGRAM

Question No. 3,339—**Mr. Laprise:**

Within the Winter Works Program announced on December 6, 1972, by the Minister of Finance (a) what provinces participated in the program to date (b) what was the number of projects and amount involved in each case?

Hon. John N. Turner (Minister of Finance): (a) All the provinces are participating in the program. (b) To the end of November 1973 the number of projects and the amounts involved were as follows:

	Number of Projects	Total approved Loans (millions) $
Newfoundland	103	10.9
Prince Edward Island	30	2.1
Nova Scotia	50	6.9
New Brunswick	71	10.0
Quebec	133	102.3
Ontario	255	66.3
Manitoba	25	5.7
Saskatchewan	92	4.2
Alberta	104	16.5
British Columbia	53	18.3
Yukon	—	—
Northwest Territories	1	0.4
	917	243.6

[Mr. Trudeau.]

MAINE CORRIDOR ROUTE

Question No. 3,340—**Mr. Corbin:**

1. With respect to the projected corridor route through the State of Maine between the Provinces of Quebec and New Brunswick, have the governments of Prince Edward Island, Nova Scotia, New Brunswick or Quebec, individually or as a group, officially requested aid from the government (a) to finance a study on feasibility and, if so, on what date (b) to finance the construction of the road and, if so, on what date?

2. Has the government undertaken or commissioned any studies on the feasibility of such corridor route between Quebec and New Brunswick through the State of Maine and, if so (a) what studies (b) on what date and by whom were they undertaken (c) what were the conclusions regarding feasibility and costs (d) is this proposal being studied and, if so, by whom?

3. Has the Government of the United States and/or the State of Maine contacted the government or inversely have the government or Provincial Governments contacted the American authorities to discuss a corridor route through the State of Maine and, if so, on what date?

4. What was the reaction of the government, the United States Government or the Government of the State of Maine and who were the Canadian and American representatives in each case?

5. Has the government within the framework of a possible study on building a corridor route through the State of Maine, also studied the marked disadvantages of such a route, particularly for the economy and the development of hundreds of thousands of people, hundreds of communities and thousands of businesses which depend totally on the traffic on the Trans-Canada Highway and connecting roads for their economic well-being?

Hon. Jean Marchand (Minister of Transport): 1. This proposal has, as its main supporters, the Maritime provinces but there has never been a formal request made by these governments to study the feasibility of such a highway facility.

2. It was considered at one time that a trade off could be made between the construction of the Maine Corridor Highway and the reconstruction of the Alaska Highway. (a) The study undertaken was entitled "The Maine Corridor Road and the Alaska Highway—An Examination of Comparative Benefits and Costs". (b) The study was undertaken jointly by the M.W. Menzies Group Ltd., and N.D. Lea and Associates Ltd. in the fall of 1970. (c) The study concluded that with respect to the Maine Corridor there could be a positive net benefit for Canada and a negative net benefit for the U.S. The specific amounts varied depending on the assumptions which were made concerning travel time and value of time, operating costs of vehicles, etc. (d) The study is not at present under evaluation due to the lack of interest by the U.S. government in the Alaska Highway.

3. No, in so far as the government of Canada is concerned.

4. This question is not applicable.

5. No.

FARM CREDIT CORPORATION LOANS—CONSTITUENCY OF LEEDS

Question No. 3,355—**Mr. Cossitt:**

How many applications were received from the constituency of Leeds for Farm Credit Corporation loans during each of the past three years for which figures are available, how many of these applications were granted and what was the total amount loaned in the electoral district for each year in question?

Hon. E. F. Whelan (Minister of Agriculture): The Farm Credit Corporation advises that statistics are not maintained on a constituency basis. However, for the Counties of Lennox-Addington, Frontenac and Leeds, the answer is as follows:

Year	Number of Applications Received	Withdrawn or Rejected	Approved	Amount Approved $
1973-74*	31	8	23	1,111,700
1972-73	34	7	27	1,245,500
1971-72	29	7	22	645,600

*April 1 to October 31, 1973.

OFY GRANTS TO HOMOSEXUAL ORGANIZATIONS

Question No. 3,359—**Mr. Jelinek:**

1. How many dollars have been allocated through the Opportunities for Youth Program in the past fiscal year towards projects for homosexual organizations?

2. For what projects were OFY grants given to homosexual organizations?

Hon. James Hugh Faulkner (Secretary of State): 1. None. However, a grant of $10,845 was awarded to a group of individuals for a project whose objective was the publication of an information booklet on the subject of homosexuality.

2. The project to which the above-mentioned grant was awarded was entitled Operation Socrates, situated in the Kitchener-Waterloo Region.

MILK SUBSIDY

Question No. 3,361—**Mr. Cossitt:**

With regard to the statement on September 4, 1973 recorded on page 6,184 of *Hansard* that there will be a milk subsidy of five cents per quart, for what reason has there been an increase of four cents since that date in quart packages of powdered milk sold by Dominion Stores Ltd. in Brockville, Ontario?

Hon. E. F. Whelan (Minister of Agriculture): The earliest date that milk powder prices could be expected to be reduced and contained was October 15, 1973, as agreements with powdered milk companies did not take effect until that date.

DISTRIBUTION OF POLICY STATEMENTS BY MINISTER OF AGRICULTURE

Question No. 3,374—**Mr. Cossitt:**

With reference to answers to Question Nos. 2,827, 3,100 and 3,129 that copies and addresses to Liberal Party meetings made by the Minister of Agriculture were printed and distributed at public expense, is it the intention of the government to accord similar treatment to opposition parties and, specifically, is it the intention of the government to print and distribute at public expense copies of addresses to Progressive Conservative Party meetings made by the Agricultural Critic of the Progressive Conservative Party and, if not, is it the intention of the government to discontinue printing and distributing at public expense addresses by the Minister of Agriculture to Liberal Party meetings and to recover from the Liberal Party of Canada all public funds spent to date in this connection?

Hon. E. F. Whelan (Minister of Agriculture): Policy statements by the present Minister of Agriculture to Progressive Conservative party meetings, if open to the public, will be treated in the same manner as any other public addresses made by the present Minister of Agriculture.

ELIGIBILITY OF WIDOW UNDER THE PENSION ACT

Question No. 3,382—**Mr. Marshall:**

1. Under the Pensions Act, what is the rate of disability at which the widow can receive a pension after the veteran's death?

2. Is a widow of a disability pensioner able to receive benefits after his death if he was receiving a disability pension between 5 per cent and 47 per cent?

3. (a) What is the rate of pension for the married veteran who has disability between 48-52 per cent with no children (b) what would his wife receive on his death?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): 1. Provision is made in the Pension Act for the payment of pension to the widow of a pensioner who at the time of his death was in receipt of a pension for a disability assessed at 48 per cent or more, whether or not his death was attributable to his service. The widow of a pensioner who was in receipt of a pension for a disability assessed at less than 48 per cent is entitled to a pension only if it is ruled under the Pension Act that her husband's death was attributable to his service.

2. A widow of a pensioner whose disability was assessed at between 5 per cent and 47 per cent may be awarded a widow's pension if it is ruled under the Pension Act that her husband's death was attributable to his service.

3. (a) $245 a month. (b) $294 a month.

ELIGIBILITY OF FEMALE VETERAN TO MARRIED RATE OF DISABILITY PENSION

Question No. 3,384—**Mr. Marshall:**

Under the Pensions Act whereby a disabled male veteran can qualify for the married rate with benefits for his wife, who is not a veteran, and their children, can a female disabled veteran, who is married and whose husband is not a veteran, qualify for married rates for her husband and children and, if not, for what reason is this practice allowed to prevail?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Yes, at the discretion of the Canadian Pension Commission.

ELIGIBILITY OF WIDOW UNDER PENSION ACT

Question No. 3,385—**Mr. Marshall:**

1. What is the rate of pension for a married veteran with no children who has a disability classified between 43 per cent and 47 per cent?

2. What would his wife receive on his death and, if nothing, is consideration being given to overcoming this discrepancy in the Pensions Act?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): 1. $220.50 a month.

2. If it is ruled under the Pension Act that his death was attributable to his service his widow would receive $294 a month. If his death was not ruled attributable to his

service his widow would not receive a pension. No change with regard to this feature of the Pension Act is presently contemplated.

MEMBERS OF CYC

Question No. 3,405—**Mr. Jelinek:**

1. How many individuals are now engaged in working with the Company of Young Canadians?

2. How many members now serving with CYC are repeaters, having served one term of two years and have now volunteered for a further period?

3. How many people in CYC are working in the Metropolitan Toronto area?

4. How many members of CYC have been added to the Company in the Toronto Metropolitan area in the past six months?

5. How many members of CYC are not Canadian citizens?

6. Are there any members of CYC who do not have legal status to remain in Canada?

Hon. James Hugh Faulkner (Secretary of State): I am informed by the Company of Young Canadians as follows:
1. Eighty-eight staff and 225 volunteers.

2. An inordinate amount of research would be required to supply this information as it would require a search of individual files.

3. Four staff and 23 volunteers.

4. No increase in the past six months. As of May 1, 1973 there were four staff and 23 volunteers.

5. One staff and 10 volunteers.

6. No. All those referred to in Part 5 have landed immigrant status.

STAFF OF PRIME MINISTER'S OFFICE

Question No, 3,452—**Mr. Stackhouse:**

1. What was the number of persons on the staff of the Prime Minister's Office in 1963, 1968 and 1973?

2. What was the total budget for salaries in the Prime Minister's Office in each of those years?

3. How many members of the staff in the Prime Minister's Office receive a salary of $20,000 a year or more?

Right Hon. P. E. Trudeau (Prime Minister): 1. See reply to question 3073 answered this day.

2. Salary expenditure 1972-73, $1,002,442; Salary estimate 1973-74, $1,102,614.

3. See reply to Question No. 3,072 answered on December 19, 1973 in the Votes and Proceedings No. 195, page 769.

PRIME MINISTER'S CAR

Question No. 3,454—**Mr. Stackhouse:**

What is the mileage per gallon of the automobile normally used by the Prime Minister?

Right Hon. P. E. Trudeau (Prime Minister): See reply to Question No. 3,319 answered this day.

[Mr. MacDonald (Cardigan).]

QUESTIONS PASSED AS ORDERS FOR RETURNS

DEPARTMENT OF NATIONAL HEALTH AND WELFARE—RESEARCH EXPENDITURES

Question No. 103—**Mr. Nystrom:**

1. What was the total amount of money spent in each of the fiscal years 1968-69, 1969-70, 1970-71, 1971-72 by the Department of National Health and Welfare on contracts to outside persons and organizations for research, development and other consulting services?

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

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

4. What are the names and addresses of outside persons and organizations who were awarded contracts for research, development and other consulting services in the current fiscal year, what are the amounts of money involved in each case and what is the purpose of each contract?

Return tabled.

GOVERNMENT POLICY ON FINANCIAL SUPPORT TO HOSPITALS IN CANADA

Question No. 1,687—**Mr. Stewart (Okanagan-Kootenay):**

1. What is the present government policy on providing financial support to hospitals in Canada?

2. How much money has the government paid to provinces and/or municipalities for hospital (a) construction (b) facilities (c) research (d) teaching during the years 1960 to 1972 inclusive?

3. What, if any, are the present financial commitments of the government for hospitals in Canada for (a) construction (b) facilities (c) research (d) teaching and what are the names of each hospital and where is each located?

4. Does the government provide any grants to university medical faculties for (a) construction (b) facilities (c) research (d) teaching and, if so, how much and to which universities were amounts paid for the years 1960 to 1972 inclusive?

Return tabled.

ART BANK SHOW, PARIS, FRANCE

Question No. 2,422—**Mr. Schumacher:**

1. How many officials of the Canada Council (a) went (b) are going to attend the Art Bank Show in Paris, France?

2. What are the (a) names (b) present positions of each such person?

3. What is the cost involved in each case for (a) transportation (b) accommodation (c) meals (d) *per diem* expenses?

4. Are the spouses and/or families of each of those attending accompanying them in Paris and, if so, at what cost in each case?

5. How many pieces of art from Canada (a) went (b) are going to the Art Bank Show in Paris, France?

6. What was the cost involved for (a) gathering (b) handling (c) shipping (d) storage (e) insurance for Canadian exhibits at the Art Bank Show in Paris, France?

7. What are the (a) names (b) addresses (c) work exhibited of each artist at, or going to the Art Bank Show in Paris, France at government expense?

8. What in each case is the cost involved for (a) transportation (b) accommodation (c) meals (d) *per diem* expenses for such artists?

9. Are the spouses and/or families of such artists accompanying them in Paris and, if so, what is the cost involved in each case?

10. Which government departments or agencies are bearing the costs involved and in what amount in each case?

Return tabled.

CANADIAN PARTICIPATION IN TRAJECTOIRE 73, THE ART BANK SHOW, PARIS, FRANCE

Question No. 2,433—**Mr. Schumacher:**

1. Who originated the idea of Canada participating in (a) Trajectoire 73 (b) the Art Bank Show in Paris, France?

2. What are the present positions held by such persons?

3. What means were used to contact artists to submit material for the purposes of gathering an exhibit for (a) Trajectoire 73 (b) the Art Bank Show?

4. How was this accomplished?

5. Who was responsible for the original decisions on which pieces would be submitted to the selection committees in each case for final choice?

6. What are the qualifications and positions held by such people?

7. What terms of reference were used in making such decisions?

8. How many artists and from where, were originally contacted to submit material?

9. What terms of reference were given to the final selection committee regarding the choice of material for exhibit at (a) Trajectoire 73 (b) the Art Bank Show?

Return tabled.

*CONSTRUCTION OF AKONOLINGA BRIDGE (CAMEROON)

Question No. 2,637—**Mr. Stevens:**

1. With respect to the construction of the Akonolinga Bridge (Cameroon), what has been, to date, the total (a) study costs (b) design costs (c) construction costs (d) other costs?

2. What portion of the total cost of the bridge was financed by Canadian aid and what portion of this aid took the form of a (a) loan (b) grant?

3. What were the names, addresses and total remuneration paid to or billed by (a) consulting firms (b) architects (c) engineers (d) lawyers (e) contractors (f) project managers (g) others with respect to the project to date?

4. What was the total cost of professional services expended on the project, including an estimate of government overhead costs related to the construction of the bridge?

Return tabled.

FEDERAL ASSISTANCE TO NISHNAWABI INSTITUTE

Question No. 2,727—**Mr. Nielsen:**

1. In each year 1968 to 1973, did the government advance by way of grant or loan any moneys to the Nishnawabi Institute and, if so (a) what was the amount or amounts of each such grant or loan for each year (b) by whom was money received (c) for what purpose?

2. Did the government advance any money to Mrs. Lavell for the purpose of assisting her to pay the costs of the proceedings recently concluded by the judgment of the Supreme Court of Canada and, if so, what was the total of such advances?

Return tabled.

NATIONAL ENERGY BOARD—RESEARCH EXPENDITURES

Question No. 2,920—**Mr. Nystrom:**

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

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

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

Return tabled.

PRIVY COUNCIL OFFICE—RESEARCH EXPENDITURES

Question No. 2,925—**Mr. Nystrom:**

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

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

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

Return tabled.

DEPARTMENT OF VETERANS AFFAIRS—RESEARCH EXPENDITURES

Question No. 2,940—**Mr. Nystrom:**

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

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

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

Return tabled.

CANADIAN CONTRIBUTION TO EDUCATION OF RHODESIAN REFUGEES

Question No. 2,988—**Mr. Wise:**

Does the government contribute to the education of Rhodesian refugees and, if so (a) who has control of the dispersement of such money (b) how was the money spent for the years 1969-72?

Return tabled.

ON-THE-JOB TRAINING PROGRAM

Question No. 3,102—**Mr. Stevens:**

1. What are government plans for further support for industrial on-the-job training and retraining?

2. What is the ratio in Canada between such industrial on-the-job training and academic training?

3. How does the Canadian ratio compare with that in the United Kingdom and in the United States?

Return tabled.

CANADIAN MEMBERSHIP IN INTER-AMERICAN DEVELOPMENT BANK

Question No. 3,107—**Mr. Rodriguez:**

1. (a) On what date did Canada become a member of the Inter-American Development Bank (IADB) (b) did Canada contribute funds to the IADB prior to becoming a member (c) what was Canada's role in the IADB in terms of how its funds were disbursed prior to its

becoming a member of IADB (d) what role does Canada play now that it is a member of IADB in relation to the disbursement of funds?

2. (a) Did IADB receive any requests for new assistance from Chile from 1970 to 1973 and, if so (i) what was the total dollar value of these requests (ii) what position did Canada take in the consideration of these requests (b) what was the total dollar value of the requests approved by IADB for Chile during Allende's government (c) were the actions of IADB consistent with the policies of the government towards Chile during the years 1970 to 1973 (d) does any member of the IADB have a veto over IADB applications and, if so, which one(s)?

3. What is the government's present policy towards loan credit applications through IADB and EDC under the present regime in Chile?

4. What position was taken by the Canadian representative(s) to the IADB when it granted over $60 million in credits to the Chilean Junta after September 11, 1973?

Return tabled.

COST OF HEALTH CARE IN CANADA

Question No. 3,190—**Mr. Orlikow:**

For each of the past five years, what was the cost of health care in Canada in the form of (a) payments to physicians (b) hospitalization (c) payments for prescription drugs?

Return tabled.

MAINTENANCE OF STREETS IN HURON VILLAGE OF LORETTEVILLE

Question No. 3,316—**Mr. Godin:**

1. During the years 1966 to 1971 inclusive (a) what was the name of the contractor responsible for the maintenance of streets in the Huron Village of Loretteville (b) what was the total cost of maintenance and snow removal?

2. For each year 1972 and 1973 (a) what was the cost for such works (b) what is the name and address of the contractor?

Return tabled.

CANADIAN WITHDRAWAL FROM ASSOCIATION OF MEMBERS OF THE COMMONWEALTH

Question No. 3,341—**Mr. Godin:**

Did Canada participate in any meeting of members of the Commonwealth in the past few years and, if so, has the question of our withdrawal from the Association been discussed?

Return tabled.

ACTION RESEARCH DEPARTMENT—GRANTS FOR OPERATION OF COMMUNITY INFORMATION CENTRES

Question No. 3,357—**Mr. Stewart (Marquette):**

1. Under the Action Research Program of the Secretary of State Department for each year 1970, 1971, 1972 and 1973 to date, what was the total amount of grants made for the operation of Community Information Centres?

2. (a) For each of the above years, what communities received grants and what was the amount of each grant (b) is this program still in effect?

Return tabled.

[Mr. Rodriguez.]

● (1410)

[*English*]

ORAL QUESTION PERIOD

THE CANADIAN ECONOMY

INQUIRY AS TO INTRODUCTION OF MEASURES TO CONTROL INFLATION IN LIGHT OF BANK OF CANADA STATEMENT—CONSULTATION WITH FARM, LABOUR AND BUSINESS LEADERS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I wish to direct a question to the right hon. Prime Minister. In view of the Bank of Canada saying that the extent of any price deceleration in Canada depends to an important degree on cost developments in Canada, and in view of the Prime Minister having said that any government that cannot cope with self-induced inflation deserves to be thrown out—

Some hon. Members: Hear, hear!

Mr. Stanfield: —I would ask the Prime Minister whether the position taken by the Bank of Canada is also the position of the government, whether the government is preparing a comprehensive package of measures now and, if so, when will it be presented?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the package to which the hon. member refers, if it were presented as a package, would be coming at the time of the Speech from the Throne.

Mr. Stanfield: In view of the recent OECD study concluding that inflation in Canada has developed a momentum that can be offset only by a concerted anti-inflation program, is it the intention of the government to present such a comprehensive program at the meeting of finance ministers later this month?

Mr. Trudeau: Mr. Speaker, as the federal Minister of Finance will explain, the meeting at the end of January will, of course, go into economic problems and, not least, the inflation problem, but as to any announcement that might be made the Leader of the Opposition will have to wait until that time.

Mr. Stanfield: It is not only a question of my waiting but of the people of Canada who are waiting.

Some hon. Members: Hear, hear!

Mr. Stanfield: The OECD study recommended as a first step that the government should set up—

Whereupon there was an interruption from the gallery.

Mr. Trudeau: Is that your grandson?

Mr. Stanfield: I am not sure who is responsible for that, Mr. Speaker.

Some hon. Members: Oh, oh!

Mr. Fairweather: It is a matter of timing.

Mr. Stanfield: But I can say, Sir, that if that was my grandson his voice is carrying all the way from Edmonton. But, Mr. Speaker, to get back to the—

Whereupon there was a further interruption.

Mr. Turner (Ottawa-Carleton): Now you are terrifying the child.

Mr. Stanfield: I do not know whether this is a new tactic being adopted by the Prime Minister—

An hon. Member: It is working.

Mr. Stanfield: —but I would like to ask the Prime Minister this question. In view of the suggestion in the OECD study that the government should set up consultative machinery, as a first step, involving government, farm, labour and business leaders to cope with inflationary pressures this year—

An hon. Member: We did it four years ago.

Mr. Stanfield: Yes, they did it four years ago, but it is four years later than the hon. member thinks. Has the government given serious consideration to this proposal and, if so, is the government going to take this initiative?

Mr. Trudeau: Mr. Speaker, I should like to take as my text, "And a little child shall lead them".

Mr. Baldwin: What do you think we have had for the last six years?

Mr. Fairweather: Some would think that is all we have got.

Mr. Hees: You cannot be more childish than you have been, Pierre.

An hon. Member: Better that than nothing.

Mr. Trudeau: The consultation the hon. Leader of the Opposition suggests is one which is going to be taking place at the federal-provincial conference at the end of the month, when the first ministers and then the ministers of finance meet. I would remind the Leader of the Opposition that this process is one that we embarked upon in 1969 in order to attempt to come to grips with inflation, and it has never ceased being a matter of discussion every time there is a meeting with the premiers and the ministers of finance.

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ENERGY

INQUIRY AS TO COMPLETION OF ARRANGEMENTS FOR EXTENSION OF OIL PIPELINE TO MONTREAL AND FILING OF APPLICATION

Mr. David Lewis (York South): Mr. Speaker, without referring to the humble admission of the Prime Minister a moment ago may I ask the Minister of Energy, Mines and Resources whether the financial and other arrangements with regard to the pipeline to Montreal have been completed with Interprovincial or any other agency?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Not at the moment, Mr. Speaker.

Mr. Lewis: Can the minister inform the House whether there is still discussion with regard to the route which the pipeline might take? Has it been settled that it will go from Sarnia to Montreal or is there still discussion of a route from Winnipeg or elsewhere through northern Ontario?

Mr. Macdonald (Rosedale): Mr. Speaker, the route is still under discussion.

Mr. Lewis: Mr. Speaker, as a final supplementary may I ask the minister when he expects that these discussions will be completed and when the hearings by the National Energy Board will take place? Can the minister assure the House that the construction of the pipeline will begin this coming spring rather than there being a disastrous delay of many months?

Mr. Macdonald (Rosedale): Mr. Speaker, I would hope that the discussions would be completed within a matter of weeks and that the board might be in a position to accept an application in the spring.

* * *

[*Translation*]

EXTERNAL AFFAIRS

INQUIRY AS TO ESTABLISHMENT OF EMBASSY IN SAUDI ARABIA

Mr. René Matte (Champlain): Mr. Speaker, I wish to direct a question to the hon. Secretary of State for External Affairs.

Could the minister tell us when is the official inauguration of the Canadian embassy in Saudi Arabia, and also whether this embassy is opened in order to increase our country's oil buying power in Saudi Arabia?

[*English*]

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, discussions are now under way between the Saudi Arabian government and the Canadian government following my announcement of our intention to establish an office in Saudi Arabia.

* * *

LABOUR CONDITIONS

INQUIRY AS TO ISSUANCE BY MINISTER OF GUIDELINES ON MINIMUM COMPENSATION FOR INFLATION IN WAGE SETTLEMENTS

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I should like to address a question to the Minister of Labour to follow up the question asked by the Leader of the Opposition. Given the fact that inflation does have some bearing on wage settlements, may I ask the minister whether he has issued guidelines to industry indicating what will be the minimum compensation for inflation in wage settlements and, if so, what are the minimum wage increases that he has in mind?

Hon. John C. Munro (Minister of Labour): No, Mr. Speaker, I have not issued any such guidelines and I doubt very much whether they would have any impact. I have no legitimate authority to do so. This is a matter for the free, collective bargaining process which has worked adequately to date, I think.

Mr. Alexander: In light of the fact the Prime Minister has been stating that our inflation has been worldwide induced, has the minister conducted a study to ascertain what proportion of domestic inflation has led to wage disputes and what proportion of worldwide inflation has led to wage disputes? If so, when will it be completed and when will he table the results?

Mr. Munro: Mr. Speaker, I am afraid the hon. member should indicate what he considers to be a wage dispute. A sizeable percentage of claims in all areas where there is collective bargaining at the present time have been settled peacefully to the satisfaction of both parties.

Mr. Speaker: The hon. member for Mississauga. Order, please. Perhaps the hon. member who has assumed the floor might be allowed a supplementary question after which I shall recognize the hon. member for Mississauga.

● (1420)

Mr. Alexander: Can the minister advise, because of the seriousness of the matter, whether he will undertake to make such a study in order to determine in what proportions domestic and worldwide inflation are affecting wage settlements?

Mr. Munro (Hamilton East): Mr. Speaker, there is so much data now in this area that it is hard to understand the hon. member. If the hon. member is suggesting that those representing labour want to be compensated for the inflationary factor, of course they do. When they bargain they take into account the cost of living aspect. That is a pretty rudimentary exercise which they go through at each collective bargaining session. They will continue to do so now as they have in the past and no doubt they will in future.

* * *

HOUSING

RELATIONSHIP OF INTERNATIONAL INFLATION TO INCREASE IN COST OF NEW HOUSING IN METROPOLITAN TORONTO

Mr. Don Blenkarn (Mississauga): Mr. Speaker, to follow up the question of the Leader of the Opposition, may I direct a supplementary question to the Minister of State for Urban Affairs. Can the minister indicate to the House how the inflation in the cost of new housing in Metropolitan Toronto, which is up 25 or 30 per cent over the cost one year ago, is related to international inflation? Has he done any studies on that, and can he tell us of the degree of international inflation with respect to housing?

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, the Minister of State for Urban Affairs has not.

[Mr. Alexander.]

Mr. Blenkarn: Given the fact that the increase in shelter costs amounts to at least 31 per cent according to the Statistics Canada price index, surely the minister can give us an answer. Surely he can tell us the extent to which international inflation does or does not contribute—

Mr. Speaker: Order, please. The hon. member's question is not a supplementary; it is argument.

* * *

FINANCE

REQUEST THAT BANK SHORT-TERM LOAN AND MORTGAGE INTEREST RATES BE REDUCED

Mr. Lorne Nystrom (Yorton-Melville): Mr. Speaker, my question is directed to the Minister of Finance. As short-term interest rates in this country are now higher than such rates in the United States for the first time since the summer of 1972, does the minister intend to ask the banks to roll back interest rates in this country, in other words, control interest rates in Canada?

Hon. John N. Turner (Minister of Finance): No, Sir.

Mr. Nystrom: If the minister will not do that, will he undertake to amend the Bank Act to make it mandatory for banks to lend money to people on mortgages at interest rates no greater than 6 per cent?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I think I have the hon. gentleman's views very clearly in mind.

* * *

ADMINISTRATION OF JUSTICE

CONSULTATION WITH QUEBEC PRIOR TO TWO LATEST APPOINTMENTS TO SUPREME COURT OF CANADA

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is directed to the Minister of Justice. It is in connection with the two recent appointments to the Supreme Court of Canada from the province of Quebec. Were those appointments given provincial government consideration before they were made?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, it is not our custom to discuss with provincial governments the persons we are considering for appointment, although quite frequently we are in touch with the appropriate provincial Attorneys General before the actual, formal announcement.

Mr. Diefenbaker: Mr. Speaker, I did not ask about the custom. Since the federal government, under the famed Victoria Charter of unlamented memory, accepted the principle that appointments to the Supreme Court of Canada should be made subject to provincial consideration, I ask whether in regard to those two appointments there was provincial consideration or whether the Victoria charter, so highly lauded, has died an unnatural death?

Mr. Lang: Mr. Speaker, the proposals at Victoria, of course, went no further than that meeting and did not

result in a new arrangement in Canada. I meant to make it clear to the right hon. gentleman when I referred to "custom" that custom was followed in this case.

Mr. Diefenbaker: Mr. Speaker, I do not know why it is so difficult to get a direct answer. I know the minister is anxious to answer the question. I ask him whether the Bourassa government was consulted in advance and gave consideration to those two appointments pursuant to the principle that this government stood for so strongly, namely, the need for reform in appointments to the Supreme Court of Canada, when the Victoria charter was up three years ago?

Mr. Lang: Mr. Speaker, in order to give a clear answer to the right hon. gentleman, may I ignore the last three-quarters of his question and simply say no to the first part.

Mr. Diefenbaker: Then you broke your own agreement.

* * *

INDUSTRY

AUTOMOBILES—REQUEST FOR ASSURANCE PROPORTION OF LARGER FORD AND GENERAL MOTORS VEHICLES PRODUCED IN CANADA WILL NOT BE INCREASED

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, my question is for the Minister of Industry, Trade and Commerce. Considering the fact that General Motors and Ford of Canada announced layoffs on Friday exceeding 1,200 employees for an indefinite period of time, will the minister, if he has not done so already, obtain assurances from those companies that they will not transfer production of the largest vehicles they produce in both the United States and Canada from the United States to Canada and thus establish proportions different from what now exist?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, we have already had discussions with the automobile companies on this point. They have explained to us that the need for these layoffs is occasioned by inventory balancing. They have pointed out that the layoffs in Canada are relatively less than in the United States. The point the hon. member made in his question with regard to big car and small car balance has been made to them. I can assure him there is no indication the automobile companies are planning any change.

Mr. Broadbent: If he has not already done so, will the minister assure the House that in the near future he will discuss with the automotive companies the desirability of shifting their methods of production away from the largest vehicles to moderate and small size vehicles in the years ahead so they will not lose out the way they did a few years ago to Japanese and western European producers when small vehicles were first introduced on this continent on a large-scale basis?

Mr. Gillespie: Mr. Speaker, I think the representations we have made plus consumer and market reaction over the past few years, and indeed the past few months, have made that point in spades.

AIR TRANSPORT

PROPOSED PASSENGER HEAD TAX—INFLATIONARY IMPACT

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I have a question for the Minister of Transport. Have he or his officials calculated the inflationary impact of the proposed airport head tax coming at a time when it is proposed to increase air fares?

[*Translation*]

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I believe that any increase either in taxes or airport operation costs will surely have an effect on prices.

* * *

COMBINES

REQUEST FOR AMENDMENT OF NEW LEGISLATION TO PERMIT SMALL INDUSTRIES TO SURVIVE

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I wish to direct my question to the hon. Minister of Consumer and Corporate Affairs.

Can the minister tell the House whether he has received a request from the National Association of Confectionery and Tobacco Distributors for the amendment of the Combines Act in order to help small industries to survive? If so, what does he intend to do about the amendments suggested by the association in its request?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, I did receive such a brief and the requests are being studied.

* * *

[*English*]

ENERGY

OIL PIPELINE EXTENSION TO MONTREAL—PARTIES INVOLVED IN NEGOTIATIONS—CAPACITY

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, my question is supplementary to the one asked by the hon. member for York South. Will the Minister of Energy, Mines and Resources advise the House what specific group is negotiating on behalf of the federal government in connection with the oil pipeline to Montreal? Second, and this is part of the same question, are there any other groups that this group is negotiating with in addition to Interprovincial Pipelines?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, as I mentioned in the House some weeks ago, the Deputy Minister of National Defence has been acting on secondment from his department for the purpose of assisting the government in this regard. At the moment, I think I would be correct in saying his discussions in terms of pipeline companies have been confined to Interprovincial Pipelines.

Mr. Hamilton (Qu'Appelle-Moose Mountain): In these discussions the ex-Deputy Minister of National Defence is holding—

Mr. Macdonald (Rosedale): The present deputy minister.

Mr. Hamilton (Qu'Appelle-Moose Mountain): —has any decision been reached by the government as to the ultimate delivery capacity of this pipeline and as to the target delivery date?

● (1430)

Mr. Macdonald (Rosedale): The maximum amount would be about 500,000 barrels a day. A factor which is obviously relevant to the discussion is whether full throughput will be sought at this time or perhaps half that amount.

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): In view of the fact that more than four months have elapsed since the Prime Minister announced the government's intention to proceed with this pipeline, may I ask what are the major obstacles in the way of reaching some agreement concerning the commencement of the project? Is it a matter of finance? Is the federal government being asked to put up some of the money and, if so, is this difficulty close to being resolved?

Mr. Macdonald (Rosedale): I would say the major obstacle is the question of the route and on that basis, of course, the availability of supply.

OIL PIPELINE EXTENSION TO MONTREAL—POSSIBLE FURTHER EXTENSION TO EAST COAST

Mr. J. M. Forrestall (Dartmouth-Halifax East): In the light of all the conversations which have taken place during the past two or three months, may I ask the minister whether the government has abandoned any consideration of extending this pipeline beyond Montreal to open salt water so that the four Atlantic provinces may enjoy some assurance of a 12 months supply of crude oil?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): I think I should tell the hon. member that while there might be some possibility of this being done in an emergency situation the current oil supply situation in Canada would not permit that kind of supply. However, the expansion of the pipeline network with further connecting pipelines to the east has been under very close scrutiny by the government.

* * *

THE CANADIAN ECONOMY

POSSIBLE STEPS TO CONTROL DOMESTIC UPWARD COST PRESSURES

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the Minister of Finance. In view of the opinion of the Bank of Canada, as expressed on page 19 of its December review, that the extent of deceleration of living costs will depend to a very large extent on cost developments within Canada, will the minister advise the House whether he is prepared to take specific steps now to control domestic upward cost pressures and, if so, what steps is he willing to take, and when?

Hon. John N. Turner (Minister of Finance): That report draws attention to the complicated interaction between world demand-pull inflationary forces and the reaction in Canada of cost-push forces, and throughout the breadth of the report it is stated quite categorically that the sharp increase in oil prices plus the rise in commodity and food prices constitutes the primary thrust of inflation in this country.

Mr. Hees: Would the minister not agree that the reply he has just given amounts to nothing more nor less than gobbledygook and shows he has no idea what the problem is, and has no intention of doing anything about it?

Mr. Speaker: Order, please. The hon. member's supplementary is argumentative.

Mr. Hees: It was intended to be.

* * *

INQUIRY OF THE MINISTRY

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, I have a question for the Prime Minister. In view of the fact that approximately 10 per cent of the Liberal-appointed Senators are spending most, if not all, their time in organizational activities for the Liberal Party, including Senators Molgat, Davey—

Mr. Speaker: Order, please. The hon. member is apparently in the middle of his question but even at this point I have a number of procedural objections to it. I am sure he will appreciate that he cannot make allegations or statements by way of preface to his question. I would remind hon. members also that it is not entirely good form to attack, if I might use that word—possibly it is too strong—members of the other House.

Mr. McKenzie: A supplementary, Mr. Speaker—

Mr. Speaker: I am not sure the hon. member can ask a supplementary to a question which is clearly out of order. The hon. member for Trinity.

* * *

INDUSTRY

EFFECT OF TRANSPORT COMMISSION RECOMMENDATIONS RESPECTING RAILWAY SAFETY IN TERMS OF ADDED COST TO INDUSTRY

Hon. Paul Hellyer (Trinity): Mr. Speaker, my question is directed to the Minister of Industry, Trade and Commerce. In light of the recent recommendation to the railroads by the Canadian Transport Commission that they decrease the loads in their freight cars and reduce their cruising speeds, has the hon. gentleman's department looked into the effect of this recommendation, if implemented, in terms of added industrial costs for transportation?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): I would be prepared to make inquiries and convey this information to the hon. member.

Mr. Hellyer: Would the minister at the same time give the House the benefit of his views as to the means by which unused production capacity in the automobile industry might be transferred at this time to the manufacture of boxcars and some of the other transportation equipment essential to the long-term reduction of costs in Canada?

Mr. Speaker: I suggest that a statement of such importance ought to be made by the minister on motions.

* * *

GRAIN

WHEAT—REQUEST FOR INTERIM PAYMENT RELATED TO FINAL PRICE

Mr. Bill Knight (Assiniboia): Mr. Speaker, my question is directed to the Minister of Justice as minister responsible for the Wheat Board. In view of the fact that initial prices for grain were established, on wheat, for example, at $2.25, while the Wheat Board's asking price is now $8.34, which means a fantastic sum of money is not available to farmers for use in paying bills or meeting other needs, is the minister about to agree with the request of the Canadian Wheat Board, the wheat pools and the National Farmers Union that an interim payment be made related to the final payment?

Hon. Otto E. Lang (Minister of Justice): We have received no such recommendation from the Wheat Board. We may look at this question in the days ahead but so far we have not given full consideration to it.

Mr. Knight: Since initial prices are far below the projected final prices as enunciated by the Wheat Board, can the minister tell the House what formula is presently being used to arrive at an initial price which is one-third of the final price as projected by the board and whether this formula will be changed so as to ensure that the initial price will represent a greater percentage of the final price in the present crop year?

Mr. Lang: The initial prices for the year were first set on March 1 and subsequently, on the basis of existing facts, on July 29 they were altered. Of course, it is not common under the pooling system to move these prices up and down from day to day. If that kind of system is preferred one goes to an open system rather than a board system. At the time these prices were set on July 29, as far as I know we had received a request from only one farm organization for prices higher than the March 1 price. Moreover, the prices set on July 29 were as high as, or higher than, those contained in any of the suggestions made to us at that time and therefore, surely, should have been considered satisfactory. None of the members opposite asked for a higher figure at that point—

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please.

Mr. Horner (Crowfoot): Give us the formula!

* * *

TRANSPORT

REQUEST THAT REPORT ON RAILWAY PASSENGER SERVICE IN SOUTHWESTERN ONTARIO BE MADE AVAILABLE

Mr. Bill Jarvis (Perth-Wilmot): Mr. Speaker, I wish to direct a question to the Minister of Transport. Many weeks ago the minister received a report from the Canadian Transport Commission resulting from its study of passenger rail service in southwestern Ontario. Can the minister tell us whether he is in a position to release that report to the House this week?

Hon. Jean Marchand (Minister of Transport): As I have stated, I have received a report and it has been communicated to all interested parties.

Some hon. Members: Not to us.

Mr. Marchand (Langelier): This report will be made public because it is to be studied at the tri-level conference to be held soon in Ontario.

RAILWAY PASSENGER SERVICE IN SOUTHWESTERN ONTARIO—REQUEST FOR GOVERNMENT PROPOSALS

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Can the minister tell the House when the policy proposals, which have been promised by the federal government for over a year now, with respect to the transportation needs of southwestern Ontario will be made public? He has been promising them for over a year but we have not seen them.

Hon. Jean Marchand (Minister of Transport): In order to give a complete answer I must point out that we have not yet received the third report of the CTC on this question of transportation in southwestern Ontario. As soon as we have it there will be no objection to the report being made public or tabled in the House. As for the delay, the year which has elapsed, I am not responsible. The CTC is the body which is supposed to inquire in this case.

Some hon. Members: Oh, oh!

Mr. Beatty (Wellington-Grey-Dufferin-Waterloo): The minister says he will have no objection to making the report public. In a letter he sent to me he promised it would be made public in October. Why has this not been done? Will he make the report public this week?

Mr. Marchand (Langelier): The simple reason is that I was told by the CTC many months ago that I would get the report in October, and I did not get it.

● (1440)

Some hon. Members: Oh, oh!

Mr. Marchand (Langelier): If the hon. member wants to know everything that happened which would justify the

delay, I am ready to make a report. He will see that some members resigned and another died. There are all kinds of reasons.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. May we have order, please.

[*Translation*]

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, I wish to address my question to the hon. minister—

Mr. Speaker: Order, please. I apologize to the hon. member for Saint-Hyacinthe, but the hon. member for Wellington-Grey-Dufferin-Waterloo rises on a question of privilege.

[*English*]

Mr. Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, my question of privilege is this. The minister has admitted several times that he received the report on December 4, and we have known that since then. Why is he now misleading the House, albeit unintentionally, by saying that he has not received it, or that people have died and so on? Will the minister release the report? He has had it for over a month.

Mr. Speaker: I suggest that is not a question of privilege. The hon. member is asking a question that he has been asked previously. The Chair has recognized the hon. member for Saint-Hyacinthe.

* * *

[*Translation*]

ENERGY

REQUEST THAT DISTRIBUTION OF PREMIUMS BY GASOLINE COMPANIES BE ELIMINATED IN ORDER TO REDUCE PRICES

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, I should like to put a question to the Minister of Consumer and Corporate Affairs.

As a result of the constant rise, especially in Quebec, of the prices of heating oil and gas, does the minister intend to control or at least put a stop to any promotion campaign through the distribution of bonuses, premiums or gifts from wholesalers, retailers or distributors who are trying to draw a larger number of customers by increasing their production and operating costs accordingly and who are complaining afterwards that their margin of profits has become insufficient?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, I have no such power for the moment, but I will be pleased to deal with the matter raised by the hon. member.

[Mr. Marchand (Langelier).]

[*English*]

FISHERIES

DISCUSSIONS WITH NEWFOUNDLAND OFFICIALS ON POSTPONEMENT OF NEW LICENSING POLICY—PROVISION OF INFORMATION

Mr. James A. McGrath (St. John's East): Mr. Speaker, I have a question for the Minister of Fisheries. Has the minister had discussions with the Newfoundland government, either at the ministerial or public service level, with a view to postponing or delaying the implementation of the new fisheries licensing policy?

Hon. Jack Davis (Minister of Fisheries): Yes, Mr. Speaker, there have been discussions both at the ministerial and official levels. The policy as announced in the House will be continued. However, the discussions will also have some effect on future action.

Mr. McGrath: By way of a supplementary question may I ask the minister whether there is any ongoing program or plan to provide more information to the fishermen and the public so they can more fully appreciate and understand the long-term implications of this program?

Mr. Davis: Mr. Speaker, local committees have in most instances already been set up and they will continue to explore the program and help it evolve.

* * *

HOUSE OF COMMONS

GOVERNMENT INTENTION RESPECTING BROADCASTING OF PROCEEDINGS OF HOUSE AND COMMITTEES

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, my question is for the Prime Minister. In the throne speech opening this parliament one year ago the government said it would recommend to the House the broadcasting, by radio and television, of all or part of the proceedings of the House and the proceedings of committees. Does the government still intend to implement this promise and, if so, when?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, this certainly was the intention of the government. I understand that the House leader on the government side had discussions many months ago on this subject with other House leaders and that he was not met with much enthusiasm for this suggestion. If we could have more vocal support for this resolution that the government is interested in putting forward, we would act with as much expediency as the House would allow. Perhaps the hon. member will raise the matter in his own caucus.

[*Translation*]

AGRICULTURE

INQUIRY AS TO POSSIBLE ANNOUNCEMENT OF INCREASE IN MILK SUBSIDY

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, since the Minister of Agriculture is not here, I shall put my question to his representative.

Last December I asked the Minister of Agriculture if, in view of the troubling diminution of milk production which is forcing Canada to turn to importation, he would propose a subsidy increase in order to raise the prices paid to the producers. The minister replied that he was consulting with the National Advisory Committee. Can the House now be told whether this consultation has brought results and whether a subsidy increase will be announced shortly?

Hon. André Ouellet (Postmaster General): Mr. Speaker, I am taking note of the question and I am sure that the hon. minister will give an answer to the hon. member on his return.

* * *

[*English*]

POST OFFICE

AUTHORITY FOR INTERCEPTION OF CERTAIN MAIL

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, my question is for the Postmaster General. It relates to a case involving a constituent of mine which I brought to his attention at the end of November. Would the Postmaster General inform me what possible legislative authority his officials have for intercepting mail to a citizen of this country and turning that mail over to officials of the Department of National Defence and the RCMP?

[*Translation*]

Hon. André Ouellet (Postmaster General): Mr. Speaker, I recall that the hon. member brought a specific case to my attention. I would like to check my files once again before giving an answer to the House.

[*English*]

Mr. Lawrence: If the minister is going to check into this, will he also check into why the mail has not yet been released to my constituent?

* * *

IMMIGRATION

TRANSPORTING OF CHILEAN REFUGEES TO CANADA BY GOVERNMENT PLANE—NUMBER INVOLVED—SCREENING—GRANTING OF LANDED IMMIGRANT STATUS

Mr. A. D. Hales (Wellington): Mr. Speaker, I should like to direct my question to the Minister of Manpower and Immigration. Has a government plane been dispatched, or will one shortly be dispatched, to Chile to bring back to Canada Chilean refugees? If so, how many will be aboard the plane, have they all been carefully screened, and will they be given landed immigrant status on arrival?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, the answer to the first question is yes; there will be a government aircraft proceeding to Chile on January 12. It is expected that it will bring back approximately 140 people who have been screened and interviewed and have passed the immigration requirements that I announced in the House, I believe in December. I think that completes the answer to the question.

Mr. Hales: Mr. Speaker, I have a short supplementary question which I would direct to the Secretary of State for External Affairs. May I ask him whether the 50-odd people who were given refuge in the Canadian embassy will be among the 140-odd who are coming to Canada?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Yes, Mr. Speaker. All of these cases have now been discussed with the Chilean government, and of the group in the embassy 38 will be coming to Canada.

Mr. Speaker: The Chair will recognize the hon. member for Greenwood on a supplementary, but I remind hon. members that we will be running short of time and I hope we will be able to limit the number of supplementaries between now and the end of the question period.

Mr. Andrew Brewin (Greenwood): Mr. Speaker, my supplementary is addressed to the Minister of Manpower and Immigration. In connection with this whole question of admitting refugees and others from Chile, would the minister give the House an up to date statement on exactly how many have been admitted from various sources before the House recesses?

Mr. Andras: Mr. Speaker, the figure is changing on a daily basis, but I can say that there have been inquiries on behalf of 2,321 people, and that some 350-odd as of now have been processed. The rest of the cases are still under review. As I say, the situation changes every day. I will be glad to update the hon. member as changes take place, but one statement is not going to cover the situation.

Mr. Speaker: The Chair will recognize the hon. member for Nickel Belt for a final supplementary on this point and will then recognize the hon. member for High Park-Humber Valley.

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, my supplementary is directed to the Secretary of State for External Affairs. Can the minister inform the House whether the government is considering the establishment of scholarships for refugee students who would like to get out of Chile under the present regime?

Mr. Sharp: No, Mr. Speaker, no such proposal has been before the government.

Oral Questions

GRAIN

POSSIBILITY OF NEGOTIATIONS WITH ARAB STATES TO TRADE CANADIAN WHEAT FOR OIL

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, my question is addressed to the minister responsible for the Wheat Board. In view of the Prime Minister's reply to my question on Friday regarding the trading of our wheat for oil with the Arab states, arising from the recent sale of approximately $165 million worth, can the minister advise the House whether he or the government is prepared to negotiate with the Arab oil states in a manner similar to the recent French long-term agreement whereby that country has exchanged Mirage jets and other armaments for 40 million tons of oil for the next 20 years?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, we do not have a closed mind to any particular commercial deal that might be available.

● (1450)

Mr. Jelinek: Mr. Speaker, I wonder whether the minister could reply to my question and state whether in fact he is negotiating a possible trade with the Arab states?

Mr. Lang: No, Mr. Speaker. There are no such negotiations at this moment.

ACTION TO EXPEDITE MOVEMENT OF LOADED BOXCARS FROM COUNTRY ELEVATOR SIDINGS

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, my question is for the minister responsible for the Canadian Wheat Board. Since we are 125 million bushels behind last year's shipment of grain from country elevators and since elevator agents are expected to load cars over weekends and in stormy weather, I should like to ask the minister why loaded boxcars are allowed to stand for weeks at a time on railway sidings?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, that is not a very desirable situation. It is one that everyone seeks to avoid, and regrets when it happens occasionally. Ordinarily the railways have a schedule for picking up cars which does not envisage this happening but, of course, it can happen from time to time.

Mr. Korchinski: Does the minister intend to hold consultations immediately with the railways to see what they can do to correct this situation and clear up the backlog?

Mr. Lang: Mr. Speaker, I would be glad if the hon. member would give me the specific details of the situation to which he refers. We are having constant consultations with all persons involved in the grain movement to make sure that we have the maximum amount of grain equipment available.

[Mr. Sharp.]

AIRPORTS

PICKERING—REQUEST FOR BROADENING OF TERMS OF REFERENCE OF INQUIRY COMMISSION

Mr. Ron Atkey (St. Paul's): Mr. Speaker, my question is for the Minister of Transport. In view of the restrictions in the order in council setting up the Pickering airport inquiry commission, which confines the commission to only new evidence as to need and location, and in view of the discriminatory and unfair rules adopted by the commission relating to evidence, witness fees and expenses, would the minister consider redrawing the order in council to permit a fair and equitable public hearing on the whole question of the airport, which might not be the case if the present terms of reference prevail?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I have no reason to believe that the terms of reference are unjust. That is the hon. member's opinion. I am not going to interfere. This is an independent board set up under the Inquiries Act. It has all the powers under the Inquiries Act and I am surely not going to interfere at this stage.

* * *

LABOUR CONDITIONS

NEGOTIATIONS WITH MARITIME EMPLOYERS ASSOCIATION ON GUARANTEEING OF LOANS

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I have a question or two for the Minister of Transport, albeit I gave him very brief notice at the opening of the House. Can he indicate the present status of negotiations between his department, the Department of Finance, the Treasury Board and the Maritime Employers Association with regard to the guaranteeing of loans of some $10 million or $12 million for that particular deficit operation?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, the last time I heard about that—and I can inquire between now and tomorrow—there was no agreement reached between the bank and the National Harbours Board which is negotiating now with the help of the Department of Finance.

Mr. Speaker: Order, please. The Chair will recognize the hon. member for a supplementary, but we have run out of time and I will have to see the Leader of the Opposition before we call orders of the day.

Mr. Forrestall: My concern, Mr. Speaker, which is embodied in my further supplementary to the Minister of Transport, is that something undue does not happen in light of the 75 cents per ton increase at the port of Halifax compared with the picking up of the $12 million deficit for the ports of Montreal, Three Rivers and Quebec. What I want to ask the minister, Mr. Speaker, by way of a supplementary is whether or not he can give the House his personal assurance that no private deal has been entered into with the Maritime Employers Association with regard to this deficit and that any arrangements that are entered into on his behalf or on behalf of the Minister of Finance

by the departmental officials will not be the result of prior arrangements made?

Mr. Marchand (Langelier): There were no prior arrangements made with the Maritime Employers Association. I think the only thing we are doing now is trying to respond to what the House decided which was that those men should go back to work and have a full guarantee of work. We are trying to carry out this obligation without charging anything to Halifax or to any other eastern port.

Mr. Speaker: Order, please. The Leader of the Opposition.

* * *

PROTECTION OF PRIVACY BILL

INQUIRY AS TO COMPLETION OF PASSAGE BEFORE RECESS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, my question is directed to the Minister of Justice. With regard to the bill ordinarily referred to as the wiretapping bill, I should like to ask him whether it is the intention of the government to bring it back before the House and proceed with it to completion before the House recesses, in view of the amount of time, effort and good will which have gone into trying to produce this bill and in view of the importance of the subject?

Some hon. Members: Hear, hear!

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, it certainly is my hope that will be possible and that it will be done. There have been discussions in the co-operative spirit to which the Leader of the Opposition refers which have led to a possible method to get this very important piece of privacy legislation in place. I am having discussions with my colleague, the House leader, to determine the exact time this could be done, but certainly it would be my hope that we would pass it before we adjourn.

Mr. Stanley Knowles (Winnipeg North Centre): I have a supplementary question, Mr. Speaker. In his discussions with the House leader is the Minister of Justice considering the possibility of sending the bill back to the Senate in the way we sent it to their Honours the first time?

Some hon. Members: Hear, hear!

Mr. Lang: Mr. Speaker, the discussions which I had in that spirit of co-operation which was referred to had led to the placing on the order paper of a very specific order of non-concurrence but with a new provision for notice in regard to the bill which seemed to me to meet the needs of the situation and the legitimate interests of all persons in the House and the other place. It is in that form I hope to proceed with it in due course.

Mr. Speaker: Orders of the day.

• (1500)

GOVERNMENT ORDERS

[*English*]

OIL EXPORT CHARGE ACT

PROVISION OF EXPORT CHARGE, OIL EXPORT TAX UNDER EXCISE ACT AND ALLOCATION OF REVENUES FROM TAX

The House resumed, from Friday, January 4, consideration in committee of Bill C-245, to impose a charge on the export of crude oil from Canada, to impose an oil export tax under the Excise Tax Act and to allocate certain of the revenues derived from the oil export tax—Mr. Turner (Ottawa-Carleton)—Mr. McCleave in the chair.

The Chairman: Order, please. Perhaps I could give the committee 30 seconds to settle itself before recognizing the hon. member for Saskatoon-Biggar.

When the Committee rose on Friday, January 4, clause 2 of the bill was under consideration. The hon. member for Saskatoon-Biggar had the attention of the committee.

On Clause 2—*definitions.*

Mr. Gleave: Mr. Chairman, when I called it four o'clock on Friday, I had placed on the record the position of the premier of the province of Saskatchewan, as he had stated it previously, in respect of the control of oil in that province. I said I was somewhat concerned about the aggressive attitude expressed by the Prime Minister, and indeed by the Minister of Justice toward the premiers of the two western provinces which were primarily involved in the production of oil. The Prime Minister, in language which I am sure was most unusual, said that the premier of Alberta was caught with his pants down. He said that Mr. Lougheed is in a corner and knows it, so the best policy for him is to yell and to set up a smokescreen. Mr. Chairman, if there is to be any hope of holding a conference that would be useful and productive, then I suggest the Prime Minister of this country should write a little letter to the premier of Alberta indicating that he really did not intend to be that vulgar, rude and childish toward the premier of one of our provinces.

The Minister of Energy, Mines and Resources accused the premier of Saskatchewan of blackmail. How does the minister expect to negotiate productively with the premier of that province in view of such accusations? The Ottawa *Journal* for Friday, December 28, contains an article in which the following statement is to be found:

> Justice Minister Otto Lang declared Thursday that Alberta and Saskatchewan oil marketing legislation is ultra vires.
>
> He also stated that the federal government will probably test the legislation in the courts, and if necessary would even use powers of disallowance on the provincial legislation.

In advance of any consultation, I am sure that even with the great powers that the minister has he had no time to digest properly the action which has been taken in the province of Saskatchewan to conserve the resources in that province, the only province which has moved to take control of the resources with the announced intention of seeing that they serve the people of Canada and the people of that province. But the Minister of Justice took no note of this. Contrast this action with that of the Minister of

Justice when the province of Quebec decided to stop the other provinces from selling eggs in Quebec. At that time the minister never took any action. It was the province of Manitoba which had to go to court to establish the right to trade anywhere in this country. Apparently the provinces of this nation are equal but some are more equal than others. I believe we must have a better record if we are to have a united country. I think the action of the Minister of Justice was unbecoming to a minister responsible for maintaining justice within this country. It was irresponsible to say the least.

I should like to quote again from the same issue of the Ottawa *Journal*:

> If there is conflict, the Justice Minister added, there is no question the provincial legislation "will fall".

So, the Minister of Justice hurls his thunderbolts at the various provinces, and then expects them to go into a conference to achieve useful legislation. The minister and the Prime Minister are carrying on a vendetta against these two provinces. A headline in the Ottawa *Citizen* of December 28 reads "Oil subsidy 'inevitable' for Eastern consumers". Why is it inevitable? It is up to the minister to prove that it is advisable, if he believes that is what he should establish. The trouble with this government is that it was not the premier of Alberta who was caught with his pants down; it was the federal government of Canada. They are the ones who were caught without a policy, and they are still not developing a policy that will serve the people of Canada. They are making only initial moves, and I sincerely hope that they will be guided by the good sense and foresight of the premier of Saskatchewan and will start to think in terms of conserving our energy as well as developing new methods of using energy efficiently. We must envisage increasing public ownership of refineries and pipelines even before we consider the ownership of the oil because the right of ownership of the oil lies with the province. The federal government can play a useful role in the control and development of our refineries and pipelines. On December 6, the Prime Minister said that the government will not necessarily act in the area of refineries.

Another matter which we should consider is an efficient transportation system. At present our transportation system is so inefficient that the Canadian Transport Commission has stated that the safety precautions and standards are not maintained. Our railroads should be electrified. England and other European countries are ahead of us in that they use electrical power to drive their trains. We are far advanced in the technology with regard to the use of atomic energy. Why then can we not, through that method, develop the energy needed to bring our railroads up to date, to electrify significant portions of our railways and to reduce the need for fuel oil in that important method of transportation? We should consider whether it is economical or even wise to move a large amount of freight by truck when our railroads can be electrified thus enabling large volumes of freight to be moved without the use of oil.

We should also seriously consider the advisability of moving a large volume of express freight by ground transport rather than by air because less oil would be used. Our railroads have become so inefficient that some customers

have told me they cannot depend on delivery schedules. Let us improve that method of transportation to the point where we can use it to a greater extent. If as a nation we insist on using energy, specifically oil, in such a wasterful and profligate fashion as we have in recent years, then I doubt very much if any method of development or exploration can keep supplies up to our growing demands. At no time has the responsible minister said that we have this or that proposal in mind in order to develop an on-going, progressive and imaginative policy for the use of energy in Canada.

● (1510)

We are fortunate in that we have enough energy. We have the know-how and the technology. What we need is a sensible and coherent plan to use our energy and technology effectively. That is our principal need. If we were in the situation of some other countries which do not have oil, then our position would be very serious, much more so than it is now.

We need to consider very carefully any proposed method of subsidization. I am not opposed in principle to a subsidy given to the eastern provinces, if this is thought desirable. But, Mr. Chairman, we should carefully consider whether we could do more for the Atlantic provinces by electrifying the railroads, thus giving those provinces a first class transportation system, rather than trying to subsidize every gallon of gas and diesel fuel that is consumed between Quebec and Newfoundland. We must seriously consider in what way Canada can most effectively use its resources and technology. We are not rich enough to be able to afford to fritter away these things. I do not think any country in the world is rich enough to be able to fritter away the resources with which it has been blessed.

In the main, I hope that the Prime Minister and some other ministers of the Crown will drop the provocative attitude that they have shown to the oil producing provinces, and in its place develop some constructive, imaginative ideas to place with good will before those provinces. I can certainly say for the province of Saskatchewan that if the federal government does that they will be met with good will and co-operation. I expect the same would apply to Alberta and British Columbia. That is my advice to the government. It is what I would like to see happen, because the government is asking parliament to give it the right and the power to negotiate with those provinces. We should insist on one clear condition when we give the government that right and power, that it exercise it in good faith and with good will.

Mr. Turner (Ottawa-Carleton): Mr. Chairman, hon. members will recall the debate on second reading on Thursday and Friday last when I said that the government was hoping to have the flexibility it needed to negotiate the question of price, revenue and taxation at the federal-provincial conference of first ministers which will be held on January 22 and 23. On the other hand, I stated frankly to the House that the maximum figure attached to the export charge in this bill, $4, had already been outrun by international events and was no longer realistic, but according to the rules of the House there was no way I could see of amending the ways and means resolution to give me and the government the authority to move that

figure from $4 to $10, or indeed to amend the relevant clauses unless there was unanimous consent of the House.

It became clear from the tenor of the debate that unanimous consent might well be not forthcoming, and so in the face of the procedural obstacles with which the government found itself confronted, those obstacles paved the way for discussions and for the proposal which I will be placing before the committee.

Mr. Knowles (Winnipeg North Centre): Obstacles are sometimes useful.

Mr. Turner (Ottawa-Carleton): The obstacles which the government finds facing it are not obstacles of the texture of the House but the rules of the House.

I suggest for the consideration of the committee a proposal which, if it were to meet with unanimous consent, because we are dealing with ways and means, again would require the government to gain unanimous consent to amend the ways and means resolution to reflect what I am going to say. But, as I say, if the committee were to find this a reasonable proposition then you, Mr. Chairman, might want to take matters into your own hands and suggest ways of accomplishing it.

The proposal I put forward is that for February and March we add to Part II of the bill a provision to extend an export tax in the amount of $6.40 for each of those months; that Part I of the bill relating to the export charge, after those amendments were carried, be withdrawn with the consent of the House; that therefore the sharing of revenues as between the producing provinces and the federal government for the months of February and March be the same as for the months of October, November and December, 1973, and January, 1974, but that it be made clear—this does not appear in the bill—that the undertaking of my colleague, the Minister of Energy, Mines and Resources as to the destination of the federal share of that split, representing 50 per cent of those revenues, will be invested by the federal government in western resources in accordance with the undertakings given at the Western Opportunities Conference, which applies for October, November, December and January—again I repeat which is not set forth in the bill but merely reflects an undertaking of my colleague, one that I confirmed categorically in the House on Friday—in those terms be not extended for February and March.

In other words, whereas the statute would divide the revenues for February and March in the same proportion of 50/50, the destination for those revenues given to the federal government after January 31, 1974, would be part of a negotiation at the federal-provincial conference. Again in other words, my colleague's undertaking and my undertaking would obtain until January 31, 1974. Thereafter, the federal share will have to form part of the negotiation at the federal-provincial conference.

Mr. Lewis: Not thereafter—beforehand. Thereafter the results of your negotiations will apply.

Mr. Turner (Ottawa-Carleton): That is right. Obviously, this arrangement would need the unanimous consent of the House. The government would need an amendment to the ways and means motion, and if that were granted with the Speaker in the chair, then in the appropriate clause we would deal with it. I suggest that I table at this time, in French and English, the suggested ways and means amendment.

● (1520)

The Chairman: Order, please. I think that the tabling should be done with Mr. Speaker in the chair. The minister has pointed out something that has occurred to me as well. The committee of the whole is the servant of the House and I, therefore, feel that a direction from the House itself is the preferable practice. May I give these reasons for that suggestion? First, we will be dealing in part with a different ways and means motion; second, we may be, and probably are, going to deal with something substantially different from what the House approved on second reading; and, third, the committee of the whole, as is the case with all other committees, is bound by its order of reference.

Perhaps many things are possible by unanimous consent, but taxation measures in my opinion require very strict adherence to established procedures. Accordingly, I think it is better that I rise, report progress, and ask leave for the committee to sit again later this day, at which time points of order can be dealt with.

Mr. Turner (Ottawa-Carleton): Mr. Chairman, with respect, I have no quarrel with your interpretation, but I think it would be very useful for the committee if we were to have some expression of opinion at the committee stage before we ask you to report to the Chair.

I will outline what I believe would be the most convenient way to proceed. If the committee were to reflect a feeling for unanimous consent to deal along the lines I have suggested then, of course, you would want to report it to the Speaker. After that, I suggest that the committee might want to pass clauses 1 and 2, one being the short title and two being the definitions clause, then stand clauses 3 to 10, export charge and move to amend clause 11 in the title, which is the clause amending the export tax for February and March, then carry clause 11 and part II, and clause 12 part III which is the apportionment, 50-50 clause, and then carry the title. I would then ask the committee to allow me unanimous consent to withdraw part I of the bill. That would be the procedure that I would suggest for the consideration of the committee.

The Chairman: The hon. Leader of the Opposition on the point of order raised by the minister.

Mr. Stanfield: Mr. Chairman, I am not rising on a point of order but to speak to clause 2 of the bill in committee of the whole.

Mr. Knowles (Winnipeg North Centre): Then I rise on a point of order, Mr. Chairman.

Mr. Chairman: The hon. member for Winnipeg North Centre on a point of order.

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, it seems to me that the sequence of events is that the Minister of Finance announced something he wished to do which led Your Honour to rule that we should rise and

report progress. Then, the minister suggested that before we rise to report progress he would like to hear from the parties on the procedural aspect only of what has been proposed. It seems to me that there should be a decision of some sort. Either we are on procedure, in which case we deal with that, or we are on substance, for who knows how long.

Mr. Bell: Mr. Chairman, we were invited by the minister to express ourselves on this proposition. I think that is a worth-while idea and the Leader of the Opposition will be putting forward our thoughts, perhaps at some length, but it certainly would be our party's position in so far as the proposition is concerned at this stage.

The Chairman: The Chair would have to hear the opinions of hon. members on whether there was the consent necessary. The hon. Leader of the Opposition.

Mr. Stanfield: Mr. Chairman, I do not think the procedure will take any longer than it would have otherwise. There are some things I want to say relating to the bill and to the conference that will follow the bill. At the outset, however, I must say how pleased I am that the Minister of Finance has, at the eleventh hour, become as reasonable as we have been trying to be in sorting out the difficulties relating to this bill.

I am most pleased that if things continue to go along the way they now seem to be going along, we will be able to defer consideration of the export charge clauses of this bill until after the upcoming federal-provincial conference. I do not want to be gratuitous toward the Minister of Finance; he only did what he did under heavy pressure of events and circumstances, but I do want to compliment him on the way he has behaved in discussions regarding petroleum. I saw the Minister of Finance in a television interview at the weekend, and it was my impression that he displayed a sense of realism and sense of national perspective. These qualities have been lamentably absent in some of the outbursts of the Prime Minister and the Minister of Energy, Mines and Resources. I hope that all the minister's colleagues will take a cue for future behaviour in this regard from him.

An hon. Member: You would make a great opposition leader, John!

Mr. Stanfield: Mr. Chairman, the minister has made only one spurious reference in the pursuit of getting his bill passed. He indicated somehow that the federal government would be at a disadvantage, in some way would have its hands tied, if it had to face this conference without the export charges provision of the bill being endorsed by parliament. I have never felt that this was so, and I do not feel that way now.

In the first place, there is no way in absolute terms that this government can go to this conference at a disadvantage in terms of jurisdictional authority. It has every power it needs, and it has used a couple of these powers already on a temporary basis. There are others at its disposal as well. So, there was never any question of additional powers being required to meet the provinces of this country on an equal footing. I assure the House that we gave this point detailed and careful consideration before adopting our position. Despite what the government said, we felt it really had no case and it would be wrong for us to extend any further provisional trust to the government on the basis of a non-existent case.

I further assure all hon. members that our position was not predicated on any narrow, regional or provincial interest. I must say I have been surprised by the horror expressed in some quarters when we voiced any concerns about the role and rights of the provinces. There has never been any suggestion on our part that the provinces are, in effect, sovereign states, but they are not colonies either and their rightful claim deserves to find expression in this House.

There is unquestionably a basis for federal interest, a federal presence and a federal responsibility in the development and pricing of petroleum. No one has ever denied that, to my knowledge. In the present circumstances, there is no denying that a federal interest and federal presence must be involved in pricing policy and revenue sharing policy. Let that be very clear.

Canada has had a national oil policy since 1961, and it has served the country well. It was adopted under the government of the right hon. member for Prince Albert which also established the National Energy Board. It has been that policy, Mr. Chairman, which has been serving the country. Had it not been for such a policy we would not have had the development, the delivery capabilities and the reserves on hand that make us the envy of a troubled world today.

[*Translation*]

And in this new situation we must have new national oil policy. Each province in each area has a particular interest in the elaboration of the policy. Oil producing provinces for example have an interest in the policies concerning prices and taxes, policies elaborated now but that will be used as a guideline for many years.

The five eastern provinces for their part also have a strong interest in this matter because they will have to keep on getting their supplies on the world market and an unduly great discrepancy in prices would signal the destruction of their economy.

Our richer provinces consuming domestic oil are vitally interested in the domestic prices remaining such that their industry may be in a competitive position which would be prifitable on the international level.

And the ordinary taxpayers in these provinces also have an interest based on prices and incomes which would be dictated by this national oil policy.

● (1530)

[*English*]

The principle of equalization payments, which is an overriding policy in the national interest, calls in effect for payments by the wealthier provinces, Ontario, Alberta and British Columbia, to the provinces which are not so advantaged in wealth and development. These payments are geared to a national average of expenditures and they are accomplished through the national tax system. I realize, of course, that higher equalization payments involve higher tax rates on individuals across the country, and that they also affect transfer payments.

Two main possibilities arise in the present oil situation which would influence these equalization payments. Ongoing, significant price disparity would be hurtful to the economies of the five eastern provinces, thus pushing them further below the national average. This could cause equalization payments to increase. Likewise, ongoing significant revenue increases to any wealthier province which would materially raise the national average of expenditures by provinces would cause equalization payments to increase. These increases are borne by the taxpayer; there is no other source. As I say, they are paid principally by the wealthier provinces.

For all these considerations, it is certainly agreed that a national policy must be put into place and that the federal government, through this parliament, has a large part to play and has a large responsibility, because this parliament is representative of the entire country. But the federal government does not properly play its part and properly discharge its responsibilities by acting arbitrarily; and, regrettably, this is how it has acted to date.

[*Translation*]

From the federal point of view, there seems to be three possible approaches to this matter.

The government could adopt a laisser-faire attitude, that is let the provinces establish their own prices—ignore the discrepancies in prices in some areas—and show no interest towards the millions of Canadians whose taxation burden would increase to compensate the increase in equalization payments.

Obviously, Mr. Chairman, this alternative is not acceptable to any party in this House and is also inacceptable I believe in all areas of this country.

[*English*]

A second alternative for the federal government would be to take arbitrary and unilateral action through its existing powers, or seeking others, in order to impose its own will upon the whole country. I am not yet prepared to believe that any federal government would choose to select this approach; but I must say, sir, that many of the actions of this government up to this time have given my faith a sizeable shaking.

Some hon. Members: Hear, hear!

Mr. Stanfield: The third available alternative, surely the only acceptable one, is for the federal government to work out an approach in concert with all the provinces, and representatives of the territories should participate as well. This approach and its implementation, which would follow, would not be easy. But that approach would provide the basic necessity for good will and the finding of common ground which can provide renewed strength and purpose to Canada for generations to come.

In this process the provinces consuming Canadian crude oil must come to recognize the legitimate claims of the producing provinces which are entitled to get a reasonable return for their shrinking non-renewable resources. In pursuing my own understanding of this, sir, I looked at the example of the price for hydroelectricity, a renewable resource which is under Canadian public ownership. The price of hydroelectricity in Canada is about 3.5 mills per kilowatt hour; that is the lowest range. Taking its thermal energy content and equivalent price to hydroelectricity at 3½ mills, which is pretty cheap energy, a barrel of oil would bring a price of about $6. I am not suggesting that this should be the index. I am merely using this as an illustration of comparative value.

The oil producing provinces, as I say, are entitled to a reasonable return, and they are entitled to share in an adequate way in national development through federal policies that do not militate against their development and diversification while other, wealthier parts of the country use up the non-renewable resources of the producing provinces. I say that all Canadians in other parts of the country must come to better know and understand the plight of our five eastern provinces which are vulnerable to international oil prices and will continue to be vulnerable for years to come. On that point, I want to emphasize, for the benefit of anyone who may have the wrong impression, that the extension of the oil pipeline to Montreal, which should be completed in a couple of years, if they ever get the damn thing started—

Some hon. Members: Hear, hear!

Mr. Stanfield: — will only initially ease about one third of this vulnerability in quantitative terms. In other words, about one third of the oil requirements of the five eastern provinces will go through that pipeline, according to present plans. Other new developments, such as reliable production from undersea discoveries off the Atlantic coast and other delivery systems will be necessary to make further inroads into the vulnerability of the five eastern provinces. And these prospects go much further into the future than a mere couple of years.

I have mentioned the interest of the large provinces in consuming domestic petroleum and of the concern of provinces over questions affecting the competitive position of their industries. They are concerned about the effect that equalization payments might have on taxes. As I say, in order to design a national oil policy for the years immediately ahead, a policy for the next decade, the role of the federal government must be one of leadership in bringing the whole thing together. I have conceded that this will not be an easy task. It will not be easy for the federal government, or for the provincial governments. But it is, surely, the only way to proceed, and I believe the prospects are very hopeful.

In the first two weeks of last October I travelled around the country and met with several provincial leaders, including those of Ontario and the four western provinces. You will recall, sir, that at that time all the elements of the world energy situation were already with us; only their magnitude has changed since then. The federal government had implemented a voluntary price freeze on domestic crude and had instituted its temporary export tax. Federal-provincial relationships were not at a high level. Yet in my discussions around the country I came to see many areas in which things could be worked out. I also saw the necessity for certain guiding principles which could form the basis of an accord, the basis for a new national oil policy to serve us in the immediate future. I previously expressed a number of these principles, but I think it would be worthwhile to summarize them in point form today. I think these are the kind of guiding princi-

ples which the federal government should take to the upcoming energy conference of first ministers.

● (1540)

First, there should be an objective of de facto national self-sufficiency. This involves the extension and modification of existing transmission systems and construction of new ones. At the optimum, it would also involve new production from undersea sources off the Atlantic coast. Second, there must be a better return, a realistic return, to the citizens of those provinces now producing from shrinking conventional petroleum reserves. The determination of a fair return should involve an examination and adjustment of federal transportation and development policies which would allow those provinces to diversify their economies. Third, an understanding should be reached on a fair price for oil from existing conventional petroleum reserves. This price should be below international prices, and it would be highly desirable if price increases up to the agreed price were phased in over a period of time to ease the impact on consumers.

Fourth, between the federal government and the producing provinces there should also be an understanding reached which would put into place a satisfactory flexible mechanism to administer export prices for petroleum and royalties and revenues derived from these export sales, rather than the federal government simply taking unilateral action. Fifth, there should be federal-provincial accord on appropriate levels of taxation and royalty schedules which would, at one and the same time, remove any prospect of massive windfall profits going to the oil companies but allow sufficient incentive to stimulate new production from new developments. Continued frontier exploration, undersea exploration and expanded development of petroleum in the tar sands and heavy oil deposits are the key to assured supply at stable prices in the future.

Sixth, until de facto self-sufficiency has been achieved, it will be necessary to apply some shelter to petroleum product prices in those parts of the country which are supplied from international sources. I say that with all respect to the hon. member for Saskatoon-Biggar who just spoke. Seventh, in addition to providing development incentives in the existing private sector and providing the means for a national price shelter program, increased revenues to governments should be primarily dedicated to increasing Canadian participation in the ownership and development of new energy resources and the technology associated with such development.

Some hon. Members: Hear, hear!

Mr. Stanfield: Eighth, federal incentive programs should be instituted to apply to the expansion of storage facilities in vulnerable communities throughout the country. It should be national policy to ensure that there is a minimum of 90-days supply held in storage at all times. Ninth, conservation must be a basic consideration of national petroleum policy. Governments must set a good example in their own operations and accept responsibility for generating public awareness of the urgency of conservation practices. We must all recognize, in the course of reshaping our economy and redirecting our way of life, that getting away from the profligate use of oil is just as important as the discovery and development of new petroleum resources.

Some hon. Members: Hear, hear!

Mr. Stanfield: Tenth, at the upcoming first minister's conference on energy some ongoing national forum should be activated, a forum which would continue to bring together the jurisdictional and administrative groups involved in energy development in order to place national oil policy in broad perspective.

These principles are not represented as exhaustive, Mr. Chairman, although listening to them may be exhausting to the House. They deal with petroleum and they deal only with the needs of the immediate future. We all know that conservation is a very broad issue. My party takes a back seat to no one on this concern, and representatives of this party have been most emphatic in declaring the urgency of research and development of alternate sources of energy, alternatives to petroleum. Petroleum is a vital resource in the manufacture of many essential commodities. We owe it to future generations of Canadians to husband this resource with the utmost care.

Some hon. Members: Hear, hear!

Mr. Stanfield: I have not dealt with natural gas. It is rather amusing the way natural gas has stayed out of this whole controversy. It is a fuel which has been unrealistically underpriced for years. Revisions of natural gas policy will have to be undertaken in the very near future. It would be my hope that the successful negotiations and settlement of a national oil policy would bear dividends of goodwill when these revisions are undertaken. As an extension of that concept, I think there are other benefits to be derived as well if principles of sharing and fairness that are arrived at in the course of developing a national oil policy are extended to all the resources of all the regions of Canada.

For the time being, for our immediate needs vis-à-vis a new national oil policy, I hope the government will follow the principles I have outlined and, more important, I hope they will follow them in good spirit. Regarding the position which we have taken in respect to this bill before us, this matter of proceeding in good spirit concerns us deeply. The development of a national oil policy calls for federal consistency and federal consultation. However, the present federal government has provided us with a classic example of inconsistency and vacillation. It promulgated a voluntary freeze on domestic crude prices with an agreed and assured end date, then abandoned that for some hazy extentions of the freeze with no declared end date.

As a crowing price of shameful judgment this government, through the Prime Minister, put forward an unrealistic and savage policy early in December, a policy which left Quebec and the Atlantic provinces totally at the mercy of rising international prices. It was ludicrous and tragic that the Prime Minister added insult to injury by calling this travesty a "one-Canada" oil policy. As I indicated the other day, I was pleased to see the government withdrawing in principle from this abominable policy, although it turns out they have withdrawn to something quite unacceptable, if we can believe the Minis-

ter of Energy, Mines and Resources. Why did they ever announce such a thing in the first place? Why did the Prime Minister then try to cover it up with utterances about adequate help being available to the Atlantic provinces and Quebec through the Canada Assistance Plan and increased equalization payments? Why he said that, I do not know. Why the Liberal members from Quebec and the Maritimes said they would accept it, I will never understand. How could the Prime Minister say on December 6 that he was putting forward a "one Canada" oil policy? Given the immediate valid criticism with which we responded and the responses from the provincial governments involved in this announcement, why did it take another three weeks and another round of international price increases before the government abandoned the position it took on December 6, in principle at least?

● (1550)

What has replaced that position? The Minister of Energy, Mines and Resources has apparently been the spokesman delegated to cover up the Prime Minister's policy in this regard. This minister says that in December a difference of 10 cents a gallon was thought to be tolerable, but that today a difference of 20 cents a gallon is not. It is truly incredible, particularly in relation to the on-going, permanent power the government was seeking from parliament through this omnibus bill, that a savage policy in the course of being reversed would bring forth an explanation which only reconfirms the intended savagery of the original policy. We have been given precious little in the way of information by the government, but we do now have this bit: the government believed, and still believes, that for years into the future it will remain tolerable for Canadians in Quebec and the Atlantic provinces to pay 10 cents a gallon more for gasoline, heating oil and other fuels than anyone else in the country, quite apart from any differential brought about by provincial taxes. This is the new, revised "one Canada" policy and this is the kind of approach we are expected to endorse by granting extended permanent powers to the government. We cannot and we will not ever endorse, accept or lend a shred of support to that kind of thinking.

Over the past few months, I have talked about specific price shelters and I have talked about a general shelter which would narrow the price disparity gap to a range of from 50 cents to a dollar between a barrel of domestic crude and a barrel of imported crude. That is the sort of disparity which worked the other way for a number of years. It must be remembered that we are talking, now, about a disparity which will continue into the future, a disparity which will not be remedied even when the pipeline is extended; a disparity which under the best of circumstances will not be overcome by de facto self-sufficiency for close to a decade. The government says it is tolerable that this disparity should amount to 10 cents a gallon on heating oil and oil used by industry generally. We say the maximum allowable disparity at the present time, based on a gap of 50 cents to a dollar per barrel, should be something less than 5 cents per gallon, and we maintain that the relationship of this order must be maintained for years into the future until self-sufficiency is achieved. That is our approach to national policy.

I hasten to add that I am not engaging in any auction here. I repeatedly put forward this figure long before the minister invented and disclosed his figure a week or so ago in the course of fabricating a cover-up for the Prime Minister's folly of December 6. A gap of 10 cents a gallon is, of course, not tolerable at all.

Some hon. Members: Hear, hear!

Mr. Stanfield: To quote the Minister of Energy, Mines and Resources, that would be a real kick in the pants—I think that was the expression he used. This discriminatory approach on the part of the government is monstrous. It must be obvious that if the government is looking for a gap of 10 cents a gallon it might as well close down the Department of Regional Economic Expansion, and provincial development agencies might as well throw in the towel, too. With a 10 cent a gallon penalty for locating in one of those provinces, a petroleum-fueled industry could not be attracted there for love nor money. It is surely absurd to think that new industries, and existing ones, would not look for more desirable locations.

This insanity is all we really know about the government's approach to national pricing policy. I would think that this, in itself, would be enough to demonstrate the need for the government to meet with the provinces, as we have insisted it should. This in itself is enough to explain why the government must be exposed to reality, why it must reveal the balance of its intentions before any member is asked to give it support for any aspect of its so-called national oil policy.

In the course of the debate on the bill before us, I have been encouraged to find that the hon. member for Nanaimo-Cowichan-The Islands has expressed on behalf of his party concern similar to that which I have expressed, that is, concern about the lack of information and doubt as to the real intentions of the government. He and I do not see eye to eye on all aspects of policy, but we do share some legitimate suspicions and reservations with regard to the future-oriented section of this bill. At least both our parties—and I say this with sincerity—have been consistent in the principles we have expressed on the subject of petroleum. Some supporters of the hon. gentleman's party, like some Canadians who support mine nationally, bear the burden of provincial office. But I know that they, like the supporters of all parties and the supporters of the independent members of this House, are prepared to put the national interest first. I am speaking, now, of men bearing provincial responsibilities. To do this, however, they must know the proposed ground rules and they must be convinced of the underlying sense of fairness which makes national policy work.

Mr. Paproski: Hear, hear!

Mr. Stanfield: From the time the government introduced this bill right up to the present moment it has failed to satisfy either of these requirements. There was, therefore, no way in which we could have given even provisional support to the section of the bill related to the on-going export charge. We offered the government every possible kind of compromise so as to expedite the other sections of the bill and defer that section for consideration at the conclusion of the federal-provincial conference. Because

the government ended up being the victim of its own tangled web of changing policy, it was faced with a situation in which the unanimous consent of the House was required to amend a clause in the future export charge section. Thus, it was forced to abandon a schedule which would have seen that section dealt with and brought to a conclusion prior to the up-coming conference of first ministers. I know the Minister of Finance cannot be happy about landing in the position he did, but I at least hope he takes some wry comfort from the fact that he ended up in a position of poetic justice. My colleagues and I have always tried to ensure that justice prevails, particularly poetic justice.

● (1600)

In the days ahead we will continue to do our utmost to ensure continuing justice in the development of a national oil policy, a national energy policy worthy of the name. Certainly, I give my consent to the proposals of the minister, and I hope the House gives its unanimous consent. If it does, I intend to support the bill with the changes made by the minister.

Mr. Douglas: Mr. Chairman, I should like to make a few remarks regarding the proposals which have been put before the committee by the Minister of Finance. When this measure was introduced by the minister last Thursday, on behalf of the members of the New Democratic Party I expressed the very serious reservations we had with respect to some features of Bill C-245. As I said then, we were, and we still are, in complete support of the idea of the export tax. We want to see the legislation passed as quickly as possible, and to have it passed before the first ministers' conference so that the federal government and the oil producing provinces will know exactly where they stand in regard to collecting that tax and to distributing the proceeds from it.

With reference to Part I of the legislation, which provides for the imposition of an export charge, I pointed out on Thursday, and I want to underline again today, that we are in favour of the principle of an export charge. In the present world situation, when world prices have become completely unrealistic and are soaring to unheard of heights, certainly the additional money that comes from exports of oil ought not to go to the oil companies but back to the treasures of the federal and provincial governments. Our quarrel has not been with the principle of an export charge. The objection I raised was to the fact that the federal government was asking us to agree to the imposition of a charge without being able to outline the basis upon which that charge would be levied, without being able to tell us the price structure upon which it would be predicated, and without being able to tell us anything about how the proceeds from that charge would be distributed as between the federal and provincial governments.

In answer to some questions I asked him last Friday, the minister said that it was impossible to give that information prior to the meeting of first ministers, and undoubtedly the minister was quite right. This will require a good deal of hard bargaining and negotiation, and we cannot expect the minister to be able to give us that information. But neither should the minister expect us to agree to give the federal government powers to levy tremendous sums of money without telling us any of the details about how the money will be collected or distributed. Therefore, I think the minister has made a very wise choice and I want to commend him for it.

It is not easy to have to come into this House and say that he is prepared to emasculate a bill that he wanted to have passed and take with him to the first ministers' conference and to the meeting of ministers of finance. I do not agree with his feeling that this weakens his hand. I do not think it weakens his hand at all. If the minister is able to go to that conference having authority from parliament with respect to the export tax, and if he has the assurance of at least the majority of the members of this House who are favourable to the principle of an export charge, then he is in a position to negotiate with the provinces. But it also puts us in the position that when that conference has been completed and agreements have been reached we will be able in good conscience to deal with legislation that is based on definite information, and we will know the terms and conditions on which this money is going to be raised.

The matter that has concerned us most is that the federal government has never clearly stated what its intentions are when the price freeze is lifted at the end of the winter season. Certainly, indications are that the government is going to remove the freeze. The Minister of Energy, Mines and Resources said that the price would probably double by the middle of summer to $8 or $10 a barrel. The Minister of Finance said last Friday that the domestic price would probably track the international price. I take this to mean that the government proposes to let the price rise to something close to the world price, but we have the right to know. We will want to know, when the minister brings back legislation regarding this matter, by how much he is going to allow the price to rise, and who is going to get the benefit of this increase in price.

In my opinion, there are only two reasons for allowing the price of domestically produced oil in this country to rise. The first is if the oil companies can demonstrate that the cost of production has risen. Certainly then, of course, they should be allowed to increase the price to meet their increased costs. The second reason is if governments, federally and provincially, are prepared to say that the price shall rise sufficiently to enable the federal and provincial governments to build up a fund for the development of our future oil needs. That, too, makes sense. I believe the Canadian people would accept the idea, and would pay more for their petroleum products, if they were told that the money is to be used to ensure that ten years from now petroleum products will be produced in Canada and will be controlled by Canadian authorities.

However, if this increase in the domestic price is for the purpose of allowing oil companies either to increase their already excessive profits or the increase is given them on the assumption they will use these funds for exploration and development, then I for one would not be agreeable to such an increase. In the first place, I doubt very much whether we would get any guarantee that the increased revenue the oil companies would receive would be used to develop oil resources in Canada. Secondly, I know that the funds used for the development of oil resources would be deductible from their corporation tax, and would increase

tremendously the value of their assets. This committee should stop and think for a moment about what has happened to the assets they now have in the ground, ten billion barrels of oil which have increased in value by $6.50 a barrel. If we are to allow them to milk the consumers in order to increase even further the value of their assets and allow them to deduct that amount from their taxes, then what we will be doing will be making the consumers and the taxpayers of Canada pay for the discovery of oil resources which, in the final analysis, will belong to the same multinational corporations which control 91 per cent of the oil resources of this country at the present time.

● (1610)

That, Mr. Chairman, is why we have been very much concerned about this legislation. It is not because we object to the principle of an export charge, but because the government has given no indication of the price structure upon which the charge will be levied. The government has given us no idea what its intentions are, and the minister says he cannot give us any information until after the first ministers' conference. Therefore, I think the minister is taking the wise course in delaying discussion and decision in respect of the export charge until after the first ministers' conference has reached some agreement.

The matter we are discussing, will be discussing further today and will be discussing when the minister brings back legislation for an export charge, is very fundamental to this country. If what has happened in this country, and in other countries in recent months, is any indication of how vital oil supplies are in respect of the survival of a nation, this surely ought to awaken us to the need for a national oil policy which must concern itself with three things. First of all, it must concern itself with supply. As I have said in this House very often, we are one of the few countries in the world which can produce sufficient oil to meet our needs. However, the problem of supply has been difficult because of the policy which my Conservative friends adopted in 1961 by which more than a third of Canada is entirely dependant on imported oil and by which we committed ourselves to export 60 per cent of our oil supplies to the United States. That situation will have to be rectified.

When the Leader of the Opposition and other members talk about making Canada self-sufficient in oil I agree with them, but I hope they realize what that means. This means that increasingly we must phase out our export of oil to the United States, not because we want to but because we have no choice, until such a time as the oil sands are developed or another source of oil is found. We are exporting at the present time about one million barrels of oil a day to the United States and were exporting about one and a quarter million barrels a day. Our requirements in eastern Canada are 800,000 barrels a day. We cannot supply eastern Canada and at the same time export one million to one and a quarter million barrels of oil to the United States. We will have to make this decision consciously, and tell our American friends that if we are to become self-sufficient in respect of oil we will have, over a period of years, to phase out our exports to the United States.

The other thing that policy means is we will have to extend the pipeline not only to Montreal but to the maritime provinces, unless offshore oil should become cheaper than Canadian oil which I do not think anyone in his wildest dream thinks will happen. The OPEC countries are discussing a price of $20 a barrel and Venezuela is discussing a price of $18.04 a barrel. So, if we are to supply eastern Canada with oil and protect the consumers in that part of the country against these exorbitant prices for imported oil, we will have to extend the pipeline. I was dismayed today when I heard the Minister of Energy, Mines and Resources say, in answer to a question from the leader of our party, that the National Energy Board probably will not be ready to hear applications until the spring of this year. After those applications have been heard and after a permit is granted, the right-of-way will have to be bought and the pipe manufactured, processed and put in place. I say that if that happens the government had better get ready to move its target date to 1976 rather than 1975. This would mean that eastern Canada would go through two more winters of the kind of uncertainty through which it is going at the present time. I do not think there is any excuse for that kind of delay.

The second matter to be considered in a national oil policy is the whole question of price. We have been concerned about price mainly in respect of the area west of the Ottawa Valley. Thought must now be given to the price problem in eastern Canada. East of the Ottawa Valley, consumers have been at the mercy of the importing oil companies. They have had to pay very high prices. I have suggested on behalf of this party repeatedly that we ought to set up a national petroleum company. The government may call it a national marketing board. We do not care what the terminology is. We should set up a national mechanism for the purchase of domestic and imported oil so that it could be pooled and the price equalized across this country. Until the pipeline is built we should be prepared, out of the federal treasury or out of some of the proceeds from the export charge, to subsidize the price in Quebec and in the Atlantic provinces because I believe the people of Canada have not only a responsibility but a duty to see that the people in eastern Canada are not made to pay exorbitant prices at this time of crisis. I do not think the people west of the Ottawa Valley line would object to pooling the price if they knew that this would make the situation fair for the people east of the Ottawa Valley line. What they would not take kindly to is a raising of the price merely to increase the profits of the oil companies.

The third thing that is necessary in this national oil policy is that we give some thought, when we are discussing the apportionment of the revenue from the export charge, to the setting up of earmarked funds for the development of future oil supplies. If we are not very careful, the time will slip away and we will find ourselves in a crisis situation when the available supplies of conventional oil are not adequate to meet our needs. When that happens there will be a cry for a crash program. I ask members of the committee to mark my words that the day will come when, no matter what government sits on the treasury benches, it will be saying to Parliament and the Canadian people that our oil supplies are diminishing, that international prices are drastically high and that, therefore, we must have a crash program to develop our oil

sands. They will say the only way we can do it quickly is to give to the multinational corporations special tax concessions, the right to export the oil, to tell the American and other international oil companies: if you will come in and do us the great favour of developing our oil sands, we will let you take the oil back home and we will let you control the oil industry in Canada. If we do that, we will have betrayed our trust, not only to this generation but to future generations.

● (1620)

Mr. Bawden: What did you do in Saskatchewan?

Mr. Douglas: I can tell the hon. member what they have done in Saskatchewan. They had the courage to do something that no Tory government has ever had the courage to do. They have set up a provincial petroleum company. They have told the oil companies: You will get $3.38 a barrel providing you spend 30 cents a barrel on development, and the rest will go into the treasury of the province of Saskatchewan to help develop oil resources for the future. When any Tory government in Canada is prepared to do that, in my opinion they will have justified themselves. But I do not see any indication of their doing that.

Some hon. Members: Hear, hear!

Mr. Douglas: May I close by saying that if I understand the minister correctly, he is suggesting that the export tax that is set out in Part II of the bill be extended to cover the months of February and March, and that the amount of the tax will be $6.40 a barrel. He is suggesting that Part I of the bill dealing with the export charge will be withdrawn. He is suggesting that the division of the export tax, namely, 50 per cent to the oil producing provinces, will be continued. The only proviso he is making is that in the months of February and March the federal government make no commitment as to what disposition will be made of its 50 per cent. That is understandable in view of the fact that the minister is going into a conference with first ministers, and I take it this is a matter for negotiation and discussion.

I think that is an eminently sensible proposal. I think it does the things which we advocated last Thursday, namely that we approve the export tax, that we make that export tax effective until the end of March, and that in the meantime we defer the export charge until after the first minister's conference at which time the Minister of Finance, if he so desires, can bring that legislation back to the House. At that time, we will be in a better position to discuss it because the minister will be able to give us the information which he is not able to give us at present. My colleagues and I would be prepared to follow the course which the minister has outlined.

[*Translation*]

Mr. Matte: Mr. Chairman, I do not want to repeat the remarks I made when this bill was introduced. However it remains that a bill dealing with provincial interests obviously requires the agreement of the provinces.

In view of the fact that oil production is concentrated in one or two provinces and that we have a problem to settle urgently there is some danger, as I said last Thursday, that a crisis situation is exploited to create precedents which we might regret later on. If next year or in two or three years oil wells were operated in the province of Quebec for instance I wonder what would happen if such a bill were adopted. This could very well happen since it seems that if we are short of oil today this is simply due to the negligence of oil companies which have not made the required efforts to develop oil operations in Quebec. Some day we might find ourselves in a situation where not only one or two provinces would have oil but several provinces. Then will all the provinces behave similarly as regards this bill? It was therefore absolutely normal to have the provincial agreement and to negotiate with the provinces a true agreement free from any problem.

Naturally we understand the intent of this bill which however, is not quite explicit and we deplore that we have to admit a certain price uniformity for oil throughout the country. Of course, that is a goal that should be reached. Are we going to reach it through this exercise? Some have doubts about it but once again it is worth repeating that if we are faced with such a situation it is because the government lacked wisdom, foresight, to say the least, since it is quite paradoxal to have an oil shortage in a country such as ours which is itself an oil producing country. We are still wondering how can such a situation arise.

We realize that it is now urgent to try to remedy that but it is also worth pointing out that a lot more foresight should always be present since that is the role of a government. That is why too great haste implementing such a bill could subsequently result in a lack of wisdom and foresight.

Mr. Chairman, everyone understands that in all parts of this country, whether it be the west or the east, it is extremely important that all Canadians have the same facilities, the same possibilities and, as the hon. member who spoke before me, the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas), said, it is entirely unacceptable to have different prices in the eastern and western parts of this country. But this government seems to accept that situation, and it does so not only in this field since it exists in others as well. For example, I have here an editorial published in the December release of the magazine *Le meunier québécois* where Mr. René Blanchard relate those differences in prices in the fields of oil and feed grains. Apparently this government likes to foster inequality within our country, which is clearly detrimental to understanding and unity among Canadians. In order to spare the House's time, I shall give a summary of the editorial. The author points out that the two price policy is causing ever more dissatisfaction among Canadians. They will not accept this policy any longer. That is why, as the author states in his conclusion, if we make the necessary efforts to come up with a single price for oil, we could certainly do the same for feed grains, for instance, and wherever necessary resources are readily available. This way we could favour an adequate distribution of goods throughout our country, and not at the expense of such and such regions.

That is why, Mr. Chairman, we hesitated considerably about the bill, and we will be satisfied with the policies put forth on the matter only to the extent where the opinions of the provinces have been considered, in order

that the bill that is passed can co-ordinate the field of oil, although this too might create a precedent from which other difficulties might arise.

That is why I pointed out again last Thursday that we are now up against the problem in the field of energy: today we are dealing with oil, tomorrow we may deal with electricity. And I can foresee the dreadful dilemma we could face if a federal tax were to be levied on exports of electricity. Quebec produces an abundance of electricity; it has to export some and it does so. Again we see the type of conflict that could crop up.

So, before creating a precedent, before taking a step in that field, it is imperative that there be previous agreement with the provinces.

● (1630)

[*English*]

The Deputy Chairman: Order, please. Is it agreed that the committee rise, report progress, and ask leave to sit again later this day?

Some hon. Members: Agreed.

Progress reported.

Hon. Allan J. MacEachen (President of the Privy Council): Your Honour, the purpose of seeking consent to return to this situation with the Speaker in the Chair is to seek concurrence in a ways and means motion that would have the effect of further amending the excise tax. The wording of the ways and means motion is as follows:

That the Excise Tax Act be further amended to provide among other things that in respect of the export of crude oil from Canada during the period commencing on February 1, 1974 and ending on April 1, 1974, a tax be imposed, levied and collected on each barrel of crude oil so exported, at the rate of $6.40 per barrel, to be paid by the person holding a licence under Part VI of the National Energy Board Act for the exportation of oil from Canada and under whose licence the crude oil is purported to be exported.

With consent, Mr. Speaker, the motion might be put, and if put we could go back to the committee of the whole and be in a position then to deal with amendments that would be made possible by the acceptance of the ways and means motion.

Mr. Tom Bell (Saint John-Lancaster): Mr. Speaker, we are prepared to accept this amendment, as agreed upon earlier in our negotiations.

Mr. Stanley Knowles (Winnipeg North Centre): Yes, Mr. Speaker, this is in accordance with the discussions that have taken place. We are prepared to give the necessary unanimous consent to deal with this motion.

[*Translation*]

Mr. Matte: We also agree, Mr. Speaker.

[*English*]

Mr. MacEachen: I move the amendment previously outlined.

Some hon. Members: Question.

Motion (Mr. MacEachen) agreed to.

House in committee on Bill C-245, to impose a charge on the export of crude oil from Canada, to impose an oil export tax under the Excise Tax Act and to allocate certain of the revenues derived from the oil export tax—Mr. Turner (Ottawa-Carleton)—Mr. Laniel in the chair.

The Deputy Chairman: When the committee rose to report progress it was considering clause 2.

Some hon. Members: Carried.

The Deputy Chairman: Shall clause 2 carry?

Some hon. Members: Carried.

Clause 2 agreed to.

Mr. Turner (Ottawa-Carleton): Mr. Chairman, I would now submit to the committee that clauses 3 to 10 inclusive should stand until we deal with the subsequent clauses.

The Deputy Chairman: Is it agreed that clauses 3 to 10 inclusive be stood?

Some hon. Members: Agreed.

Clauses 3 to 10 inclusive stand.

On clause 11—*Definitions.*

Mr. MacEachen: Mr. Chairman, I have an amendment to propose to clause 11. I move:

that Clause II of Bill C-245 be amended

(a) by striking out the word "and" at the end of line 31 on page 6; and

(b) by striking out line 35 on page 6 and substituting therefor the following:

"of two dollars and twenty cents; and

(d) in the period commencing on the 1st day of February, 1974 and ending on the 1st day of April, 1974, a tax of six dollars and forty cents."

The Deputy Chairman: Order, please. In accordance with the provisions of the amended ways and means motion the President of the Privy Council has moved the said amendment. Shall the amendment carry?

● (1640)

Mr. Andre: Mr. Chairman, in rising to participate in these deliberations I want, first of all, to say that I am pleased, as are all members of this party, that we have been able to reach this accommodation with the Minister of Finance in respect of this bill. We can only hope that this is the first of a series of steps that are necessary to clear up a chaotic energy situation in Canada.

At a time when Canada, of all countries in the western world, should be in a position to take advantage of being the only country that is self-sufficient in crude oil, we have bickering, arguing, uncertainty and flip-flops by various government spokesmen announcing changes of policy from day to day. There is apparently a constitutional confrontation between the provinces of Alberta and Saskatchewan and the federal government. This commodity is, supposedly, within the jurisdiction of the provinces, yet the initiative has been taken by the federal government; this has caused dissension and uncertainty and instead of looking forward to tremendous opportunities, we find ourselves trying to sort out this chaotic situation.

Oil Export Tax

In his remarks on Thursday, the Minister of Finance dealt with the question posed by the premiers of both Alberta and Saskatchewan as to why he singled out oil for special treatment in this supposed fight against inflation. His reasons are reported at pages 9013 and 9014 of *Hansard* as follows:

In the first place, oil plays a unique and almost unparalleled role in our national life.

There is no argument about that, Mr. Chairman; the statement was as true a year ago as it is today, and it has been true for many years. There is no particular reason that answer should cause the government to jump in at this time with various policy statements and bills such as C-245 and C-236 which were brought forward in a most haphazard fashion. Then, he said:

Secondly, it is relevant to note the cause of these steep and sudden jumps in price. Normal competitive forces of supply and demand have not been responsible.

That was the second reason for the government taking the initiatives it has, and the third reason he gave was:

Third, and as a reflection of the great importance of oil as an economic commodity, we must have regard for the staggering financial dimensions of sharp increases in its price.

There is no question but that is an important consideration as well. However, it is well to consider the political situation existing in Canada. The situation with regard to energy basically stems from a statement made by the Prime Minister on September 4, 1973 when he called for a freeze on the price of domestically produced oil. That freeze was imposed before the Middle East conflict and before any Arab embargo or any steep rise in the price of oil. In other words, it was imposed before any of three reasons given by the Minister of Finance were valid. We are in this chaotic situation today as a result of a short sighted political move made by the Prime Minister on September 4 when he announced unilaterally, and without the consultation that had been promised by the government in its energy analysis of July, 1973, that the price would be frozen until the end of January. I do not bring this up now in order to say "I told you so" nor to remind the government of its blunders, but you cannot appreciate where you are going if you do not know where you have been.

I think it is very important that we examine the history of the energy situation in Canada before the first ministers conference. I believe that many of the difficulties we now face have less to do with the government's attempt to formulate a new oil policy than with its attempt to assume control of energy resources in Canada. In my short time in this parliament it has become obvious to me that in many ways the motivations of the government, of ministers and senior executives in departments are similar to the motivations encountered in big business, namely growth. What they seek is power and control. In order to carry out our responsibility as members of parliament, it is incumbent upon each of us to examine these power plays very carefully. As many hon. members have pointed out, big business can tread on the toes of small people and this is also true of big government. A power play, such as that which the government is apparently engaging in now, is not likely to serve the interests of the people of Canada.

[Mr. Andre.]

The government has no reason to assume that the provinces have mismanaged the resource industry. Canada is the only country that is self-sufficient in oil; we produce more than we can consume. This condition was brought about through the progressive administration of the resource industries by the producing provinces. I do not state this from any partisan point of view, since the oil industry in Alberta grew under the direction of a Social Credit government; so, the federal government has no reason to assume that the provinces have mismanaged the oil industry.

The Oil and Gas Conservation Board of Alberta has rules and regulations to deal with leases and production and these have been copied by many legislatures throughout the world. In comparison, we might look at the federal government's management of areas like the far north and our offshore resources where we are still waiting for Land Use Regulations after three years, and apparently will have to wait much longer. One has to ask why the federal government is being so aggressive in seeking to take control of the resource industries from the provinces. Why is the Minister of Justice threatening the provinces with legal action if they insist on enacting the sort of legislation that has been brought before the respective legislatures of Saskatchewan and Alberta? It has been suggested to me privately by senior officials of the government, and publicly as well, that as a federal member of parliament it is my duty to side with the federal government in this power play with the provinces. Sir, that is totally unacceptable. It is my view that members of parliament in this House ought to be concerned about the interests of Canadians in all parts of the country. I submit that the interests of Canadians are not being served by the present actions of the federal government; nor have they been so served in the past.

● (1650)

Why do I say that? In view of the fluid world energy situation, with prices changing almost daily, with the supply situation changing almost daily, this is the very worst moment in time for the federal and provincial governments to engage in constitutional confrontation. It appears that the federal government has introduced this bill because it wants a cudgel, some sort of weapon it can take to the first ministers conference, for beating the provinces into submission. This is a most improper view of the purpose of that first ministers conference. Apparently the Prime Minister and the Minister of Energy, Mines and Resources view that conference as an adversary forum in which they will be fighting with the first ministers of the provinces and the most powerful group will emerge victorious. I suggest that view is completely inappropriate.

The forum in which the final decision will be made is the forum in which I am now speaking. The purpose of the first ministers conference is that it will enable provincial and federal representatives to work out, in a spirit of co-operation, matters concerning all Canadians. They should not adopt irrevocable, non-negotiable positions but, rather, work from positions of common interest which are of concern to Canadians in all parts of this country. Further, any decisions, agreements or accommodations reached at that conference must be brought back to this House for approval. The fight between the federal govern-

ment and the provinces, which has resulted in the Prime Minister calling the Premier of Alberta insulting names and in the Minister of Energy, Mines and Resources making certain public commitments which he has reversed, or which the Prime Minister has reversed for him, is damaging to Canadians in all parts of this country.

Confidence in the oil industry today is at an all-time low. I repeat, in expressing concern about the industry, I am not concerned about owners or shareholders. As I said on another occasion, there are probably more shareholders in those companies living in the constituencies of Mount Royal, Rosemount or even Ottawa-Carleton, than in Calgary Centre. I am concerned about the thousands of ordinary Canadians who are making their living in this industry. As a result of this lack of confidence, many are finding that their jobs are in jeopardy. Indeed, some have lost their jobs. This is of concern to me, because many of these people live in my constituency; I am expressing their views. Moreover, sir, the question of lack of confidence is of concern to all Canadians, even to those who are not even remotely connected with the energy industry. We must all be concerned about the future of the industry, and the degree of exploration which is taking place. The degree of exploration is being reduced and will be reduced to an alarming degree unless industry confidence is restored.

During the Christmas recess I made it my business to consult with a number of spokesmen for the industry. I talked to industrial associations and tried to assess what was happening. Many expressed the view to me that next year there will be a 40 per cent reduction in exploration by oil companies in western Canada. I am referring to the area south of the sixtieth parallel but north of the North American border. If they are right, the implications for the future are tremendously important. Production from conventional sources can be expected to decrease over the next few years. Unless we find new, conventional sources of energy, we shall become net importers of crude oil and suffer from all the problems which are plaguing Britain, the United States, the Netherlands and other countries.

We cannot rely entirely on the tar sands to overcome this problem. At the very best, under optimum conditions, a tar sands plant can only be brought on stream every two years. Even in these circumstances, even if a new plant were brought on stream every two years, each plant to produce 100,000 barrels per day—and this would require major effort and cost and would bring great stress and dislocation to the economy—we should be lucky if we could keep up with the growth in Canadian consumption. We could not produce the increased supplies of tar sands oil that would be necessary to make up for the decrease in production from conventional sources. That being so, I submit that it is exceedingly important, in considering pricing and supply, for government attitudes to be made clear at the earliest opportunity. Industry must know what the rules will be, so that it can plan and make an increased exploration effort, and so that Canadians will not be in a vulnerable position in the future. In that way we shall remain self-sufficient in energy and look forward to the future with certainty.

More important even than questions involving the oil industry and future supplies is the fact that economic opportunities are being lost. Canada, relative to the rest of the world, is in the position to enjoy economic advantages the like of which we have not seen in the postwar period. We have a potential economic advantage because, as the minister and so many others have said recently, energy is fundamentally important to a modern economy, and we are the only country in the western world which is self-sufficient in energy. This fact alone is tremendously important, for here we have a tremendous opportunity to cure so many of the problems we have faced for many years, problems involving regional economic disparities, unemployment, economic disparities, the diversification of industry throughout the economy, our balance of payments, the sale of our raw materials at less than their true value, etc. All these problems could be cured if we made it our business to take advantage of the tremendous opportunity being offered to us.

We need a national development policy that recognizes our position. What we do not need is bickering between the provinces and the federal government about control of resources. We all have the same goals in mind. I am certain that every provincial premier, whether from a producing province or consuming province, will agree. There is now an opportunity not merely for the producing provinces but for every province in this country. In recent years two large scale refineries have been constructed in the Atlantic provinces and two or three more are on the verge of construction. A great many petrochemical plants are to be built to process raw materials which will be available from these refineries. These can and should be established in the Atlantic area. There is the possibility of altering the economic face of these regions of Canada dramatically; but this will not happen if we continue the present chaotic situation. Sometimes there is a two-price system in Canada, sometimes not. Sometimes the world price is to apply, sometimes less than the world price. Sometimes there is a freeze in part of the country, sometimes not.

● (1700)

All that uncertainty of opportunities will cause us to lose this advantage. We will not have this economic advantage in perpetuity. The United States will make a supreme effort to become self-sufficient in energy. They have the potential in coal, shale, new technological developments relating to solar power and so on. Therefore, we cannot look to Canada retaining this economic advantage for a large number of years in the future. It is a finite time in which we have this opportunity. I ask the minister to use his good offices to plead with his colleagues. I ask every member of this House to help us eliminate this question of fighting between the provinces, of fighting over the spoils, who shall get so much of this or that tax. Let us deal with the real opportunity facing Canada. Let us take advantage of the position in which Canada finds itself so that all Canadians can look forward to the future they deserve.

I will not repeat the remarks made by my leader earlier this day. He outlined 10 points of a national oil policy which, if adopted by the government of Canada, could lead us to the kind of future I have tried to outline briefly. I just wish to comment on one point relative to the question

of increased Canadian participation in this future growth—

The Deputy Chairman: Order, please. I regret to interrupt the hon. member but the time allotted to him has now expired.

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, I wish to take only two or three minutes. As my colleague, the hon. member for Nanaimo-Cowichan-The Islands, and I have already indicated, the terms of the amendment to clause 11 which we are now discussing are in accordance with negotiations that took place during the past day or two, so we support this amendment. In fact, it is clear that the tax on crude oil exported will become $6.40 a barrel in the month of February and remain at that level until the end of March, leaving to a later decision what may be done after April 1. We congratulate the government, even though there was some pressure from events and circumstances that forced the government to see things in this very wise way. In any case, we congratulate the government on having come through with this resolution in a difficult situation.

My main purpose in rising is to draw attention to a structural oddity which I think we are creating by the procedure we are now following. Before it was amended, Bill C-245 had in the main two parts, one part establishing a new piece of legislation to be known as the oil export charge act, the other part amending the Excise Tax Act. Once we cut out, as we propose to do, clauses 3 to 10, both inclusive, all that will remain of the oil export charge act will be two sections, one giving it a title, the other setting out definitions. There will not be anything in the oil export charge act that has any operative effect. There is nothing wrong with that. We can put all the acts we want on the statute books that say nothing. Of course, it is being kept there because there is a reference in clause 11 to the fact that all the words and expressions used in that part, in other words that part of the Excise Tax Act, shall have the same meaning as are assigned to them by the oil export charge act.

I realize this is a technical point to raise, but it seems it would have been less structurally odd if the definitions that are now going to be off by themselves in a piece of legislation called the oil export charge act could have been put in the part of the Excise Tax Act which we are amending by increasing the taxes provided by this legislation. It may be the minister has the notion that later in the year he will put some substance into the oil export charge act. However, I think it not out of place to point out we have produced a structural oddity. Nevertheless, as far as the substance of what we are doing is concerned, it has our support.

Mr. Nystrom: Mr. Chairman, I wish to say a few words on the clause before us. First, I am pleased there has been an accommodation with regard to extending the export tax for a few more months. Coming from the province of Saskatchewan as I do, there are couple of things I want to urge on the minister with regard to the federal government's position over the oil industry in this country. I am not trying to be particularly parochial or provincial when I remind the minister that the resources of this country are under provincial jurisdiction and, as much as possible, the benefit of those resources should accrue to the various provinces in which they are found.

I would not be so tempted to raise this point if the policies that are followed by this government applied to other resources as well as oil. As the premier of my province asked the federal government, why just oil? I want to ask why other natural and mineral resources have increased drastically in price in the past year. Just this past weekend International Nickel announced that the price of nickel would increase by 6 per cent in this country. Iron and steel prices have increased in Canada. Many economists, particularly in the United States, indicated recently that other commodities such as iron, steel, aluminum, copper and so on might rise very drastically in price in the next few months.

I am in favour of a domestic price for oil. However, I suggest we should also have a domestic price for other commodities such as iron, steel, copper, aluminum, nickel and so on which are found right across this country. The time has come when we can put domestic price controls on commodities which we produce in this country, even though they are now controlled by multinational corporations. For example, why should we in Saskatchewan have to pay world prices for the steel and aluminum that go into our farm machinery when many items our farmers produce are being sold in Canada at domestic prices. When considering oil, I urge the government to think about all resources. There should be a domestic price for all natural resources in this country and an export tax should be imposed on them as well as on oil. If that were done, the oil producing provinces would not feel as though they were being discriminated against. There would be a greater sense of fairness.

● (1710)

Another point I wish to make is that it is time Ottawa took some of the prairie problems more seriously. If we are to make certain sacrifices in the area of gas and oil, it is about time there was a quid pro quo and Ottawa listened to the grievances we have concerning the freight rate structure, the stabilization of farm income, the development of secondary industry, and so on. If some of these things were done, if the federal government were to act rather than simply make promises, there might be a better atmosphere at the conference to be held in this city later this month.

The previous speaker said there was a lack of confidence among those engaged in the gas and oil industry and that unless we were careful, exploration and development would cease. I do not believe this. In any case, I do not really care, because I think exploration in this field should be carried out under public ownership. This is what the New Democratic Party and the government in my own province would like to see done. Practical steps toward this end were taken in the legislature of my province during the month of December. There is no reason why we cannot move in this direction. Revenues from the export tax could be used to develop the tar sands and to improve transportation facilities. A quick calculation shows that at the rate of $6.50 a barrel revenue from the tax will represent some $180 million. There is no reason why this sum should not be used as equity capital for the development of the frontier areas of this country under joint federal-

provincial public ownership. After all, these resources belong to the people of Canada, not to multinational corporations. As I say, this is a fine opportunity to get started because funds are now available for the purpose, and, besides, if we develop our own gas and oil industry we could subsequently develop a petrochemical industry in Alberta and Saskatchewan, where it belongs, thus providing many more jobs for Canadians.

Another point we should consider when talking about a national oil policy is that the presence of energy supplies in the tar sands and elsewhere will enable us to begin processing some of our own raw materials on the assumption that an increasing number of countries are likely to import commodities which are heavy in energy content since they themselves will be suffering from a shortage of gas and oil. For example, Japan and western European countries may be more ready to purchase our manufactured goods because of a necessity on their part to conserve the energy supplies available to them.

In conclusion, I urge the government to consider bringing all Canadian national resources under public ownership and control for the benefit of Canadians, and not limit their thinking to one particular resource in one or two provinces.

Some hon. Members: Question!

Mr. Symes: I just wish to say how pleased I am the Minister of Finance has withdrawn the section on the export charge until after the first ministers' conference. It is interesting to note that if the government had maintained the principle of the export tax for the whole year this country would have derived revenue amounting to between $2 billion and $3 billion. That is not chicken feed. It is enough to supply the wherewithal to begin the public development of our oil industry, an important concept in my view, and we shall look with interest on the kind of arrangement which comes out of the conference of first ministers on the export charge.

I listened to the Minister of Finance last Friday begin to construct an argument which has been echoed by the Minister of Energy, Mines and Resources, namely, that the oil companies need higher prices in order to commit themselves to further exploration and resource development. This is complete fantasy. From 1957 to 1972 oil company profits increased by some 400 per cent, but the percentage increase in exploration amounted to only 10 per cent. There is no guarantee, none whatsoever, that higher profits for the oil companies will automatically mean more exploration, and I hope the Canadian public will see through the hollowness of the arguments of the Minister of Finance, arguments which are identical with those of the oil companies. Imperial Oil, if one follows its accounting procedure, put up only 3 per cent of the total funds used for exploration, that is, out of $201 million set aside for exploration and development the company itself only put up $7 million. The rest of it came from the public, either in the form of deferred taxes or by way of debentures and the sale of assets. It is important to remember that increased prices will not automatically mean increased exploration.

A further point arises. Where will the exploration be carried out? The companies are trying to tell us there are vast oil resources in the Arctic. But when we look at the geological surveys we realize that this is not the case. Only in the Prudhoe Bay area is there any likelihood of sufficient reserves to justify development. The oil which this country will need in the future will have to come from the Athabasca oil sands and we know where they are; no exploration is needed. It will cost about a billion dollars to construct each extraction plant, and one new plant each year will be needed for the next ten years, since it is estimated that conventional supplies will run out in about ten years time. Obviously, we could use some of the revenue from the export tax to develop the oil sands under public control. If we fail to do so we shall only repeat the sell-out, the rip-off, of Canada's oil resources we have witnessed to date.

The oil companies say they need subsidies because of the high cost of Middle East and Venezuelan oil. I should like to remind the committee that Exxon, of which Imperial Oil is a subsidiary, was purchasing oil from Venezuela at $1.45 a barrel through its subsidiary called Creole Oil. Creole Oil, in turn, was selling that same oil at $3 a barrel when the oil was landed at Montreal. It is very interesting, indeed, to note that all of a sudden cheaper foreign oil was jacked up in price to equate with the cost of western oil.

● (1720)

We now have the reverse situation. Imported oil has gone up to $8, $10, $18 a barrel and now the oil companies are arguing that western Canadian oil should also go up to that level. The multinationals are following the same procedure in the United States as they are in Canada. I commend hon. members to read a recent article in *Harpers* magazine by Mr. Rand, who pointed out that during the 1960's American oil companies were buying oil from Kuwait at seven cents a barrel. That was the cost of getting the oil out of the ground and into the tanker. By the time the oil reached the shores of the United States, it was selling for the same amount per barrel as Texas oil, which was then in the $2 a barrel range. That process has continued for decades and the consumer has suffered. Now, the oil companies are saying the consumer must suffer some more because domestic prices must reach the inflated world price. If we did not have an export tax, a tax which, by the way, was instigated as a result of pressure from the New Democratic Party, we would have lost millions and millions of dollars in windfall profits to the oil companies. The consumer has lost millions in the past, but I can see no valid reason for the Canadian government allowing this to continue.

When you average out what the oil companies have been doing over the past decade, you see they have had all kinds of tax breaks while soaking the consumer through higher prices for oil products. How strange it is that oil companies pay only 3 per cent of their book profits in the form of corporation income tax. How strange it is that 86 per cent of dividends and retained earnings pass from the oil companies into foreign hands. And the Canadian consumer ends up paying a 41 per cent price increase.

If we permit crude oil to increase in price in Canada, there will be no net gain to the economy of the country in view of the low tax rate and the fact that dividends are paid to people outside the country. Higher prices that Canadians pay will more than offset any kind of royalties,

corporation taxes and retained earnings gleaned by the Canadian government and Canadian shareholders. Indeed, economists have now shown that any such price increases will mean a net loss to the Canadian economy of 7.73 per cent of any price increment. Canadian manufacturing needs to get off the ground. We need to promote job intensive industries in this country. Yet if we listen to the government and the oil industry, we are going to pull the rug from under these manufacturing concerns. If they have to pay higher fuel costs, then we will lose any competitive advantage we might have gained in world markets from having lower fuel costs in Canada. This means we will continue to export our resources at the expense of creating jobs in Canada.

This is why I say it is so important that the concept of the export tax be maintained, that revenues from the windfall profits of the oil companies should go to the federal government, and in turn to the provincial governments, so we can have a joint federal and provincial development of the oil sands, which will be our future supply of oil in this country. It is time we got the national petroleum company off the ground, not only to develop the oil sands but also to act as an agent in the purchase of foreign and domestic oil, thereby being able to pool prices and have one price for Canadian consumers, a price which hopefully will be much lower than the price that would result if the Minister of Finance and the oil corporation executives had their way. Unless it can be proven beyond doubt that price increases are justified on the basis of increased cost of production, this party, and indeed the Canadian consumer, will not tolerate any further rip-offs in the form of higher oil prices.

The bill before us is an important one. There is an important concept to maintain, and I can assure the committee that this party will see that that concept is not eroded.

Clause, as amended, agreed to.

On clause 12—*Payments authorized.*

Mr. Knight: Mr. Chairman, clause 12 deals with payments to provinces. I agreed in principle with the imposition of an export tax as it related to obtaining funds that might otherwise have gone to the multinational corporations, but I should like to ask the minister a question about the wording of clause 12 and perhaps propose to him a wording that would spell out more clearly that 50 per cent of the revenue will in fact go to the producing provinces. Subclause (1) reads as follows:

> The Minister may cause to be paid to a province, for a prescribed period, out of the Consolidated Revenue Fund, at such time or times as he may determine, an amount calculated by him in accordance with subsection (2) in respect of that period.

I wonder whether the minister would suggest to me the reason for use of what I would call the hesitant words, such as "at such time or times as he may determine", instead of using, for example, the words "shall pay" or "shall determine". Why the hesitancy as exemplified by the use of the word "may"?

Mr. Turner (Ottawa-Carleton): Mr. Chairman, the expression "may" is the expression that is traditionally used to authorize a payment to be made out of the Consolidated Revenue Fund. It is parliament's way, as I understand it, of conferring statutory authority upon the minister to make a payment, and it is the expression traditionally and generally used in authorizing payment to the provinces. I should refer the committee to the fact that the authority to make equalization payments, stabilization payments, tax revenue guarantee payments and post-secondary education adjustment payments, all of which are statutory in form, is granted by a provision using the expression "may". In those circumstances, the courts probably construe "may" as being imperative since it imposes a public duty upon the minister. There is nothing unusual in using that word, and I think I can assure the committee that it has a mandatory, imperative effect.

Mr. Baldwin: Mr. Chairman, I do not want to get into a hassle with the minister, but since he is a former minister of justice he must agree that under the Interpretation Act "may" is classified as being a word of permissiveness, whereas "shall" is mandatory. However, I accept the statement the minister made beforehand, though as a former minister of justice I think he was getting into the muskeg when he made the statement he just made. In light of his statement that the word "may" is the word always used in the statute, why is it that His Excellency was persuaded in the recommendation to use the word "shall"?

Mr. Turner (Ottawa-Carleton): Mr. Chairman, I will charge that one off to the draftsman.

Mr. Knight: Mr. Chairman, the minister says he will assure the committee that 50 per cent will go to the producing provinces. We do not have to worry about the word "may"; I will leave that to Her Majesty and her ministers.

● (1730)

In a general way, Mr. Chairman, I should like to say a few words relating to the allocation of funds obtained from the export tax. From the inception of the export tax I believe the federal government has been meeting a situation which neither producing province was prepared to meet at that time when the Chicago price was mounting at an extremely rapid pace. I believe, therefore, that when this party recommended an export tax it was justifiable. I think some of the debate arises from the allocation of the export tax as it relates to our two oil producing provinces.

It is very easy for a member of this House, particularly if he is from the province of Ontario, to suggest that there should be a cheap supply of energy for the provinces manufacturing industries. Hon. members might take that position, regardless of their party, because manufacturing is labour-intensive. There is some merit in that position, but I suggest to those hon. members that in terms of a national policy in this country as enunciated by successive federal governments, the policy that now speaks of a cheap supply of energy, in terms of energy being supplied by other provinces, is the same policy that talked about high tariffs to protect their manufacturing industries and providing a closed market to those industries in the western provinces, particularly the prairie provinces of Saskatchewan and Alberta. Regardless of one's political ideology, there is a great deal of regional resentment in the suggestion that since, suddenly, one of our commodities has gone up in price in the international market—and

I am aware of the problems concerning multinational corporations—we now, also suddenly, need a cheap energy policy. We have a cheap food policy, and we have had high tariffs and the unfair kind of freight rate structure which might concern hon. members, regardless of party. Some of them have made speeches on this subject. I mention the late Jimmy Gardiner and give the Grits some credit for this.

I suggest, however, that the national policy in this connection, as developed by the federal state, is outmoded, outdated and must be revised if we are to continue this discussion in a fair and equitable manner. That is why the divvying up of the pie related to the export tax is extremely important to the two provinces I have mentioned. I can imagine what the Ontario members would say if we took all the proceeds from the manufacturing industry and set a domestic price across the country to ensure that the domestic price remained at a certain level, so that when farmers of western Canada buy steel they would pay $1.50 or $2. a ton for it because it is produced in Canada and they would not have to pay the difference between the domestic market price and the international market price.

If an export tax were established I can imagine the hue and cry from Ontario members in any party about having 100 per cent of that export tax channelled for development in the province. So western members express their concern relating to the allocation of this oil export tax fund. This is a fundamental concern related to one of our resources, regardless of province. Therefore, I have been pleased, to be quite frank, with the Minister of Finance and the manner in which the funds have been allocated. I believe 50 per cent is to go back to the producing provinces. The province of Saskatchewan undoubtedly will use it for resource development. Alberta may well do the same, but I do not know the situation in that province as well as I know it in my own province.

I think that 50 per cent to be invested by the federal government in the producing provinces for research and development in the oil industry is a fair and equitable way of doing things. The two producing provinces are being assured that they will not be run over roughshod in terms of a resource with which they happen to have been blessed. I think this will be of value to the international market and will ensure further development in those two provinces.

What is of concern to me is that in the province of Saskatchewan we have set up a method of public control and public ownership of the oil industry, to turn it into a public utility in order to conserve the supply and production necessary to meet the needs of the people, and we want to see come out of the conference a change in policy by the national government so that our energy supplies, whether in the area of uranium, oil, natural gas or any other resource, will be treated as a public utility for all Canadians.

Mark my words, the legislation enunciated by the province of Saskatchewan and passed by its legislature will be a guiding light in the winter blizzard relating to an oil and energy policy, and will be a guideline for turning the oil industry into a public utility to serve the general public. I predict that federal governments of whatever political stripe, will have to move in the general direction of treating oil resources as a public utility even if they have to do it with the oil companies kicking and squealing all the way. Federal governments will have to move in that direction because it will be demanded by the public for the protection of the people of Canada.

I am glad to hear a clear statement from the minister that 50 per cent of this export tax will in fact go to the producing provinces. I do not believe any further comment is needed. I did a little work over the weekend; I am sure the Minister of Finance also spent his weekend doing quite a bit of work. I commend him for his action on this Ukrainian Christmas Day which is celebrated in my area. I appreciate the way in which he handles bills of this kind which he presents to the House. I like the procedure of dealing with these bills in committee of the whole and I hope this practice will continue. In this way we dealt with the capital gains tax in respect of farmers and found we could reach an accommodation. We have reached today a certain amount of accommodation.

Therefore, the minister's commitment in respect of the 50 per cent is appreciated. I had worked out an amendment which would have changed the "may" to "shall" and would have said that the minister "shall" pay to a province, out of the Consolidated Revenue Fund, an amount calculated by him in accordance with subclause (2), but I accept his word and I shall forgo moving such an amendment.

Some hon. Members: Question.

The Assistant Deputy Chairman: Shall clause 12 carry?

Clause 12 agreed to.

Clause 13 agreed to.

● (1740)

The Assistant Deputy Chairman: Shall Clause 1 carry?

Mr. Knowles (Winnipeg North Centre): What about clauses 3 to 10 inclusive?

Mr. Turner (Ottawa-Carleton): I would ask the unanimous consent of the committee to withdraw part I of the bill, including clauses 3 to 10 inclusive, which would mean to the drafter that part II would become part I and part III would become part II.

The Assistant Deputy Chairman: Do I gather there is unanimous consent to what the minister proposes?

Some hon. Members: Agreed.

The Assistant Deputy Chairman: Shall clause 1 carry?

Clause 1 agreed to.

The Assistant Deputy Chairman: Shall the title carry?

Mr. Turner (Ottawa-Carleton): Mr. Chairman, I propose that the title to Bill C-245 be amended by striking out the words "to impose a charge on the export of crude oil from Canada". I propose that those words be eliminated. Perhaps this amendment should be moved by my colleague, the Minister of National Revenue. I agree with the point that was made by the hon. member for Peace River

and unilaterally withdraw as a minister of the Crown, the words from the recommendation "to impose a charge on the export of crude oil from Canada".

Mr. Bell: May I ask the minister if he has considered taking the word "charge" out of the short title and calling it the Oil Export Tax Act?

Mr. Turner (Ottawa-Carleton): I have no objection to that, if the committee would take it as a drafting instruction to amend clause 11, section 22.1(1), where the same words appear on page 6. If we can take that as being agreed unanimously, we should change the title to read the Oil Export Tax Act.

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, if we are going to bother with this—and I will not rehash the matter I raised a few moments ago—why not settle for the Oil Export Act?

Mr. Turner (Ottawa-Carleton): You can call it anything you want—

Mr. Baldwin: It smells the same!

Mr. Turner (Ottawa-Carleton): What is wrong with the Oil Export Tax Act?

Mr. Knowles (Winnipeg North Centre): There is no tax in it; that is what is wrong with it.

Mr. Stanbury moved:

That the long title of Bill C-245 be amended by striking out the words "to impose a charge on the export of crude oil from Canada".

The Assistant Deputy Chairman: Is this agreed?

Some hon. Members: Agreed.

Motion (Mr. Stanbury) agreed to.

The Assistant Deputy Chairman: Shall the title as amended carry?

Title as amended agreed to.

The Assistant Deputy Chairman: Shall the bill carry?

Mr. Alexander: What about the recommendation?

Mr. Turner (Ottawa-Carleton): Mr. Chairman, I gather that clause I has been amended by consent and that this piece of legislation will be called the Oil Export Tax Act.

Some hon. Members: Agreed.

Mr. Turner (Ottawa-Carleton): Then with regard to the point made by the hon. member for Hamilton West, no amendment is needed to the recommendation because the recommendation is a unilateral act by the Crown. On behalf of the government I can withdraw the words "to impose a charge on the export of crude oil from Canada".

The Acting Speaker (Mr. Boulanger): Is this agreed?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Boulanger): Shall the bill carry?

[Mr. Turner (Ottawa-Carleton).]

Some hon. Members: Agreed.

Bill reported.

Mr. Turner (Ottawa-Carleton) moved that the bill as amended be concurred in.

Motion agreed to.

Mr. Turner (Ottawa-Carleton) moved that the bill be read the third time and do pass.

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

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I want to thank the House and the committee for the courtesy shown me in disposing of this bill.

I understand the House leader has stated that the next item of business will be the CNR financing bill. Perhaps it would be in order at this stage to call it six o'clock.

Mr. Speaker: Is it the wish of the House that the Chair should call it six o'clock?

Some hon. Members: Agreed.

[*Translation*]

Mr. Speaker: As it is now almost six o'clock, I leave the chair until eight o'clock.

At 5.47 p.m. the House took recess.

[*English*]

AFTER RECESS

The House resumed at 8 p.m.

CANADIAN NATIONAL RAILWAYS AND AIR CANADA

PROVISION FOR CAPITAL EXPENDITURES AND GUARANTEEING OF SECURITIES AND DEBENTURES

The House proceeded to the consideration of Bill C-164, to authorize the provision of moneys to meet certain capital expenditures of the Canadian National Railways system and Air Canada for the period from the 1st day of January, 1973, to the 30th day of June, 1974, and to authorize the guarantee by Her Majesty of certain securities to be issued by the Canadian National Railway Company and certain debentures to be issued by Air Canada, as reported (with amendments) from the Standing Committee on Transport and Communications.

Mr. Deputy Speaker: Order, In dealing with the report stage of Bill C-164, it is suggested by the Chair that there be one debate and one vote on motions Nos. 1 and 2, that there be one debate and one vote on motions Nos. 3 and 5, that motions Nos. 4 and 6 be considered separately and, if votes arise, that the votes be taken separately. It should also be noted that with regard to motion No. 6 the reference should be to line 6, not to line 10, on page 9 of the bill. This correction has been authorized by the Chair to make the motion meaningful. We will now proceed to the discussion of motions Nos. 1 and 2.

Mr. Don Blenkarn (Mississauga) moved:

No. 1.

That Bill C-164, an act to authorize the provision of moneys to meet certain capital expenditures of the Canadian National Railways system and Canada for the period from the 1st day of January, 1973, to the 30th day of June, 1974, and to authorize the guarantee by Her Majesty of certain securities to be issued by the Canadian National Railway Company and certain debentures to be issued by Air Canada, be amended in paragraph 3(1)(*a*) by (*a*) deleting the figure "$225,500,000" in lines 3 and 17 on page 2 and substituting therefor the figure "211,021,000" and (*b*) deleting lines 13 and 14.

No. 2.

That Bill C-164, an act to authorize the provision of moneys to meet certain capital expenditures of the Canadian National Railways System and Air Canada for the period from the 1st day of January, 1973, to the 30th day of June, 1974, and to authorize the guarantee by Her Majesty of certain securities to be issued by the Canadian National Railway Company and certain debentures to be issued by Air Canada, be amended in paragraph 3(1)(*b*) by deleting line 22 on page 2 and substituting therefore the following:

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

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

Mr. Blenkarn: Mr. Speaker, motions Nos. 1 and 2 deal with the proposal by Canadian National Railways under clause 3 of this bill to invest a further $5,679,000 in hotels and $8,800,000 in the period before us in the company called CN Tower Limited, and to proceed with further investments as are required during 1974. It is to these issues that the attention of the House should be directed.

First I want to deal with the way this national company has been handling the funds of the people of Canada, particularly with reference to its hotel operations. In 1971, with respect to the six hotels operated by Canadian National Railways, having a value of some $46 million to $47 million, the railways returned a profit of $430,000, not even 1 per cent on investment. In 1972 they did not do quite as well; they got only $416,000. But by that time they had invested pretty close to another $400,000 so that their investment had gone up to $47,187,393.

This national company has demonstrated that it has no management capacity in the operation of the hotel business. After much pressure in committee, the corporation produced statements on its management return on a specific hotel-handling during 1971 and 1972. I think it is fair for me to acquaint the House tonight with some of the results of that management to show how this corporation has taken the money of the people of Canada and literally thrown it down the sewer.

They sold the Bessborough Hotel for a little more than $1,600,000 this year. I want to talk about that hotel because I understand the buyer is making a profit on it. Let us consider what they lost on this hotel during 1971; they lost $400,000, and in 1972 they lost another $400,000. During 1971 and 1972 they ploughed only $214,000 into the Bessborough Hotel. In round figures, what's a million? Having lost or spent $1 million of our money in two years, this hotel was sold for $1.6 million to a private investor. The private investor made a profit because he knew how to operate it.

● (2010)

This corporation now has the gall to come to this House of Commons for money. I notice the Minister of Finance (Mr. Turner) is not even proud enough to be here, but the Minister of Transport (Mr. Marchand) is, to ask the approval of this House for an advance to this railroad of over $5 million of Canadian funds earned from the hard work of Canadians. This is to be ploughed into the corporation.

The Fort Garry Hotel sits in a lovely spot in the city of Winnipeg where the land has great value. It only lost $186,000 in 1971 and $265,000 in 1972, and the company added another $109,000 of investment in the hotel. There you have another half million dollars down the sewer in two years, yet they come to us and say they need more money for hotels. They say, "This is a national company and it is important in serving the people of Canada".

If you look at schedule H on page 20:100 in the committee report you will find reference to the Jasper Park Lodge. As the hon. member for Crowfoot (Mr. Horner) says, that is a pretty fine lodge. They even advertise it on Air Canada; they are going to give a free two weeks' holiday in the Rockies. They invested $125,000 in a two-year period in that hotel over and above regular depreciation. In other words, the book value had gone up $125,000 even though in the period they took the ordinary capital cost allowance applicable. In 1971 they made $123,000, and in 1972 they made $160,000. Of course, it is only worth $8,700,000, so that is a return on investment of about 2 per cent. I will talk about return on investment in a moment or two when I get into the cost of money.

Mr. Horner (Crowfoot): Do you realize that the only way you can get to Jasper is by train?

Mr. Blenkarn: You can get there by Tilden car. You fly to Edmonton and take a free Tilden.

Mr. Horner (Crowfoot): I have never had a free Tilden.

Mr. Blenkarn: You ought to fill in this form and find out how to get there. Then we have the McDonald Hotel in the oil capital, Edmonton. It made $15,000 in 1971 and $31,000 in 1972. Of course, we only have $8.3 million invested in the McDonald Hotel. That is the kind of return the people of Canada are expected to accept on their money—$31,000 on $8.3 million. We have some good hotels. In 1972 the Newfoundland Hotel had a return of $107,000, giving us 6.9 per cent on investment. Then we have the Nova Scotian Hotel, the best apple of the whole group, which managed to return 8.1 per cent on investment.

An hon. Member: Good management!

Mr. Blenkarn: When we asked the CNR how they are going to finance the $200 million worth of bonds coming due in February this year, they told us that their money is going to cost 8 per cent or so. The finest hotel in their whole chain will merely earn enough money to pay the interest on the money they are borrowing. That is the kind of situation we have, Mr. Speaker. We have this national company using the money of the people of Canada in a way that cannot be countenanced by members of this

House. They pay no attention to the cost of operating and no attention to regular overhead factors.

When they run into a problem like the Chateau Laurier down the street, they apologize in their financial statement and say that some new hotels were opened in Ottawa. They made 7.4 per cent on $12 million. But look at the property that the Chateau sits on. You could not buy it for $12 million today. It is certainly worth more than that; but they wanted the book value at the time they bought the property for next to zip. That is the kind of book value we are talking about in railroad figures. They are not realistic values at all but values they paid away back when. We are not talking about return on today's dollars; we are talking about return on book dollars. Book dollars do not mean anything when you talk about the real estate this company has. It could not care less about real values. It has a board of directors that does not give a damn about the people of Canada, about the taxpayer, about hard-earned money; it wants to use the money of the people of Canada in any way it can to build up its empire. They come to this House and ask for money.

An hon. Member: Tell us about the CPR.

Mr. Blenkarn: At least I will put my tax money into the CPR. The CNR has 4 per cent preferred stock, non-cumulative. The last time it paid a dividend was in the early fifties, yet we are supposed to invest the money of the people of Canada in a system called a railroad. It is not a railroad; it is a tower builder or a hotel builder. It wants to build monstrous things for its own ego. It does not care about moving grain or providing a commuter service; it does not care about moving lumber or potatoes—it cares only about hotels and fancy restaurants high in the air.

If you go through that statement, Mr. Speaker, you will find that the only hotels which make a profit for the CNR are those managed by Hilton. That is an international, American organization. This government does not even care about Canadian ownership and has to find an American company to manage its properties. That is how it has to make a profit, by turning these hotels over to Hilton. It is about time we turned them all over to Hilton, or sold them or something, because there is no reason why the people of Canada should pour the money earned by their sweat into this management in order to run hotels. They do not know how to run them. About the only hotel they can run is the Queen Elizabeth Hotel in Montreal, which made 9.9 per cent last year and 10 per cent the year before—only because they got Hilton to run it for them.

● (2020)

These facts constitute the greatest condemnation of this railroad. The only hotel investment that is showing the sort of realistic return that private enterprise would expect is the Queen Elizabeth Hotel in Montreal, run by the Hilton hotel chain. The truth is that incompetent and incapable managers are overseeing the investments of the people of Canada. That is a pretty serious thing to say, but it bears repeating: that management is incompetent and incapable. Can we, in justice, vote to this corporation, which is run by the kind of management appointed by this government, money that has come out of the pockets of the taxpayers of this country so that that management can run up one loss after another?

When the president of Canadian National Railways was asked about hotels, he said something like this, "Well, it looks as if we have a pretty good hotel, the Beauséjour, in Moncton." Although every one of these hotels is a loser except the one in Montreal run by Hilton, he had the audacity to suggest that he could make 12 per cent on the hotel in Moncton. That is the first time he thought he could make 12 per cent on anything, and he had the audacity to suggest the railway could make 12 per cent on that hotel.

I suggest that the management of this railroad has no business in the field of hotels and I say this for several reasons. At one time when transporting people it may have been necessary for the railroads to maintain a stopover place for its passengers. These days the railroads are not interested in carrying passengers; they are only interested in moving freight, and not too interested in that unless it is high-priced freight. They do not want to move grain; that is not their business and they do not feel concerned about that. They should not be in the hotel business. They do not need hotels. Private enterprise in this country has developed hotel after hotel, as one can see in this city for example, which make a gross profit of between 15 and 18 per cent and which after taxes, after expenses, after interest and after all the rest of the "afters" make at least 10 per cent on invested money.

When the railroad talks about a 10 per cent profit, what does that mean? I do not think interest is calculated. On reading the statement you will find that after interest the railroad only lost about $17 million! Every business, sir, must pay interest on borrowed money. This railroad must take into account interest on borrowed money. After taking into account interest on money borrowed in the hotel operation, the railroad, instead of making, say 1.5 per cent on its hotels, has lost 10 per cent. If interest on borrowed money were taken into account in the case of the Montreal hotel run by Hilton, it would be found that that hotel made a little money but not that much. These people do not really care about the people of Canada; they do not care about the taxpayer. They just want more money to build bigger buildings and say they have a bigger operation going for them. They do not really care about us. Yet they have the audacity to come to parliament and ask for money for hotels.

Private corporations pay corporate taxes. They pay the same wages, at least, as these hotels. I will not attempt to argue whether the wages of hotel workers are adequate. But this railroad does not care. It still pays the lowest possible minimum wage. This railroad does not care about bettering the conditions of its employees. It does not care about poor people who need rooms. It does not supply any gratuitous service to the poor traveller. This railroad operates hotels just the same as anybody else, except that it cannot make a profit.

Why is this railroad in the hotel business at all? Clearly, it got into that business because it inherited the hotels and has kept operating them. It has kept losing money, but has come to parliament for more simply because there is a parliament of Canada willing to pay and because there are

suckers for taxpayers. The railroad keeps getting new money to pay for its losses, and it is time this stopped.

Mr. Horner (Crowfoot): The taxpayer is forced to be a sucker. He is not one willingly.

Mr. Blenkarn: Quite so, Mr. Speaker, and it is time this stopped. This bill is to provide $43 million for this year at least. There will be another pile of money next year. Who knows how much of the money of the people of Canada will go into this railroad? This money is being granted virtually for nothing, although it is supposed to apply to the capital stock of the railroad. The figures with regard to the 4 per cent non-cumulative capital stock mean nothing. Dividends do not amount to anything, so this money represents an interest-free loan.

Look at it this way, sir. If you look at the bill you will find that the railroad wants money for hotels, telecommunications, the C.N. Tower and affiliated investments. If one looks at the bill one can see that the railroad wants $43 million from the people of Canada, interest free, so it can carry on with these games and lose more money or make a negligible return on money. According to their figures, they have made 1.4 per cent on investment. Well, a return of $416,000 on hotel investment of $47 million looks to me like a return of about 0.8 per cent, which is not even worth spitting about.

I now want to speak about the CN Tower being built in Toronto. That tower will rise 1,800 feet or so in the air. That will be a pretty impressive monument for Toronto. Certainly it will stand out on the skyline. I am happy to see that tower in Toronto because we in Mississauga will be able to see it. The question is not why it is being built, but why the people of Canada should pour money into the tower; not whether it is a good investment for the railroad that is supposed to provide service for people, but whether that is the way the money of the people of Canada should be spent.

Should we be spending the money of Canadians on tourist attractions, on a hurdy-gurdy in the air, or should we be spending this money on some of the social needs of this country, on the important communication and transportation devices that are required to knit this nation together? Should we be spending it on hurdy-gurdies in the air when that field of activity is perhaps best left to those in the private sector?

● (2030)

Dealing with the matter of finance, the bill is a bit misleading. It says $8.8 million this year. My second amendment tries to stop them from throwing in more next year. Really what they want to do is spend $29.5 million to build a tower in Toronto. They do not want to bother figuring in the cost of the land. After all, they already own the land. Why capitalize the cost of the land? They could rent or sell the land for some other purpose. They do not want to bother taking in the cost of the land. The land is worth $7 million, but they don't worry about that.

Mr. Benjamin: The CPR don't either.

Mr. Blenkarn: We will come to the CPR. They are a shrewd cookie; they knew what they were getting into. The CPR looked at the statement and said yes, we have our projections. This says you may make 7.8 per cent on your money. If they are really lucky with this tower, and people are willing to pay $3 to go to the top of it year after year, at least one million every year for 40 years, they might make 12.8 per cent on their money. However, after the first year or two they may run out of people who want to pay $3 to go up into the sky.

A great investment? The CPR looked at it and said "nuts". They own half the land but they would not spend their money on a tower. They would rather have the people of Canada build the tower. It would be like a fountain in the park. The CPR can build around the tower and make profits from the office buildings, convention centre and other high-rent deals. The Metro Centre will be visible from these other buildings. The CNR will build the tower. When I asked Mr. MacMillan what he was getting out of CPR for the whole matter, he said:

> CP was eventually reluctant to be involved in the tower. . . . CP agreed, in return for non-involvement on their part in the tower, to make substantial concessions to CN.

When we asked what the substantial concessions were, there was no answer. I suggest this is because there were no substantial concessions, certainly not concessions you would talk about. If they were substantial, I am sure Mr. MacMillan would have talked about them. Instead, he sat back and said, "You know how important confidentiality is in the corporate board room". Members of parliament are not to be treated to that confidentiality. We will find out that there are no concessions.

The truth of the matter is they wanted to build a tower with a 400-seat restaurant in the sky to show they are a wonderful bunch of people. They want the CBC at the top. The truth is that this railroad does not care about the people of Canada. It does not care about the investors who pay through taxes that are dragged out of their pockets in income tax, sales tax and taxes on all and sundry. They are only interested in building 400-seat restaurants in the air. Even CPR, that shrewd organization—

Mr. Benjamin: Are they ever.

Mr. Blenkarn: You are from Regina; you know they are shrewd. They know what the balance-sheet looks like. They know where their money is well placed. They would not put it there under any circumstances.

We now have the wonderful example of a tower being built. When you ask the reasons for the tower, you are given four reasons. They say the growing feeling of the Toronto centre region was a myth. If Toronto was ever a myth, you had better come to Toronto and look at this myth, because it is growing pretty fast. It did not need a Metro Centre on 180 acres of prime downtown land. It did not need a tower as a spectacular focal point. If that is what is needed, why did the owner of the rest of the land not pay half the cost? There is no explanation for that. CN said they had to consolidate CBC and metro. CBC does not need any more consolidation. I did not know CN was running the CBC, but apparently it is.

The CN said they got financial concessions from CP but they would not tell us what they were. The truth of the matter is there were no financial concessions and this parliament is now being asked to vote $8.8 million and an

unnamed sum during 1974, and so on. If this is such a good deal, let them go on the market and borrow the money at conventional rates, or sell the tower to someone who can complete it and run it properly. Let us not have any more of the people of Canada being dragged in by the ear to pay for somebody else's grandiose schemes to make themselves important and to build themselves a new empire. The national railway was not set up for a new empire; it was set up to handle freight and to serve the people of Canada.

Some hon. Members: Hear, hear!

Mr. Blenkarn: It is about time we had commuter trains. It is time our grain was moved, our potatoes from New Brunswick, lumber from British Columbia, and oil. It is time we had a railway that was interested in using the money we supply to move the goods and the people. This railroad is supposed to move people. They do everything they can to avoid moving people. They really do not care. They want to get involved in another venture. They like the situation where they can become real estate developers. That is a great business; there are a lot of real estate developers. These fellows are not very good at real estate development. They like to be in a situation where they have liquor licences and run fancy-dancy hotels with restaurants in the sky. They are not even good at moving people and freight, but at least that is their job. If they spent their time moving people and freight, maybe they would do a better job.

It is about time this House of Commons said to them in no uncertain terms that they are not getting any money for their hotels and tower, and they had better get the money for these things somewhere else and do the job they are supposed to do. It is about time this nation had a railroad that cares about its people.

Mr. J. H. Horner (Crowfoot): Mr. Speaker, I appreciate the remarks of the hon. member for Winnipeg North Centre (Mr. Knowles). I assure the House that my remarks on these two amendments will be brief. However, as chairman of the committee there are some things I should say with regard to the bill and the amendments. First, the basic purpose and meaning of the amendment is that the railroad's main concentration of interest and expenditure of dollars should be in the transportation industry. This is where they began, particularly the Canadian National, and this is where their main interest should lie.

● (2040)

We who come from western Canada have from time to time expressed annoyance with Canadian Pacific because of the company's attempts to divert its interests from railroading to various investments, or from railroading to airlines. Basically the amendments suggest there should be a return to the transportation concept. As chairman of the committee I can say that, while I appreciate the support of members of all parties, I have been a little disappointed in the scope of the committee's work. I would much like to have seen the annual reports of the CN and Air Canada referred to the committee for study in depth; it would have been much easier for me then to have ruled on the question whether various amendments were in order, whether in fact they fell within the ambit of Bill C-164. Bill C-164 deals with the expenditure of moneys, and the amendments which were presented have to do with clauses involving expenditures; they represent an attempt to delete $5.5 million to be spent on hotels and $8.8 million to be spent on a communications tower.

There are other questions which I feel should have been more fully dealt with by the transport committee over the past years, particularly those directly involving the movement of goods across Canada and the security of those goods. Very recently the transport commission published its third report on railway safety. Three years ago the transport committee touched upon the safety aspect in the course of its work; I clearly remember a Mr. Jones appearing before the committee to answer a number of questions on this subject. The report recently tabled suggests that more money ought to be spent on railway safety. The standard reply by the railroads was along these lines, "These reports are old hat, because we have already dealt with many of the recommendations which have been made."

Nevertheless, I should point out that a number of specific conclusions have been drawn. The report says that the number of derailments caused by track conditions on CN and CP lines in 1972 was three times as great as in 1959 and nearly double what it was in 1969. That is clear enough. One can conclude that the railways have curtailed expenditure on the inspection of railway trackage or that they have built huge boxcars and hopper cars far too heavy for the capacity of the tracks to bear.

The report goes on to say that the training of signals staff and others has deteriorated in recent years. One might conclude that there has been a failure to spend money in the right direction, since it is obvious that a decline in the training standards of signals staff and others could well result in a greater number of accidents. The report goes on to infer that the problems caused by hot-boxes and journal burn-outs—those are terms commonly used among railwaymen—have not yet been solved.

Mr. Speaker, three years ago I asked in the transport committee what percentage of the rolling-stock was still using the old hot-boxes, the old type of bearing system, that is to say, a system which made no use of roller bearings—Timken or similar bearings. The officials replied that only 19 per cent of the rolling-stock was equipped with roller bearings or Timken bearings. Again, this would suggest that the finances available to the railways have not been used in the right direction. At about the same time, three very serious accidents occurred in the interior of British Columbia, making the movement of grain that winter extremely difficult. It became obvious to railway personnel and others that the snowslide detector fences were completely beyond repair, that they were not being kept up at all. This was pointed out to the CTC by the transport committee, particularly to one of the commissioners, Mr. Jones. He undertook to look into the situation and examine the position. However, the report which has lately come to hand devotes six pages to this whole question, explaining how the snowslide detector fences in the region are in fact not being kept up at all.

Another point of interest arose during the committee proceedings when officials of the CN were before us. One of them, Mr. Hunt, stated categorically that the weight of

some of the huge new hopper cars and boxcars was so great as to exert a spreading effect upon the tracks: the company had only lately begun to realize this and were now faced with the necessity of using heavier track and better methods of laying it. Another consequence of the heavy equipment was a marked increase in the number of broken rails, another subject dealt with extensively in the report.

What I am saying is this: although I am not entirely or wholeheartedly in support of the two amendments—I realize that the railroads have been in the hotel business for a number of years and perhaps they are bound to upgrade or modernize their establishments—I nevertheless accord them a moderate measure of support because I wish to emphasize my view that the railroads have paid insufficient attention to the need to direct capital expenditure in the construction of better trackage and improved safety facilities. Some of these things were obvious to many of us as long as three or four years ago.

● (2050)

In opening my remarks I said I was slightly disappointed with the work of the transportation committee, since I felt the committee during the past year should have investigated many of the problem areas that were obvious to anyone interested in transportation long before this safety report was published. The training of signals personnel and new engineers, the operations of the Vancouver port: the problems there are obvious.

Last year we had a railway strike. It is not a question whether or not these are urgent matters, whether we were aware of them or whether they were brought to our attention. They were brought to our attention and we were very much aware of them. We had a railway strike last fall. The railway workers went on strike for better working conditions and higher wages. Were higher wages required? This House deliberated over that far longer than I thought it should. It was all well and good for the Minister of Transport (Mr. Marchand) to make a very moving speech about pressure, blackmail, the powers of the unions, and so on; but at that time I thought the problems were very obvious. The workers did need a pay raise to keep up with the rate of inflation that the Minister of Finance (Mr. Turner) has allowed to exist in this country.

The Vancouver yard through which most of our grain moves is owned by the Burlington Northern Railroad of the United States. There are many workers in the Burlington Northern yard in Vancouver because they are paid American rates which are far higher than the rates paid by Canadian National. Canadian National is having difficulty hiring men in the Vancouver area even today. The British Columbia Railroad pays higher wages than Canadian National and they, too, are drawing men away from CN. As a result, CN is not able to serve the Prairies to the full extent that it should in order to move those goods that mean so much to the general economy of Canada. Canadian Pacific railroad pays higher wages than does Canadian National. So we find Canadian National pretty nearly going begging for as many as 150 yardmen to move boxcars at the port of Vancouver.

There are two things that make a good port so far as the trading of goods between countries is concerned: first, the accessibility of the boats to the land and, secondly, the accessibility of the commodities from that land to the boats. We have had some difficulty as far as the boats are concerned, but that is not the subject of the debate tonight. We are discussing the movement of goods to the ports, a problem to which we have not really addressed ourselves.

As the unbiased chairman of the transportation committee that the hon. member for Winnipeg North Centre says I should be, I was a little disappointed during the past year, as I say, that the transportation committee did not visit Vancouver to see whether its members could not lend some wisdom—lend some attention is more likely, since they probably could not lend any wisdom over and above that which had already been lent—to encourage civil servants, Canadian National and Canadian Pacific to redirect their capital expenditures to things other than new television sets for hotels; because this is what the $5.5 million provided for in Bill C-164 is to be used for—the buying of new television sets for Canadian National hotels. At least, that is what the transportation committee was told.

I know it is much nicer to watch television in colour rather than black and white, but what we as legislators and as members of the transportation committee must address ourselves to is the question of priorities. Just where has this word "priorities" disappeared to? In the 1968 election campaign it was first and foremost in the mind of every politician. Everyone was talking about Canada's needs. Then during the 1972 election it was still fairly prominent in the eyes of most voters. They wanted to know what were our priorities. Yet this financing bill is placing the supply of new television sets for CN hotels over and above the movement of goods for export.

Today during the question period somebody pointed out that, compared with a year ago, we are today falling behind in the movement of wheat to export markets by some 125 million bushels. I do not deny that figure since the Canadian Wheat Board officials appeared before the committee that I have the honour to chair and admitted a month ago that we were 75 million bushels behind, so we might well be behind by 125 million bushels today. Why is there not some kind of priority list, or list of things waiting to be done ranked in terms of importance?

Another great question arising on the Prairies today is the supply of boxcars. The Wheat Board declared that we need 4,000 additional boxcars. It is interesting to go back through *Hansard* and check one's remarks to see whether one was on target a year ago, two years ago, three years ago, or whether one was not. If you find you were on target, it sometimes gives you a little more confidence when you come to make a speech. On March 8, 1972, long before the 1972 election, even before the minister in charge of the Canadian Wheat Board announced the building of 2,000 boxcars for the Canadian Wheat Board, I happened to say that we ought to build some hopper cars for the Canadian Wheat Board to operate.

On the same day I also said we should build a branch line from Ashcroft to Lillooet, and I understand surveys are now being made in that regard. On that date I also said that before the summer rock slides and the winter snow flies, the slide detector fences, which had become completely unsafe between Kamloops and Boston Bar, should

be repaired. It is interesting to note that on two of these three matters the government and the Wheat Board are already taking action. As for the third matter, the Canadian Transportation Commission has finally announced it will overhaul the slide detector fences.

Since that date I have said we should build more boxcars for the Canadian Wheat Board to move our grain, but it became vividly clear in the transportation committee that the government's priorities were entirely out of whack. The number of boxcars to move grain had fallen from something like 88,000 to 42,000. This caused the Canadian farmers and Canadian voters to think what a great government this was which in the fall of 1972 was going to build 2,000 more boxcars. We were told that the western farmers should throw out their chests and vote for this fellow in charge of the Wheat Board because he was going to build 2,000 additional boxcars, which would mean that grain would move smoothly and there would be no trouble.

Today, a year or so after these cars have come into operation, we learn that we are running 125 million bushels behind last year in our grain movements. Let us scratch our heads and ask why. The facts are out: the railroads have completely discarded the issue of building more cars. Canadian National officials admitted to the committee that in the year 1972 they were building 3,400 additional cars—though it might have been 3,450; I do not have the proceedings of the committee with me. These cars would be delivered during the year 1972.

Then some young, interested member, I think the hon. member for Vegreville (Mr. Mazankowski), asked how many of these cars would be available to move grain. Well, they pondered, shook their heads and said that, really, without a great deal of renovation none of them could move grain. So here again we ask, where are the priorities in respect of the capitalization expenditures of Canadian National Railways?

● (2100)

It is interesting to note that in a *Free Press* item of December 22, 1973—not too long ago—it was reported that Canadian National Railways ordered 94 gondola cars, weighing 100 tons apiece, for the movement of Alberta coal to British Columbia. So they are building cars. It has been said by some people that the railway does not build cars for the movement of grain because of the cursed Crowsnest Pass rates. They are supposed to be the root and evil of it all. Well, nothing would give me greater pleasure than to give the House a brief rundown concerning the Crowsnest Pass rates, why they were arrived at and why westerners generally stick pretty tight on the issue that they should be maintained. Briefly, however, they are the Magna Carta, the saviour of western Canada and the railways have not really proved that they lose money moving grain under them.

I see, Mr. Speaker, that you are becoming slightly anxious, so I shall conclude my remarks. I know other members are desirous of taking part in this debate. If the Crowsnest Pass rates are the cause of the shortage of boxcars, why is there a shortage of boxcars for the movement of lumber on the railway in British Columbia? Lumber does not come under such a rate; the going rate is

applicable in that case. Grain is the bread and butter issue of the CNR and the CPR. I said once to the president of the Canadian Pacific Railway that if they did not have grain to move across the Prairies, they would have to roll up the tracks—and he said that would be the case. The bread and butter movement on the Prairies for the railways is the movement of grain. They could not have survived without this movement. In no way do the railways lose money through the movement of grain.

I should like to take another 20 minutes to document fully what I am saying. However, I shall merely say at this time that I hope, no matter who is elected chairman of the transport and communications committee, it will delve deeper into the problems of transportation and the movement of goods all across Canada so that we can really assess what are the priorities for the expenditure of capital by the Canadian railways, both CNR and CPR.

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, I am delighted to have an opportunity to take part in this debate, particularly after waiting many months for this bill to return to the chamber. I am particularly delighted because of the amendments with which we are dealing. I have never before heard such irrelevancy in a debate as I heard this evening from the hon. member for Mississauga (Mr. Blenkarn). He spent his time dealing with hotels and needles. He did not spend very much time on the matter of transportation and the CNR financing bill. He could have spoken about national transportation and some of the items mentioned by the hon. member for Crowfoot (Mr. Horner), who spoke of the transportation needs of this country. He might even have tried to bring in an amendment in order to accomplish something.

The type of amendments which require consideration are the type that would be moved by the hon. member for Crowfoot, the hon. member for Vegreville (Mr. Mazankowski) or myself; but they would probably be ruled out of order. If we were really dealing with the situation in respect of the railways and airlines of Canada, the government would have before us a bill which would place these systems under public ownership so they could be integrated and provide a national transportation service which would meet the transportation needs of this country.

I am not particularly interested in the foibles of the CNR or the CPR in terms of a national transportation act which is designed only to make sure that the railways and the airlines place operating profit first and service second. We should reverse that situation. The CNR financing bill and many other related matters are mostly irrelevant. It would have been much better had the Minister of Transport (Mr. Marchand) seen to it that in some of this capitalization there was an expenditure of money for rolling-stock, track maintenance, signal systems and all those things mentioned by the hon. member for Crowfoot. However, he did not see fit to do that. He did not see fit to meet with the officials of the CNR and the CPR and have the Board of Transport Commissioners require the CNR or the CPR to make some moves now.

In an all-encompassing transportation system it seems logical that there should be some hotels; they are nothing more than an adjunct to the transportation operation and the movement of people. The hon. member for Mississauga mentioned the sale of the Bessborough Hotel. I hope I am

correct in this, but I understand that one of the major participants in the purchase of that hotel is the present leader of the Saskatchewan Progressive Conservative Party. I and the rest of the people of Saskatchewan, particularly in Saskatoon, would like to know from the Minister of Transport what compelled or motivated the CNR to sell the Bessborough Hotel, particularly in such a wild hurry after spending several hundred thousand dollars in long overdue renovations. All of a sudden the CNR decided to sell the Bessborough. I say to my colleagues who are helping me in my speech that I understand that some of the cohorts of the president of the Saskatchewan Progressive Conservative Party happen to be Liberals in the city of Saskatoon, all of whom got together and bought the Bessborough. It has been sold now, after it has been fixed up and is a decent place in which to stay.

I hope the CNR recovered the money that was invested in the renovations. I suspect this was not the case. I hope that my good friend from Mississauga will consult with the leader of the Progressive Conservative Party in Saskatchewan in order to protect his investment. If he does not need to protect it, then I would hope my hon. friend would get up and condemn his colleague from Saskatchewan for bilking the taxpayers of Canada out of a hotel for a cheap price, because the hon. gentleman cannot have it both ways.

The hon. gentleman also said that the Board of Directors of the CNR is incompetent. That is conceivable. I will even agree with him to some extent. However, I will tell you, Mr. Speaker, one thing the Board of Directors cares about: it cares about operating the Canadian National Railways' system according to the terms of reference laid down by the parliament of Canada.

An hon. Member: Why would they do that?

• (2110)

Mr. Benjamin: They do do it. They run a very efficient railway operation, not in terms of providing service for the people of Canada, but they are providing a very efficient railway operation in terms of operating profits and surpluses.

An hon. Member: They lose money.

Mr. Benjamin: The hon. member has been a member of the transport committee for the first time in his life. I wish he would consult the hon. member for Crowfoot who has been on the committee for many more years than perhaps either the hon. gentleman or I have been around here. If he took a look at the annual reports of the CNR he would find that three years out of the last 25 the CN Railways' system showed a deficit and in the other 22 years they showed substantial surpluses. One of their best years was 1956, when they had an operating profit of $44 million and a total surplus of $57,860,000. That is not bad. In fact, for that particular year it was an operating profit of several million more dollars than the CPR was able to show. In the same year the interest on the debt ate up all the operating profits of the CNR.

Mr. Rondeau: Now you are talking.

Mr. Benjamin: Parliament had to vote an additional $20 million or $22 million. The hon. gentleman conveniently forgets that if he also took a look at the bonded indebtedness of the CNR system, he would find a total of $4 billion in debt, half of which is in the hands of the people of Canada in the form of shares which may or may not bring a 3 per cent return and the other half of which is owed publicly. Of that $1,894 million of debt that is called a long-term debt, we have as yet not been able to find out, in the 5½ years that I have been in parliament, how much is still attributable to the bankrupt railways bought up in 1923 for which the taxpayers of Canada are still paying, and paying on mortgage indebtedness, the bond holders having been paid and repaid two or three times over in the last 50 years.

The Minister of Finance (Mr. Turner) last September or October agreed with me, in an answer to a question during the question period, that parliament is long overdue in taking another hard look at the financial structure and bonded indebtedness of the CNR. But my friends in the Tory Party always conveniently forget that the only reason we have a so-called publicly-owned national railway system is not because the government of that day or any other government since wanted to have a publicly-owned and operated railway system, but because their private enterprise system did not know how to operate an efficient railway system and the people of Canada had to bail them out in 1923 and have been bailing them out ever since.

When my good friends in the Conservative Party and those across the way in the Social Credit party talk about how the CPR makes a profit and the CNR suffers losses, I ask them whether it would not have been nice if the CNR had been set up on the basis of the same deal as the one under which the CPR was set up, namely, 25 million acres of land including mineral rights and $25 million in cash, plus guaranteed loans. Even the hon. member for Mississauga could run a business with a deal like that. I am not sure he could run any other kind of business, but even he could succeed with a deal like that. It did not take any geniuses on the board of directors of CPR since 1885 until now to make a profit with a deal like that. I want to hear no more nonsense about operating efficiency.

An hon. Member: We don't want to hear any more nonsense, either.

Mr. Benjamin: The National Transportation Act of Canada is not designed to allow our railroads or airlines to provide the kind of transportation system that would meet the transportation needs of the people; rather, it is designed to try to provide the railways with an opportunity to make a profit and nothing else. Until that is changed, until there is that fundamental change in the direction and purpose of our transportation policy, we will go through this exercise every year, as my hon. friend will find out from bitter experience. I am sure the hon. member for Crowfoot would be able to confirm that to him behind the curtain. Railways and airlines are no different from our streets, our sidewalks, our electrical systems, our sewer systems: all those are essential public services and utilities, and until we start treating our transportation system in that way and setting them up in that way we will be faced with the kind of messes we have had all

these years such as the ones mentioned by the hon. member for Crowfoot.

Every year, chronically, there has been insufficient rolling-stock to move potatoes from P.E.I. and New Brunswick, insufficient stock cars to move stock out of western to eastern Canada, and insufficient cars to move lumber out of B.C. to anywhere in Canada or to meet our export commitments to the United States. They can build fancy specialty cars for esoteric commodities such as compartmentalized refrigerator cars to move dressed beef, dressed pheasants, or whatever else; they can make fancy equipment of that nature, but there is insufficient equipment to move most of our agricultural produce. This has been the case since 1947. This is also the case with regard to the moving of hogs and cattle.

The same is true with regard to the moving of people. We can spend billions of dollars in this country on divided highways and expensive real estate which makes real estate developers, land speculators and friends of my colleagues to my right very happy; we can spend money on that, and yet we can starve our rail and air transportation systems. I suppose the CNR wants to build a tower in order to get even with the CPR. They have one in Calgary, and I have not heard the hon. gentlemen complaining about the CPR building a tower in Calgary but not building enough boxcars. In fact, they used our money for it.

This is the other thing that my friends to the right do not choose to remember. Every dollar of that investment is paid for by the users of Canadian Pacific Railway's transportation system, and many of those investments are unnecessary and unneeded. They do nothing for the transportation requirements of this country. I say to the hon. gentlemen that until our rail and air transportation, as well as our pipelines and communications systems, are operated as a public utility and fully integrated, we will continue to have the problems which the hon. member for Crowfoot mentioned and even the odd one or two problems that the hon. member who led off this debate mentioned. That must be the intent and purpose of the debate on transportation of any kind in this House, whether or not the CNR made money or lost money. In that context, the debate is relevant, but it does not surprise me that we could get an irrelevant speech from the lead-off speaker in the opposition. I wish the hon. member for Crowfoot or the hon. member for Vegreville had started off the debate, because they know these things as well, or better, than I do.

I have also mentioned the movement of grain and bulk commodities in this country. You don't have to believe me, Mr. Speaker, but the Saskatchewan Wheat Pool, which you could hardly call a small outfit, has spoken repeatedly about the inadequacies of our transportation system. On October 26 it noted that Mr. Esdale, an official of the Canadian Wheat Board who used to be in the Department of Transport under the minister's former colleague, the Hon. Jean-Luc Pepin, said that "supplies in the country elevators were more than adequate for this year's export markets, but there was a serious shortage of box cars because cars had been sitting around loaded with other goods. The difficulty with rail transport meant that the board was well below the export target set for that time of year".

[Mr. Benjamin.]

• (2120)

On November 2 the Saskatchewan Wheat Pool again said that shipments of grain, just from Saskatchewan, from August 1 to October 17 were down 68 million bushels compared with the same period last year. It said shipments were just able to keep pace with deliveries to the elevators, that stocks in the elevators had not gone down at all since September 15, and that there was still more than 50 per cent of the elevator system plugged. I hope that the Minister of Transport is paying attention to this, Mr. Speaker, because certainly the minister in charge of the Canadian Wheat Board has not been paying attention.

On December 19 the Saskatchewan Wheat Pool said that transportation problems had probably blocked international grain sales totalling 75 million bushels this year, according to information given by Mr. Charley Gibbings, Canadian Wheat Board commissioner. Mr. Gibbings said he doubted that grain movement targets would be met this year unless more rail cars were channelled to the trade. He added that the board had deferred shipment of 15½ million bushels to foreign customers so that western feed grain could be hauled to Thunder Bay. Commenting on the shortage of rolling stock, he said that the only way the rail car crisis could be solved was to provide 4,000 hopper cars and to consign worn-out stock to the scrapyards.

Here I want to pay a compliment to the CNR. In the past few months they at least have been rehabilitating or rebuilding 900 cars and returning them to grain movement. We have yet to hear of anything the Canadian Pacific are doing, even though most of the grain shipping points are on Canadian Pacific lines. At least our publicly-owned corporation is making some kind of effort.

Listening to the hon. member for Mississauga and the hon. member for Crowfoot, I gather that they would make provision for the expenditure of a few more tens of millions of dollars in order that the Canadian National Railways' system could purchase rolling-stock and additional locomotive power. Mr. Speaker, you will recall that a little over a year ago the minister in charge of the Wheat Board announced the purchase of 2,000 hopper cars to be used for the movement of grain. Everybody applauded that announcement, I as well as everyone else, but not for the same reasons.

I applauded it because there was a need to get more cars into the movement of grain. But all we were really doing was bailing the railways out of a responsibility that was legitimately and legally theirs, the responsibility to supply sufficient rolling-stock, trackage and everything else required to meet the transportation needs of the country. We have still to find out how those cars are being financed, who is paying for their upkeep and who is collecting the freight.

It is not just good enough for us to buy some boxcars. Sooner or later parliament will have to move in, take over and operate on behalf of all Canadians all our rail and air transportation systems, including telecommunications, the hotels they own, their mineral rights, real estate developments and everything else that goes with them. Only then will we be able to provide the kind of transportation which Canadians need and should have.

Mr. Don Mazankowski (Vegreville): Mr. Speaker, I rise to support the amendment proposed by the hon. member for Mississauga (Mr. Blenkarn) who so eloquently explained its contents and the meaning behind the proposal. I support the amendment for three basic reasons. First, parliament has and must exercise its ultimate control through the framework of this legislation. Second, this is an opportunity to examine the direction in which this Crown corporation, the CNR, is moving. It seems to me, and to a number of other hon. members who sat on the transport committee during consideration of this bill, that the CNR is moving in a direction which will have the effect of abandoning the main purpose and objective for which it was originally created. Third, this amendment provides an opportunity to express reservations about the direction in which Air Canada and CNR are headed and the ability of management to administer the policies and achieve the objectives of these corporations consistent with the ideals under which they were originally instituted.

Dealing with the first point, I think it is quite clear that parliament has ultimate control in providing funds through this financing bill. We are dealing here with something in the order of $140 million for Air Canada, roughly $100 million for the CNR, and guarantee and approval of a loan of £13 million to a British firm for the purchase of Rolls Royce engines. Therefore it behooves each and every one of us who has an interest in transportation to discharge our responsibility in such a way that parliament does not act merely as a rubber-stamp when considering this legislation, particularly bearing in mind that the legislation seems to be used as a filling device to take up time of the House when other legislation is not ready to be brought before it.

I think it is fair to say that over the past number of years parliament has lost a great deal of control in exercising its ability to analyse and scrutinize government expenditure of funds. We have lost the estimates from committee of the whole, and really dealing with expenditures through the committee system renders many hon. members powerless. It does not provide the opportunity for them to scrutinize effectively in full, minute detail the expenditures and the policies of various departments and Crown corporations. Quite frankly, I have become increasingly disturbed over recent years by the fact that Crown corporations as such are really not answerable and responsible to parliament. I think that the responsibilities of a public corporation, as compared with a private corporation, are drastically different and I do not for one minute accept some of the rationale and explanations advanced by the hon. member who spoke just before me.

Through this bill the taxpayer is being asked to provide a substantial amount of money. Therefore I believe that the matter of management, the matter of policies of both long-term and short-term nature and the objectives of the company should be subject to scrutiny and examination both by parliament and by a parliamentary committee. I want to say further, Mr. Speaker, and I believe this very sincerely, that any Crown corporation, whether it be Air Canada or CNR, should be accountable to each and every member of parliament for its activities. I therefore believe that this bill deserves the kind of scrutiny and examination that it has received, and I agree with the hon. member for Crowfoot (Mr. Horner) who indicated that the committee's ability to fully examine these two Crown corporations was somewhat impaired because the terms of reference were limited.

● (2130)

What has disturbed me more, however, is the difficulty encountered when trying to obtain the answers we feel we are entitled to and through which we could assess the operations of these organizations. We have been denied the opportunity to judge the decisions taken by management and the boards of directors, and have not had the opportunity to express an opinion on whether some of the expenditures were wise. Time and time again we heard the officials of these two Crown corporations indicate that they could not answer this or that question because disclosure of the information would be prejudicial to the operations of the company.

I believe these kinds of answers should be re-examined, Mr. Speaker, and I believe the time has come to establish more effective parliamentary machinery to scrutinize the activities of companies and industries which are under public ownership. This can only be done if the individual representatives of the corporations are compelled to give answers to a parliamentary committee or to parliament. We must remember that these Crown corporations are owned by the people of Canada and that the people who are managing them have no monetary interest in them. Some of them, however, seem to embark upon a huge empire-building job.

When a major commercial corporation which is privately-owned can give the kind of information that we were requesting from these two Crown corporations, surely it behooves the latter to give such information to us. We are living in an age that tends toward greater government involvement and the public is demanding a greater amount of public disclosure. Parliament has a right to know. As a greater number of Crown corporations enter our society, I believe we should urgently consider the question of providing adequate parliamentary machinery to compel the officials of these corporations to give to a parliamentary committee the kind of answers it seeks. We have a right to know why they took this decision or that decision, why they spent a certain amount of money on a particular project and why they did not spend it in another fashion. Certainly we have a right to know.

My second point is one about which I feel very strongly, Mr. Speaker. I feel that the CNR has abandoned the purpose for which it was established. It must be remembered that the railway company, in this case CNR, was established as a company which "works for the general advantage of Canada". Therefore, by law that railway company is required to give service to all customers. This is part of the CNR. Items such as hotels, towers, telecommunications, devices and international consulting firms should not be the priority. That is why I support this amendment.

The hon. member for Crowfoot spoke at some length about the boxcar shortage. There is not sufficient or adequate rolling-stock to meet the demands and challenges of this country. After all, Mr. Speaker, the railways are still the lifeline of the economy of this country and they must

have the equipment and the expertise to discharge their responsibility for moving commodities and passengers from one end of Canada to the other.

There was a great deal of discussion in the committee on the question of the shortage of boxcars and rolling-stock. Being a westerner, I am naturally interested in this matter from the standpoint of the movement of grain. It is interesting to note that since 1950 no general purpose boxcars have been built for either of our railways. The hon. member for Crowfoot indicated that in 1963 there were about 88,200 general purpose boxcars which could be used and were suitable for the movement of grain. This number had declined to 70,600 by 1968, and by 1973 it had slumped to 48,200. During the examination of this bill it was indicated that 3,465 boxcars had been ordered by CNR in 1973, of which some 3,000 had been received. I asked officials of the CNR how many of these were suitable for the movement of grain, and the answer was "none".

But there is more to this situation, Mr. Speaker. It seems that about 2,500 boxcars were retired from the system and of these 1,500 were suitable for the movement of grain. In effect, in 1973 CNR alone had a decrease in the number of available units to move grain of something in the order of 1,500.

In the issue of the *Western Producer* for January 3, 1974, there is an annual forecast by farm leaders for 1974. They give their views and projections for 1974 and say what they think the future might hold. There is a very interesting article concerning the boxcar shortage by Mr. A. M. Runciman of United Grain Growers. He indicates that the rail boxcar shortage will be a major farm problem in 1974. I should like to quote from the article because I think it is significant. He said:

> But I want to deal with boxcar shortages because I think it's the worst single problem facing farm people in the near future. I don't mean the current shortage encountered by the Canadian Wheat Board, largely due to this past summer's strike. I mean the disastrous situation lying ahead—say three years from now—when we simply won't have enough grain cars to move the grain we want to move.

All through the committee hearings we were given excuses and reasons by the CNR for not providing sufficient rolling-stock. In their opinion it was not a good investment. But I want to remind you again, Mr. Speaker, that it was for this purpose that the CNR was created and asked to discharge a responsibility in this country; that is, the movement of goods and people from point A to point B. Mr. Runciman later in the article said:

> The trouble is, there seems to be very little being done, and there is the risk that the whole situation could fall around our ears while we're still scrambling to find out what the problem is.

● (2140)

He continued:

> What are the reasons for the shortage? Why aren't the railroads building cars for moving grain?
>
> Everybody is familiar with the complaints of the railroads. They say they don't make enough money moving grain compared to other products, and so they're building cars to move all products but grain. They claim if branch lines are abandoned, losses from moving grain will continue because there will be no subsidies to defray costs if the grain moves on the main lines.
>
> Are the railroads telling the truth? I don't know. But I'll bet even if they were, we wouldn't believe them.
>
> [Mr. Mazankowski.]

The claim of the railroads about not being able to make money hauling grain reminds me of the person who applied for a licence to sell liquor in his dining lounge so that people could be served drinks with their food. As you know, sir, there is always more profit in selling liquor than in selling food. In this case, after a time the man would prefer to drop the food operation and simply sell liquor because liquor is a better paying proposition than food. In some ways the railways are in the same position. They are obligated to move all commodities, not merely those bringing high profits. They are responsible for moving all items, items of low value to them as well as items that bring a high return.

Mr. Runciman went on to say:

> The first step then is to find out the reasons. It can be done. There is a government agency called the Canadian Transport Commission which operates under the National Transportation Act.
>
> The transportation act empowers the Minister of Transport, to whom the CTC responds, to enquire into costs of transportation. So what do you think of farm organizations requesting the Minister to instruct the CTC to put the railroads' financial facts on the table? In other words, get an independent analysis of costs by a government agency—not the railroads' side of it. If a cost analysis isn't publicly disclosed by the CTC, I can see all kinds of haywire tinkering with solutions to the boxcar shortage—including attempts to change the Crowsnest rates.

That suggestion ought to be considered. The minister and the government ought to remind the CNR that its major responsibilities include the movement of grain and of all commodities.

I am sure we were all disturbed to learn facts contained in the third report of the commission looking into railway safety, which was tabled. This document is a damning indictment of the railways. They have not maintained their lines as well as they should have done, and those lines cannot accommodate heavy loads and heavily loaded boxcars. Apparently accidents and derailments have just about tripled since 1959, and nearly doubled since 1969. Because of deteriorating track conditions and the safety shortcomings alluded to in the report, the Canadian Transport Commission has instructed the railways to reduce the maximum net weight of its cars to 70 tons from 80 tons per car, to reduce the height of loads and speeds and to take necessary steps to reduce excessive strains which now are greater than the present track structure can bear adequately.

What will be the effect of these instructions? There will be a reduction in efficiency and capacity on the part of the railways. The railway companies will not be able to discharge their responsibilities as well as they ought to, and therefore there will be a growing backlog with regard to commodities needed on the Prairies, B.C., the Atlantic provinces and other parts of the country. It behooves the government to bring the railways immediately to task. They should take action immediately to upgrade their track facilities in order that they can operate at maximum efficiency and capacity. It is time the government reminded the railways of their duties and obligations in this country. It should instruct them to do the job they were intended to do.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, the speeches made tonight have interested me, particularly those made by Conservative members. I only wish we were considering the Canadian Pacific Railway as well, to

see whether some of the same arguments would be applied to that company. A number of people in Canada think that anything run by the government must be run badly, and that public ownership is bad.

An hon. Member: That is right.

Mr. Peters: An hon. member says that is right. Certainly, some officials of Canadian National Railways and Air Canada went a long way to proving the arguments of some of my colleagues, namely, that Canadian National and Air Canada are less than efficient and are doing less than the job they are supposed to do. I was interested in the remarks of the previous speaker. When he was a member of the transport committee I found, when we were discussing the financing of CN, that he was more tolerant of public ownership and more interested than some others in arriving at solutions to problems involving the railways.

When Canadian National Railways was first formed it was necessary to put it under public ownership. I am of the opinion that such ownership is still necessary. I am also of the opinion that Canadian Pacific Railway should also be brought under public ownership. I suggest it is not correct to say that public ownership leads to inefficiency. I suggest the fault can more properly be laid at the feet of members of parliament who take little or no interest in the operations of Crown corporations.

When, in the committee to which I referred, we were talking about jobs, salaries and certain individuals who were vice-presidents of Air Canada, I was interested to note that the chairman refused to divulge exactly what were the duties of those vice-presidents. He would only say that they were on the upper board, or that there were certain people who were not on the upper board. He would not say how much money they made. He left the fairly clear impression that not all vice-presidents are paid the same money. He suggested that if he told us how much each man got, some people would be mad and morale would disappear.

What he said could be applied to the operations of both the Canadian National and Canadian Pacific railways. They have reached the stage in their bureaucracies in which apparently one person does not know what the other is doing. They are more concerned about their little bureaucratic empires than about the over-all railway operation. They think more of the bureaucracy than of running the organization.

In those committee hearings we called a representative of the Wheat Board. I remember we were discussing the question of boxcars and the more efficient handling of grain. We had been discussing the new hopper cars, and I was interested to learn that the Wheat Board was operating the hopper cars. Apparently the board controls the cars although ownership remained in the Department of Industry, Trade and Commerce. It was very difficult to find out whether the Department of Transport, the Department of Industry, Trade and Commerce, the Canadian Wheat Board or one or both of the railways were servicing those cars, although it was indicated that a contract for service had been in effect for some time. It was impossible for the committee to find out the terms of the contract, whether the service was being provided and, if so, who was doing it and, more important, who was paying for it.

● (2150)

When the vice-chairman of the Canadian Wheat Board appeared before us, he indicated they did not anticipate that both CNR and CPR would be able to supply the transportation needs of the grain industry in western Canada this year. He said they were running approximately 75 per cent of the quota of last year, the quota that was agreed to by all parties concerned. This would not meet the requirements of the grain trade this year and they anticipated a shortfall in transportation. He went on to say parliament would have to authorize the purchase of another 4,000 hopper cars this year. These cars are worth $20,000 each. This means they will be asking for another $80 million for hopper cars this year. He also indicated that at the end of a five-year period, in order to handle the grain produced in western Canada the Canadian public would have to provide 20,000 cars at an amount well in excess of $400 million.

When the western conference was held last summer, the transportation problems were so bad that one of the requests of the western premiers was that the federal government build a roadbed for upgrading railway services. They said they would supply the rails and the federal government, through the Department of Transport, would operate the roadbed and the rails. We are developing at least two more forms of railway transportation in Canada, one of them owning the rails and the roadbed, with the Canadian Wheat Board controlling the hopper cars for the handling of grain. At the same time, the CNR is operating inefficiently, scrapping boxcars used for the delivery of grain while boxcars are being built that cannot be used for the handling of grain. Members of this House should look very carefully at its operations, for two reasons. First, it is damned inefficient in the handling of most of our major commodities. Second, it will be necessary for us to take over all the trackage in Canada and bring both railways under the control of one head so that the Canadian public will be served in a way where service is more important than profit.

I have no problem supporting the first two amendments. They would remove the CNR from the hotel business and the building of towers in Toronto. According to the president of CNR, the reason for the tower is simply prestige; it will be higher than the bank towers or any other building in Canada. When pressed as to why they would want to do that, he said they would be putting an antenna on the top to serve our communications system. In my opinion, someone else could have built a tower and the antenna could have been on top of that. It would have been much less bother for those who should normally be running a railroad. They are not running a railroad, they are running a business; and they are doing a damned poor job of it. You cannot put political hacks into that kind of operation and expect them to run a railroad.

Some hon. Members: Hear, hear!

Mr. Peters: Very shortly we will have a chance to do something about this. For many years Mr. MacMillan has been in control of the operations of CNR. I dare say that after 35 or 40 years he has learned a great deal about operating railroads in Canada. He certainly does not know too much about the hotel operation. He does not know why

they sold the Bessborough Hotel for $1,600,000 after spending half a million dollars putting in a tunnel to the parking lot. He was not able to explain that. He was not able to explain the reason for the tower. However, he will be retiring. I suggest this government should then appoint an expert to run the railroad. It should appoint someone who will bring new life to the operations of that company.

Mr. Knowles (Winnipeg North Centre): Not Edgar Benson.

Mr. Peters: My colleague says, not the former minister of finance. I can tell my colleague that the Hon. Edgar Benson would be a great improvement over many of the present vice-presidents of the CNR. He might not do a bad job of running it.

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

[*Translation*]

The Acting Speaker (Mr. Boulanger): It being ten o'clock, this House stands adjourned until two o'clock tomorrow afternoon.

At ten o'clock, the House adjourned.

HOUSE OF COMMONS

Tuesday, January 8, 1974

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

WAYS AND MEANS

DESIGNATION OF ORDER OF THE DAY TO DEBATE WAYS AND MEANS MOTION

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I would ask you to designate an order of the day for consideration tomorrow of the ways and means motion with respect to the removal of the customs tariff applied to certain oil products, tabled in the House on October 23.

* * *

ROYAL CANADIAN MOUNTED POLICE

TABLING OF ADMINISTRATIVE BULLETINS NOS. 54 AND 78

Hon. Warren Allmand (Solicitor General): Mr. Speaker, following the request by the right hon. member for Prince Albert (Mr. Diefenbaker) on January 3, under Standing Order 41 I would like to table, in French and English, copies of RCMP administrative bulletins Nos. 54 and 78, as well as a copy of a letter I sent to the right hon. member explaining the contents of bulletin No. 78.

Mr. Diefenbaker: Mr. Speaker, I rise on a point of order. I asked for production of the various declarations that were made by the Royal Canadian Mounted Police, not an explanation of them, and I take the strongest possible objection to the minister filing self-serving explanations in a letter to me. If he wants to deal with this matter he can do so. I would be very happy to hear him explain on motions what took place, but that self-serving addition of his explanation of the unexplainable just cannot be justified.

Some hon. Members: Hear, hear!

Mr. Speaker: The Chair has some procedural reservations about what is proposed by the Solicitor General. The point made by the right hon. gentleman certainly deserves serious consideration. I wonder whether it is competent on a minister, under the Standing Order, to propose to table copies of a letter addressed to another member. I would think that a minister is always justified under the Standing Order in tabling what the Standing Order identifies as a document or paper, but I would doubt whether that would extend to an exchange of correspondence between a minister and a member. I would think that that part of the proposed tabling by the minister might be held in abeyance.

* * *

FINANCE

TABLING OF REPORT OF SUPERINTENDENT OF INSURANCE ON CO-OPERATIVE CREDIT SOCIETIES FOR YEAR ENDED MARCH 31, 1972

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I would like to table the report of the Superintendent of Insurance on Co-operative Credit Societies for the year ended December 31, 1972.

* * *

TRANSPORT

RAILWAY PASSENGER SERVICE, SOUTHWESTERN ONTARIO—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, I rise under the terms of Standing Order 43. The urgency of my motion arises from the disastrous effects of poor passenger travel facilities in southwestern Ontario and the unwillingness of the federal government to make public information it possesses concerning this problem. I move, seconded by the hon. member for Perth-Wilmot (Mr. Jarvis):

● (1410)

That the problem of passenger travel in southwestern Ontario be referred to the Standing Committee on Transport and Communications for immediate consideration.

[*Translation*]

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

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is no unanimity; the motion, therefore, cannot be put.

[*English*]

FISHERIES

PACIFIC COAST HALIBUT FISHERY—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Frank Howard (Skeena): Mr. Speaker, I should like to ask leave of the House to move a motion under Standing Order 43 in a case of very urgent and pressing necessity, namely, the fact that the halibut catch on the west coast this past season has been the lowest it has been for over 40 years and the halibut fishery is in great danger of complete destruction by overfishing, particularly by foreign fleets and there is therefore a need that immediate consideration be given to this question. I should like to move, seconded by the hon. member for Burnaby-Seymour (Mr. Nelson):

That the Standing Committee on Fisheries and Forestry be authorized to conduct forthwith an inquiry into all aspects of the halibut fishery in the Pacific Ocean and waters adjacent thereto.

Mr. Speaker: The hon. member's motion requires unanimous consent.

Some hon. Members: Agreed.

Some hon. Members: No.

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

* * *

PARLIAMENTARY SECRETARIES

TABLING OF ORDER IN COUNCIL CONCERNING APPOINTMENTS

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, under Standing Order 41(2) I should like to table, in both official languages, copies of an order in council concerning parliamentary secretaries.

* * *

[*Translation*]

SOCIAL SECURITY

MEASURES TO PREVENT OFFSETTING OF OLD AGE PENSION INCREASES BY INCREASES IN HOUSING COSTS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, pursuant to Standing Order 43, I request the unanimous consent of the House to raise a matter of extreme importance, relating to the majority of the elderly population of Quebec.

Because a majority of elderly persons living in rest homes in Quebec are subject to lodging and board increases each time the federal government increases old age security pensions, I move, seconded by the hon. member for Bellechasse (Mr. Lambert):

That a committee of the House consider means by which each increase in federal old age pensions is not taken up by increases in provincial lodging costs for elderly people, in order that pension increases are for the benefit of pensioners and not lodges.

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

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is no unanimity; the motion, therefore, cannot be put.

* * *

[*Translation*]

ENERGY

OIL SHORTAGE—MEASURES TO COMPENSATE SERVICE STATION OWNERS FOR LOSSES—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Jean-Marie Boisvert (Drummond): Mr. Speaker, under the terms of Standing Order 43, I request the unanimous consent of the House to move a motion pertaining to a very important matter.

As owners and renters of gas stations or garages are now losing a considerable amount of money owing to lower sales as a result of the false shortage of oil and also because they have less maintenance and repairs to do on trucks and cars, I move, seconded by the hon. member for Richmond (Mr. Beaudoin):

That this House study the advisability of compensating those taxpayers through a rebate paid by the government or the Bank of Canada on every gallon of gas sold or through a special tax deduction.

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

Some hon. Members: Yes.

Some hon. Members: No.

Mr. Speaker: As consent is not unanimous, the motion cannot be put.

* * *

INDUSTRY

SHORTAGE OF CAST IRON FOR QUEBEC FOUNDRIES—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, pursuant to Standing Order 43, I request unanimous consent to move a motion dealing with a very urgent matter since it contributes to higher unemployment.

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

That the House examine as soon as possible the serious problem facing Quebec foundries which, unable to get cast iron, must refuse to make the essential parts and pieces that would keep small and medium-size industries in business. Moreover, that the House seek ways of authorizing the Minister of Industry, Trade and Commerce to arrange for a better distribution of the metal so that large corporations such as

Chrysler, Ford and others will not compete unfairly against small industries.

Mr. Speaker: The House has heard the motion. The provisions of Standing Order 43 require the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is no unanimity. The motion cannot be put.

* * *

[*English*]

FISHERIES

PACIFIC COAST HALIBUT FISHERY—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Frank Howard (Skeena): Mr. Speaker, with respect to the extreme difficulties of the halibut fishery on the west coast I seek unanimous consent, if I may, to move another motion on this matter, seconded by the hon. member for Burnaby-Seymour (Mr. Nelson):

That this House express the opinion that the indiscriminate activity engaged in by Japan, the Soviet Union and South Korea in the halibut fishery in the Pacific Ocean is not in keeping with the needs of proper conservation practices.

Mr. Speaker: This motion requires the unanimous consent of the House under the terms of Standing Order 43. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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

ORAL QUESTION PERIOD

[*English*]

ENERGY

OIL PIPELINE EXTENSION TO MONTREAL—REASON FOR DELAY IN COMMENCEMENT—THROUGHPUT VOLUME

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, my question is addressed to the Prime Minister who, on September 4, told the House that the government intended to move ahead with an oil pipeline to Montreal. That is about four months ago. Can the Prime Minister tell the House precisely what is holding up the commencement of this project or holding up an application being made to the National Energy Board, which the Minister of Energy, Mines and Resources yesterday said might be made in the spring? Why is this whole project still in the discussion stage after four months?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I believe the minister also indicated yesterday that he expects to be able to announce a decision very soon. I want to repeat that assurance to the House. The hold-up, to use the expression of the Leader of the Opposition, is due to the fact that we have tried to ascertain provincial preferences as to alternate routes, alternate ways of laying down the pipeline. In the meantime we have proceeded, as the House knows, through the Canadian Commercial Corporation with regard to the guarantee that there would be a supply of pipe. For that reason we are still confident that the deadline I announced will be met.

Mr. Stanfield: The Prime Minister spoke about consulting with the provinces about the route. Can he indicate what provinces the government is consulting about the route and what provinces, if any, the government is consulting about the size of the pipeline and the volume of oil to be carried through the pipeline?

Mr. Trudeau: Mr. Speaker, consultations have been mainly with Ontario and Quebec. There may have been other consultations but I know of those two in particular. We have ascertained, in the case of Quebec, what appears to be a slight preference for one route over another. In the case of Ontario, they have refused, I understand, to indicate a preference for one route over another.

Mr. Stanfield: Has the government of Canada reached any understanding or agreement with the government of Quebec about the size of the Quebec market for oil or the volume of the oil used in Quebec that would be dedicated to Canadian crude? In other words, has the government of Canada consulted the government of Quebec about the amount of Canadian crude which would be dedicated to the Quebec market, and have any discussions taken place with the Atlantic provinces in this respect?

Mr. Trudeau: Mr. Speaker, so far as I know the discussions have been general. The question is not only one of the amount of crude but of the time over which such various amounts would be deliverable in the eastern market. With regard to consultation with the Atlantic provinces, I would have to defer on this matter to the Minister of Energy, Mines and Resources who has been, of course, closer to it than I have been.

Mr. Stanfield: Mr. Speaker, I apologize, but may I direct one further supplementary question either to the Prime Minister or to the Minister of Energy, Mines and Resources. Is the decision to supply roughly 250,000 barrels a day to those markets in the east based upon consultations with the eastern provinces, or is it based upon some other consideration because, of course, 250,000 barrels a day would constitute only about one-quarter of the market of those five eastern provinces and therefore would offer the prospect of supplying only about one-quarter of the market?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, the other relevant question of course is the productive ability of the western Canadian sedimentary basin to supply additional markets in eastern Canada without at the same time creating difficulties in regard to our export arrangements to the United States.

This has been a matter of discussion with both the consuming and the producing provinces.

● (1420)

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I have a supplementary question for the Minister of Energy, Mines and Resources. Yesterday the minister said that the main obstacle to reaching agreement was the question of route and availability of supply. Does the difficulty arise out of the fact that unless the pipeline from Manitoba to Sarnia is twinned there is only a spare capacity of 250,000 barrels, which would be only half the target the minister has set and less than one-third of the requirements of eastern Canada? Is the delay due to the difficulty in the government making up its mind whether to extend the pipeline from Sarnia or to build a northern pipeline, and is the Interprovincial Pipeline Company opposing a northern pipeline and insisting on the pipeline being extended from Sarnia?

Mr. Macdonald (Rosedale): As I indicated yesterday, Mr. Speaker, what has to be done is make a choice of route as between three possible routes, each of which has different characteristics. In response to the hon. member's first question, the mere question of twinning the line between Manitoba and Sarnia is not the principal obstacle.

Mr. Douglas: Will the minister state definitely where the difficulty lies with regard to making a decision? Has the government not reached a decision as to the route or is there some opposition from Interprovincial to building a northern line which would have a larger capacity and which would be entirely within Canadian jurisdiction?

Mr. Macdonald (Rosedale): Mr. Speaker, the question of route is a decision to be taken by the government. The simple choice is between the Sarnia route which could be achieved at an earlier date or an all-Canadian route which would take something like two years longer to achieve.

Mr. Speaker: Order, please. Hon. members will note there are five or six members seeking supplementaries on this first question. The Chair will recognize the hon. member for Nanaimo-Cowichan-The Islands on a last supplementary, the hon. member for Prince Edward-Hastings and then attempt to complete the first turn of the questioning. I will return to this subject for further supplementaries after we have completed the first round of questioning.

Mr. Douglas: In view of the statement which I understand the minister made on radio last night that the government hopes to begin construction of this pipeline by mid-summer, does the minister still hold to the target date of completion of this pipeline by the autumn of 1975?

Mr. Macdonald (Rosedale): Mr. Speaker, that obviously depends as, I just said, on which route is selected.

REQUEST FOR STATEMENT ON GOVERNMENT'S PLANS FOR SUPPLYING QUEBEC AND ATLANTIC PROVINCES WITH CANADIAN OIL

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a supplementary question for the Minister of Energy, Mines and Resources. As Quebec and the Atlantic provinces will require a minimum of a million barrels of oil a day by the time the Montreal pipeline is completed, will the minister take the first opportunity on motions to outline to the House the government's plans for supplying the requirements of these areas from Canadian resources in view of the fact the absolute outside maximum capacity of the Montreal pipeline will be only 500,000 barrels a day and then only if the line west of Sarnia is looped, a policy which the government has not yet decided upon?

[Mr. Macdonald (Rosedale).]

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, it would be the intention to indicate on motions the government's position with regard to this.

Some hon. Members: When?

Mr. Macdonald (Rosedale): I certainly hope within the next two weeks. I assume parliament will be sitting next week. On the question of providing a million barrels a day, the capacity does not exist in Canada to provide for all of the Canadian market. As the Prime Minister indicated in earlier statements, the government's goal is for the purpose of increasing Canadian production to meet Canadian needs.

Mr. Speaker: The hon. member will be recognized for a last supplementary. As I said, I will then try to complete the first turn of questioning before the end of the question period.

Mr. Hees: As the Prime Minister stated it is government policy that the government is aiming to make this country self-sufficient in oil and as it is up to the government to find additional resources, will the minister outline as soon as possible the government's plans for building a pipeline from Montreal to supply the Atlantic provinces so that they can be supplied by Canadian resources as well?

Mr. Macdonald (Rosedale): Mr. Speaker, I thank the hon. member for his unqualified endorsement of a national petroleum company.

SUPPLIES ALLOCATION BILL—ALLEGATION THAT REPORT STAGE MOTION GIVES VETO POWER TO SENATE RESPECTING DECLARATION OF NATIONAL EMERGENCY

Mr. David Lewis (York South): Mr. Speaker, I have a question for the Prime Minister. In light of the discussions with respect to the program for the remainder of the session, I should like to ask the right hon. gentleman whether he has studied the report stage motion related to Bill C-236 in the name of the Minister of Energy, Mines and Resources which gives the Senate the power of veto with regard to the question whether a declaration by the government that there is a national emergency requiring an allocation program is to be revoked or not. Has the Prime Minister studied this provision which would give the Senate a veto of that kind regardless of the decision of the House of Commons, and is it the intention of the government to retain this particular provision in the report stage amendment?

Right Hon. P. E. Trudeau (Prime Minister): I must confess my own impression is that it would be a parliamentary declaration involving a position taken by both Houses. I would have to verify whether the text implies otherwise and perhaps report to the House again after discussion with the Minister of Energy, Mines and Resources.

Mr. Lewis: In view of the fact that subclause 9 of Motion No. 1 in the order of business for today provides that "if either House of Parliament negatives the motion that an order made under subsection 1 be concurred in, the order is thereupon revoked"—

Mr. Speaker: Order, please. The Chair will allow the Prime Minister to reply to the hon. member but I am sure he appreciates that we are now clearly anticipating an order of the day and I doubt we should become involved during the question period in a discussion of the business which will be coming up later today or tomorrow. However, subject to this caution the Prime Minister might be allowed to reply.

Mr. Trudeau: I will simply let my previous answer stand.

Mr. Lewis: In view of the fact that some members of the other place, some Senators, are directors of oil corporations and businesses related to the oil industry, and bearing in mind that this is the elected House of Parliament, will the Prime Minister give consideration to revising the motion in the name of the Minister of Energy, Mines and Resources so that the House of Commons will be given the final right of decision on this issue rather than the Senate?

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. The Chair must refer again to the suggestion made a few moments ago that we are becoming involved in debate relating to an order of the day and are clearly anticipating that debate. I would hope the important matter raised by the hon. member for York South might be considered and debated in some other way than during the question period.

* * *

[*Translation*]

SOCIAL SECURITY

MEASURES TO PREVENT OFFSETTING OF OLD AGE PENSION INCREASES BY INCREASES IN HOUSING COSTS

Mr. René Matte (Champlain): Mr. Speaker, I wish to direct my question to the Minister of National Health and Welfare.

Does the minister intend to take specific action so that old age security beneficiaries may receive the full increases in allowances which, at least in the province of Quebec, are being grabbed by senior citizens' homes?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I already contacted many times my provincial counterparts on this matter, but I think the hon. member will have to call upon his colleagues of the National Assembly of Quebec so that appropriate representations may be made to solve the problem.

* * *

● (1430)

[*English*]

ENERGY

OIL—JUSTIFICATION FOR ESTIMATED SUPPLY SHORTFALL IN EASTERN CANADA AND PRICE INCREASES

Mr. James A. McGrath (St. John's East): Mr. Speaker, I have a supplementary question for the Minister of Energy, Mines and Resources. Have there been any late inventories taken which would satisfy the minister that the estimated shortfall of oil supplies for eastern Canada can be justified, and is the minister able to tell the House whether or not some of the increases already made in the price of crude in eastern Canada can be justified in light of these circumstances?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, it seems to me that the hon. gentleman is mixing the two questions of price and supply. In terms of supply, the recent judgment given to the standing committee by the chairman of the technical advisory committee was that at the moment the anticipated levels of interruption later this winter have not been changed, though we have had the advantage of a rather milder winter so far than we had anticipated. With regard to the question of price, as the hon. gentleman may recall—he can examine the proceedings of the committee—detailed calculations regarding the cost increases of the various eastern Canadian refiners were set out there. In addition to those, there may indeed be action at the retail level on the part of individual retailers to obtain a higher level of price, but my understanding is that these are wholesale levels to which the refiners have adhered.

Mr. McGrath: I wonder whether the minister would reply to the first part of the question, which is prompted by the substantial inventories in place at Come-By-Chance, Newfoundland. In face of these inventories, is the minister now prepared to re-examine the estimated shortfall?

Mr. Macdonald (Rosedale): That had been taken into account in the earlier estimates that were made. It appears that the refinery may be in a position to start moving some heating oil, and if anticipated difficulties do not materialize there the inventory situation, of course, will be much improved.

[*Translation*]

RELATIONSHIP OF QUEBEC POSITION TO DELAY IN COMMENCING OIL PIPELINE EXTENSION TO MONTREAL

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, I should like to put a supplementary question to the Minister of Energy, Mines and Resources.

On January 7, the minister indicated that this government had had discussions only with the Interprovincial Pipelines Corporation. Can he tell the House whether the

fact that the Quebec government has not yet declared itself in favour of the building of an oil pipeline partly explains the delay in the implementation of this project?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): No, Mr. Speaker, I believe that the Quebec premier has declared himself in favour of the building of such a pipeline. I think that his provincial colleagues are now obviously in favour of such a pipeline.

[*English*]

OIL PIPELINE EXTENSION TO MONTREAL—PLACING OF SURVEY CONTRACTS

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, my supplementary question is for the Minister of Energy, Mines and Resources and it follows up a question I asked him yesterday as to what specific group in the government is negotiating with Interprovincial Pipelines. My question today is this. Since there is only one person in this group, namely, the Deputy Minister of National Defence, it may be that part of his responsibilities is delaying the negotiations. Is he asking this company with which he is negotiating that all contracts for surveys be done through firms in Montreal?

Mr. Macdonald (Rosedale): No, Mr. Speaker, that is not a consideration at all.

Mr. Speaker: The Chair will recognize the hon. member for a supplementary and then the right hon. member for Prince Albert.

Mr. Hamilton (Qu'Appelle-Moose Mountain): Is there anybody else in this group with Mr. Cloutier who has responsibility for putting forward these ideas?

Mr. Macdonald (Rosedale): Mr. Cloutier has been carrying on the discussions but in this regard he has, of course, been conferring with representatives of the National Energy Board and of my own department. With regard to the details of the construction work, in particular the contracting out of surveys and so on, in the normal course this would be arranged between the pipeline company, if indeed it is to be the Interprovincial Pipelines, and the individual surveyors concerned.

Mr. Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, may I ask one further question for clarification purposes. Is the minister receiving any complaints in regard to pressure being exerted on them to let their contracts to Montreal firms?

Mr. Macdonald (Rosedale): Certainly I have not received any complaints from Interprovincial Pipelines. The position has been taken by the Association of Consulting Engineers of Canada that, to the greatest extent possible, Canadian engineering talent should be used in extending this pipeline. This seems to me to be a reasonable objective on the part of the engineering profession in this country generally, bearing in mind, however, the importance of speed in this particular case.

[Mr. Grafftey.]

INCOME TAX

REQUEST FOR LEGISLATION TO ENSURE CONFIDENTIALITY OF RETURNS IN LIGHT OF FEDERAL COURT JUDGMENT

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I would ask the Minister of Finance a question regarding the recent judgment of the Federal Court of Canada which indicated that the belief we have all had, that income tax returns are confidential has no basis in fact and is a myth. In view of that judgment, and of the concern of the millions of Canadians who pay income tax that their returns should not be available for inspection or examination, would the minister consider bringing in legislation that would definitely assure the taxpayers of this country that they will not be, as far as their returns are concerned, put into a goldfish bowl where what they have stated therein confidentially can become public information?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I want to thank the right hon. gentleman for bringing this matter to my attention earlier by way of notice. May I say to him that I share his concern about the implications of the recent decision of the Federal Court of Canada. Frankly, I would operate from the general principle that information given to government for one confidential purpose should not be used for another purpose. Particularly in income tax matters, where our system is based upon the principle of voluntary assessment and confidential disclosure, this becomes even more important. I have discussed this matter with my colleague, the Minister of Justice, and we will see what remedy need be taken.

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CANADIAN NATIONAL RAILWAYS

RAPIDO TRAIN SERVICE BETWEEN TORONTO AND MONTREAL—REQUEST THAT MINISTER INTERVENE TO PREVENT CANCELLATION

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, may I direct a question to the Minister of Transport. In view of the present energy crisis, and in view of the fact the House is presently debating the annual CNR financing bill, will the minister request Canadian National Railways not to carry out its intention to cancel, effective the day after tomorrow, the Rapido train service between Toronto and Montreal?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I can discuss this problem with the president of the CNR. They made the first decision without consulting the department. I presume they would like to make a second one, but I should like to discuss the matter in the meantime.

Mr. Benjamin: Mr. Speaker, in view of the fact that both trains have been carrying capacity or near capacity loads, and in view of the fact the Turbo leaves Montreal at 4.30 p.m. and the Rapido leaves at 4.31 p.m., would the minister request Canadian National Railways not only to retain the Rapido but to have it leave Montreal in the morning rather than at the same time as the Turbo train?

Mr. Speaker: That is, of course, a representation. The hon. member for Yukon has a supplementary to the previous question and will be recognized for that purpose; following that, I will recognize the hon. member for Calgary South.

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ENERGY

FORTHCOMING FIRST MINISTERS' CONFERENCE—REPRESENTATION FOR YUKON AND NORTHWEST TERRITORIES—EQUALIZATION OF FUEL COSTS

Mr. Erik Nielsen (Yukon): Mr. Speaker, my supplementary question is for the Minister of Energy, Mines and Resources and has to do with the upcoming conference of first ministers on the 22nd and 23rd of this month. In view of the vital interest that residents of the Yukon and the Northwest Territories have in fuel products, particularly in the question of the equalization of fuel costs as between consumers in various parts of Canada, can he inform the House what arrangements have been made for representation of those two northern territories at this conference? At the same time, can the minister say whether or not the commissioner of the Yukon was expressing government policy when he supported equalization of fuel costs for residents of the north as well as of Quebec and the Atlantic provinces?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, my understanding is that discussions are still going on with the provincial premiers regarding arrangements for the conference. I think I am correct in saying no arrangements have yet been made for representatives from the two territories. Indeed, I do not think any final arrangements of any kind have yet been made. I have not seen the statement of Commissioner Smith, but I would be glad to consider it when I have had a chance to examine it.

● (1440)

Mr. Nielsen: Can the minister say whether it is federal government policy to consider the two northern territories in relation to the question of equalization of fuel costs as between other regions of Canada?

Mr. Macdonald (Rosedale): Mr. Speaker, I would be glad to consider that as a representation.

OIL—INQUIRY WHETHER SUPPLY CRISIS EXISTS IN LIGHT OF PRODUCTION BY COME-BY-CHANCE REFINERY

Mr. Peter C. Bawden (Calgary South): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. In view of the emergency powers the government is seeking under Bill C-236, which is coming before the House this week, and in view of the fact he said on January 4 that if the Newfoundland refinery went on stream this would change the shortfall figure, having in mind the fact that at the present time this refinery has a throughput of 84,000 barrels a day, will the minister indicate whether this will change the shortfall and whether in fact we will no longer have an energy crisis in Canada, thus virtually eliminating the need or certainly substantially reducing the need to declare a national emergency?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, this will depend on the continued success of the proprietors of the Newfoundland refinery in bringing the refinery on stream, the availability of ice-hardened ships to move the product to the Montreal market, which is the shortest market, the degree of cold we have this winter and the intention of the Arab countries to increase the withholding of oil supplies from the Canadian market. On the basis of that I think the best position for Canada to take is to acquire the ability to react to a very sharp drop in supplies to Canada if that should materialize, and on that basis for parliament to pass the necessary legislation.

OIL—NEGOTIATIONS WITH SAUDI ARABIA FOR RESUMPTION OF SHIPMENT OF SUPPLIES TO CANADA

Mr. Peter C. Bawden (Calgary South): Mr. Speaker, I have a supplementary question for the Secretary of State for External Affairs. In view of the fact the largest cutbacks in crude oil supply to Canada are in respect of the supplies from Saudi Arabia, will the minister say exactly what negotiations are presently under way between Canada and Saudi Arabia for the resumption of crude supply to Canada, and does the minister believe this government is doing everything possible?

Mr. Speaker: Order, please. Perhaps the minister might reply to the first part of the hon. member's question. I should remind hon. members in passing that we appear to be still on the first question and we are running short of time. It may be that we will spend the whole question period on the same subject. I am not sure whether that is what hon. members wish, but some thought should be given to moving on to another subject.

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, the information we continue to get from our ambassador accredited to Saudi Arabia is that Canada is not being boycotted. However, we are still struggling with the fact that, even though we apparently are not being boycotted, oil is not being delivered to us.

Some hon. Members: Oh, oh!

Mr. Diefenbaker: No boycott, but a bypass.

Mr. Bawden: Mr. Speaker, I have a further supplementary question for the Secretary of State for External Affairs. In view of the extreme confusion that seems to exist in the minister's department, and in view of the fact Saudi Arabia has relaxed its embargoes in respect of Europe, Japan and other countries, will the minister say why Canada has not been able to negotiate similar favourable treatment for this country?

Mr. Sharp: Mr. Speaker, we have had no difficulty in negotiating with the Saudi Arabian government, none whatever.

An hon. Member: No, just in getting oil.

Mr. Sharp: We have had assurances from that government that Canada is being treated the same as all other countries except the United States and Holland. That continues to be the situation, but this kind of instruction has apparently not been conveyed down the line in an adequate way.

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[*Translation*]

AGRICULTURE

MEASURES TO OVERCOME SHORTAGE OF FEED GRAIN IN QUEBEC

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

Since for about a month Quebec co-operatives and farmers are unable to obtain feed grain, especially wheat and oats, because the Montreal warehouses are empty, can he tell us whether he is aware of such conditions and if so whether the department intends to act to improve the situation which I find most difficult for producers?

[*English*]

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, we have been talking with these people who are using grain and I have no evidence at all of any producer who has gone without grain. If any member of the House has any evidence of producers who have gone without grain he should bring that to my attention by being more specific. We also have the upgrading of rail shipments of grain to eastern Canada, and the Wheat Board will be responsible for any extra increase in the cost that may be involved.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Beaudoin: I should like to put a supplementary question, Mr. Speaker.

Can the minister say whether he has received letters about the matter from Trois-Rivières, Sherbrooke and Quebec co-operatives?

[*English*]

Mr. Whelan: Mr. Speaker, I have received many letters of concern but no letter pointing out that they have done without grain.

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TRANSPORT

RAILWAY PASSENGER SERVICE IN SOUTHWESTERN ONTARIO—AVAILABILITY OF REPORT BY TRANSPORT COMMISSION

Mr. Bill Jarvis (Perth-Wilmot): Mr. Speaker, my question is directed to the Minister of Transport and arises from my question to him yesterday and his reply regarding the release of the report of the Canadian Transport Commission on rail passenger services. To quote his reply, the minister said:

[Mr. Sharp.]

—I have received a report and it has been communicated to all interested parties.

Has the report been communicated to any member of parliament representing that area, to any elected municipal representative or to the standing committee of the House on transport?

Hon. Jean Marchand (Minister of Transport): No, Mr. Speaker, it has not been released to all those persons.

Some hon. Members: Oh, oh!

Mr. Jarvis: Mr. Speaker, in light of the minister's answer I wonder if I might ask him, through Your Honour, what parties are more interested than the elected representatives in this House?

Some hon. Members: Hear, hear!

An hon. Member: Answer the question.

[*Later:*]

Mr. Jarvis: Mr. Speaker, I rise on a point of order and I do so most reluctantly, never having done so before. Yesterday and today I have tried to determine who the Minister of Transport considers to be interested parties in respect of passenger rail services. Obviously it is not members of parliament, elected members of the provincial House, municipal representatives or the standing committee of this House. I think it is perfectly logical to ask the minister whom he considers interested parties in respect of passenger rail services in western Ontario.

Some hon. Members: Hear, hear!

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AGRICULTURE

NORTHERN ALBERTA—REQUEST FOR ASSISTANCE TO FARMERS WHO SUFFERED CROP LOSSES BECAUSE OF EARLY SNOWFALL

Mr. Don Mazankowski (Vegreville): Mr. Speaker, my question is directed to the Minister of Agriculture. What action has he taken with regard to the request by the Minister of Agriculture for the province of Alberta for assistance to those farmers in the northern region of the province who suffered severe losses because of an early snowfall and the inability to harvest their crops?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I met with the Minister of Agriculture for Alberta and we discussed the very matter the hon. member brings to our attention today. In view of the fact that advance interest free payments on grain under the snow are being made, in addition to further consideration we are giving in respect of aid in transportation, etc., and the program the province of Alberta has initiated itself, although that has not been finalized at the present time, we hope to be able to work out an agreement with them very shortly.

Mr. Mazankowski: Mr. Speaker, my supplementary question is directed to the Minister of Agriculture. Am I to take it from his reply that the federal government is not

prepared to assist in any way in so far as cash acreage payments as requested by the Alberta Minister of Agriculture are concerned, in view of the fact that in previous similar circumstances the federal government has contributed on an acreage basis in other years?

Mr. Whelan: Mr. Speaker, I could go into great detail in respect of my discussions with the Alberta Minister of Agriculture, which continued until nearly two o'clock in the morning when I was in Alberta.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please.

An hon. Member: That might be hard to explain.

Mr. Fairweather: You were lucky to get to bed at two.

Mr. Turner (Ottawa-Carleton): How did you get to bed so early?

Mr. Whelan: Mr. Speaker, I think it is fair to say that the hospitality of the people of Alberta is always wonderful, but I should explain that the Alberta legislative assembly sometimes sits until late. It sat until after eleven o'clock the night I spoke to Unifarm, and I went by Air Canada instead of taking DOT and the plane was an hour late.

● (1450)

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. The hon. member for Vegreville has a supplementary question. He will be recognized by the Chair, but I would point out to hon. members that only five minutes are left before the end of the question period. If hon. members insist on having two, three or more supplementaries on every question, we will get into trouble.

Mr. Mazankowski: With all due respect, Mr. Speaker, I am not interested in what the Minister of Agriculture was doing with the Minister of Agriculture of the province of Alberta until two o'clock in the morning. I am simply asking for an answer to the question I posed. The Minister of Agriculture of the province of Alberta submitted to the federal Minister of Agriculture a request that the federal government make a cash payment of up to $4 per acre and share the cost of the transportation program. My simple question is whether the Minister of Agriculture is prepared to contribute in any way, shape or form with respect to an acreage payment as was requested by the provincial Minister of Agriculture?

Mr. Whelan: Mr. Speaker, to clarify one thing that I said earlier, may I point out that it was twenty minutes to four, Ottawa time.

Some hon. Members: Hear, hear!

Mr. Whelan: I want to point out that this is a very serious issue. The Minister of Agriculture of Alberta did make some modifications in his request and unless he wants to make those public I will not do so at this time. But may I say that we are considering those modifications at present and I hope a decision will be made. I hope the acreage payment is different from what he first stated, if that is what the hon. member wants to know.

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ENERGY

OIL PIPELINE EXTENSION TO MONTREAL—SIZE AND THROUGHPUT OF POSSIBLE NORTHERN ROUTE LINE

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources who has indicated that he is considering a choice between a pipeline from Sarnia going east with a capacity of 500,000 barrels a day and probably carrying 250,000 barrels a day and a more northern pipeline which would take two more years to complete. What is the size and volume contemplated with regard to this northern pipeline?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, the same volume would apply in each of the three cases, a possible early throughput of 250,000 barrels a day up to a capacity of 500,000.

Mr. Stanfield: In the circumstances, what would be the possible reason for subjecting the people of Quebec and the Atlantic provinces to two more years of uncertainty with regard to supply? What possible justification would there be for this if there is no increase in volume involved?

Mr. Macdonald (Rosedale): The question is whether it would be desirable at this point to seek an all-Canadian route for additional pipeline throughput in Canada.

Some hon. Members: Hear, hear!

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FISHERIES

PACIFIC HALIBUT—SUGGESTED SECURING OF CONSERVATION AGREEMENT THAT WILL INCLUDE RUSSIA AND SOUTH KOREA

Mr. Ed Nelson (Burnaby-Seymour): Mr. Speaker, my question is for the Secretary of State for External Affairs. In view of the deep concern of the west coast halibut fishermen over the excessive taking of halibut, not only by Japan but also by other nations which are not signatories to the Norpac agreement, will the minister assure the House that Canada will make every effort to secure an international agreement that will include such nations as South Korea and the U.S.S.R.?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I have been advised that an agreement has now been reached with the Japanese that affords substantial protection to halibut stocks in the areas in question in the Bering Sea. My department, in conjunction with the Department of Fisheries, will be in a position to release the details in a few days. We are carrying on discussions with the U.S.S.R. and South Korea along similar lines.

Mr. Nelson: My supplementary is for the Minister of the Fisheries. Can the minister assure the House that similar restrictive quotas, such as those recently placed on the Bering Sea halibut fishery, will not be extended to the fishing grounds in the Gulf of Alaska?

Hon. Jack Davis (Minister of Fisheries): Mr. Speaker, I think I can give the House that assurance.

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PARLIAMENTARY SECRETARIES

NATURE OF APPOINTMENTS

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, my question is directed to the Prime Minister and it is in relation to the order in council he tabled earlier today. In view of his often declared intention to rotate parliamentary secretaries to recognize and reward talent and to promote those who are able, and in view of the fact that the 17 names he tabled today are identical, with the exception of one addition of a person who will share a part of the responsibility with another man who is already there, with those of the previous holders of this office, is that an admission that there is no talent to recognize and no one to promote or is it just another flip-flop in the Prime Minister's political philosophy?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, if the hon. member would care to refer to the press release that will be issued this afternoon—

Some hon. Members: Oh, oh!

Mr. Trudeau: Oh, oh, what? Surely it is permissible to issue a press release without incurring the wrath of the opposition—

Some hon. Members: Oh, oh!

Mr. Trudeau: —concerning an order in council which has been tabled in the House previously. If the hon. member wishes to refer to the practice established in the previous parliament, he will see that it was to give parliamentary secretaries what I call double terms so they would be in office for a period of approximately two years. I figured that this would permit the rotation of a large part of our talent within a given parliament—

Some hon. Members: Oh, oh!

Mr. Trudeau: —and at the same time permit a stint in office which should be long enough to allow a member to acquire good experience as a parliamentary secretary.

Some hon. Members: Hear, hear!

Mr. Nowlan: I have a supplementary question for the Prime Minister. Since it is a standpat parliamentary situation with a few musical chairs with the same names, does the Prime Minister anticipate a cabinet shuffle with whatever talent he has left prior to the next session?

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

[Mr. Sharp.]

Mr. Nowlan: I rise on a point of order, Mr. Speaker, I think the Prime Minister—

Mr. Hees: No.

Mr. Nowlan: My friend, the hon. member for Prince Edward-Hastings says "no", but I do think the Prime Minister had half risen from his seat. This is a rather interesting question in view of the precarious state of parliament and the precarious state of many people in it.

Some hon. Members: Oh, oh!

Mr. Trudeau: Mr. Speaker, as to half rising, I realized that you are a better judge than I of what is a serious question.

Mr. Speaker: Order, please. We are running short of time. Perhaps the Chair would be allowed to recognize the hon. member for St. Paul's. We will have to call orders of the day very soon.

* * *

TRANSPORT

URBAN TRANSPORTATION—INQUIRY AS TO LEGISLATION TO ESTABLISH DEVELOPMENT CORPORATION AND RAILWAY RELOCATION PROGRAM

Mr. Ron Atkey (St. Paul's): Mr. Speaker, my question is for the Minister of Transport. In view of the commitment made on behalf of the government by his colleague, the Minister of State for Urban Affairs, at the tri-level conference in Edmonton on October 27 to establish a transport development corporation to co-ordinate research, development, promotion and marketing of urban transportation systems and the commitment to undertake a program of railway relocation in urban centres on a 50 per cent cost-sharing basis, would the minister advise what has happened to the bill to implement these policies which his colleague told the tri-level delegates in Edmonton would be tabled in the House before the middle of November?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I think the bill is in its final drafting form now and it is likely that it will be introduced in the House.

Mr. Atkey: I have a supplementary question for the Minister of State for Urban Affairs. Given the fantastic growth in the number of public transit users in our urban areas and the resulting strain on existing bus, streetcar, subway and dial-a-bus facilities, would the minister explain his unfulfilled promise made in Edmonton to the tri-level delegates and the millions of public transit users in our cities who cannot await a further throne speech of vague election goodies—

● (1500)

Mr. Speaker: Order, please. The hon. member for Okanagan Boundary.

SOCIAL SECURITY

ALLEGED FAILURE TO INCLUDE OVERSEAS SERVICE WITH ARMED FORCES IN QUALIFYING FOR OLD AGE PENSION—GOVERNMENT POSITION

Mr. G. H. Whittaker (Okanagan Boundary): Mr. Speaker, my question is directed to the Minister of National Health and Welfare and may I say I sent him notice of it. Can he confirm to the House that it is the government's attitude at this time that overseas service with the Canadian Armed Forces cannot be considered as physical presence in Canada for old age security pension purposes, and therefore those who served Canada overseas are placed at a disadvantage compared with those who did not serve overseas?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, it is not a matter of a government attitude, but of legislation voted by this parliament many years ago, including the Old Age Security Act, and the provisions of this act apply not only to the Armed Forces, but to all persons who leave Canada for any reason whatsoever, whether they be religious organization members, civil servants or private business employees, to name a few.

Some hon. Members: Shame, shame!

Mr. Lalonde: Mr. Speaker, I am afraid that several hon. members are crying "shame" about their own legislative record since this act was voted by parliament.

However, Mr. Speaker, regulation 15 of the Old Age Security Act provides that an absence from Canada by members of the Armed Forces in relation with their work will not be considered as an interruption from residence here if they return to Canada after having completed their duties abroad.

As for the other problem, I am studying this matter and I hope to have an answer later on this subject.

[*English*]

Mr. Whittaker: Mr. Speaker, in view of the minister's answer, and having regard to a case currently before his department pertaining to this matter, will he undertake to look into the situation and report back to the House as soon as possible?

[*Translation*]

Mr. Lalonde: This is exactly what I said a few minutes ago, Mr. Speaker. This is a matter which I had previously considered within the forthcoming review of the Old Age Security Act. However, in view of the opposition we are encountering with respect to the passing of a number of amendments to the Canada Pension Plan, by way of systematic obstruction on the part of some hon. members of the opposition, I wonder at what speed . . .

[*English*]

Mr. Speaker: Order, please. We have run out of time, but the hon. member for Humber-St. Georges-St. Barbe might be allowed to ask a supplementary, after which I will see the hon. member for Saint John-Lancaster.

Canadian National Railways and Air Canada

Mr. Jack Marshall (Humber-St. Georges-St. Barbe): Mr. Speaker, my supplementary is directed to the Minister of Veterans Affairs. In view of the incident recounted by the previous speaker in which a war veteran with six years' service was denied eligibility for the old age security pension because of the denial of Canadian citizenship to him while he was serving his country, would the minister investigate this situation from the standpoint of the War Veterans Act and consult with his colleague, the Minister of National Health and Welfare, to ensure that this discrimination is overcome?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Yes, I will, Sir.

Some hon. Members: Hear, hear!

* * *

BUSINESS OF THE HOUSE

PROTECTION OF PRIVACY BILL

Mr. Bell: Mr. Speaker, I have a question for the government House leader. In view of the indefinite status of today's business, and in fact of the remaining days of this session, can the minister now clear up this situation by telling us whether the wiretapping bill will be brought forward, and in what form?

Mr. MacEachen: Mr. Speaker, it is my intention, hopefully, to bring forward that bill some time this week. That is my present plan.

Mr. Bell: Mr. Speaker, when the minister does get to the point of making a decision on this, will he keep in mind that this party is prepared to sit to see that that bill does go through this session?

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): As a supplementary question, may I ask the minister if he will also keep in mind the fact that this party is prepared to pass a motion immediately if it is designed to send the bill back to the Senate in the way we sent it to Their Honours the first time?

Some hon. Members: Hear, hear!

GOVERNMENT ORDERS

[*English*]

CANADIAN NATIONAL RAILWAYS AND AIR CANADA

PROVISION FOR CAPITAL EXPENDITURES AND GUARANTEEING OF SECURITIES AND DEBENTURES

The House resumed, from Monday, January 7, consideration of Bill C-164, to authorize the provision of moneys to meet certain capital expenditures of the Canadian Nation-

al Railways system and Air Canada for the period from the 1st day of January, 1973, to the 30th day of June, 1974, and to authorize the guarantee by Her Majesty of certain securities to be issued by the Canadian National Railway Company and certain debentures to be issued by Air Canada, as reported (with amendments) from the Standing Committee on Transport and Communications, and motions Nos. 1 and 2 (Mr. Blenkarn).

Mr. Arnold Peters (Timiskaming): Mr. Speaker, transportation is becoming more important to development in Canada, and as its form changes obviously the attitude of Canadians to transportation will have to progress with the times. Last evening I mentioned that Canadians now have a chance to take a new direction with respect to the development of rail transportation, following the retirement of the President of Canadian National Railways after a long and faithful career devoted to the railroad industry. In appointing a new president I hope the government will keep in mind the opportunities now existing to develop a new direction for Canadian National.

The two amending motions before us suggest that extra money be made available for transportation. One of the sacrifices I suggest is CN Tower Limited, which is building a most prestigious tower surpassing in size and height everything else in the city of Toronto, and the purpose of which is reported to be the installation of an antenna to allow better communications to be undertaken by Canadian National.

I am in agreement with those who say that the fundamental responsibility of Canadian National is to operate transportation facilities, and that less attention should be paid to the fringe elements which, rightly or wrongly, Canadian National has accumulated in its portfolio over the years. As a matter of fact, the only changes made in the transportation system have been disadvantageous. We are now providing service to fewer rail passengers and will be encountering immediate difficulties in transporting freight. Allowing Canadian National to continue expenditures in fields other than transportation is not in the interests of transportation as it should develop in Canada within the next decade.

● (1510)

The hon. member for Regina-Lake Centre (Mr. Benjamin) has just mentioned the fact that Canadian National has been operating two trains out of Toronto one minute apart. If there is anything more idiotic than that, I have yet to hear of it. It might be more advantageous to use two engines and twice as many cars in one train. We do not use one engine with ten boxcars on a freight train, and then five minutes later send out another train with as many boxcars. We have used as many as five engines and 220 boxcars. It seems to me that this would be the logical way to operate a passenger service. The discussions that have taken place have amply demonstrated that the management of Canadian National is not seriously considering the problems that we have with transportation and is not doing anything about them.

It is interesting to note that a number of hon. members have voted for a safety report that was specially commissioned. It is also interesting to recall that the former member for Moose Jaw, John Skoberg, continually pointed out that these safety regulations were being violated. Solutions were offered to most of the safety problems encountered by the Canadian National and other railways. These problems are well known; they are certainly well known to the people who work on the railroads. I think they are also known to everyone connected with safety in both the Canadian Safety Association and the provincial associations. Now, we have a study which again indicates that changes have to take place before we can develop a modern, up-to-date and viable transportation facility. It is, therefore, necessary to consider the amendments that are before us in terms of whether they help in providing a transportation facility. It is my opinion that they do not. They may produce some effect on the communication facility, but they do not provide any type of facility that will assist in the transportation arrangements in this nation. One wonders if money saved in that field could be better used in other fields.

I have no quarrel with the Canadian National building the Queen Elizabeth Hotel in Montreal. The station is in the basement and there are complete services in the hotel for the travelling public, some of whom arrive by train. But this parliament allowed the stupid mistake—one that I tried to prevent—of moving the rail facilities from downtown Ottawa. The late Alex Caron and I should probably have our names engraved on the Convention Centre which used to be Union Station because that is all we were able to salvage from the old railway station. If we had trains arriving in downtown Ottawa and downtown Montreal today, we obviously would not be considering STOL aircraft flying from Rockcliffe to Ste. Hélène Island in Montreal in order to provide rapid transit. This would have been provided by rail had the railway station not been moved four or five miles away from the core of Ottawa while the Montreal station remained in the core of the city. It may be to our advantage to keep the downtown core connected by rapid transit and the best way to do that may be to maintain facilities in the core of cities. But the CNR towers in Toronto do not accomplish that; they are not providing that type of facility and there is no indication that the employees of the business offices in the towers will use rail transportation. The railroad is obviously not going to move from Union Station to the CNR tower in Toronto. That is a prestigous office building which involves the investment portfolio of the Canadian National Railways but it does not provide a transportation facility.

If the government is wise in its appointment of a new president for the Canadian National Railways we will be looking at rapid ground transportation into the high Arctic, as well as in the east and in the west, and the provision of transportation to meet the needs of the people of this country, rather than a CNR tower.

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I rise to make a few brief remarks in support of the amendment presently before this House which was proposed by the hon. member for Mississauga (Mr. Blenkarn). It seems to me, Mr. Speaker, that the fact that this piece of legislation is before us under these particular circumstances, indicates some rather poor administrative and legislative procedures in the government's handling of this important

question of the financing of Canada's major Crown corporation.

The major difficulty which gives rise to some of the spirit—and as far as that goes, the basis for the fact that members have found it necessary to make amendments to this bill—is, as the hon. member for Mississauga has pointed out, that the CNR has abandoned to a large extent its primary function. This point has also been made by the hon. member for Timiskaming (Mr. Peters) and other members who have preceded me in this debate.

The difficulty in which this House finds itself when discussing this important piece of legislation was precipitated, I suggest with deference, Mr. Speaker, by the unusual and somewhat reprehensible practice followed by the present head of the CTC, when he was a minister in this place, of interrupting the established procedure for the appointment of auditors. We now have the rather ridiculous situation where we have one auditor coming, one auditor going, one auditor gone and two auditors hanging on. We have the firm of Cooper and Lybrands which is going to be entrusted with auditing the CN for the next few years as the result of an amendment proposed by the hon. member for Timiskaming which was accepted in committee and now forms part of the bill. It was a good amendment because it gave a little stability to a precarious situation. At one stage we had a situation where a firm of auditors had been appointed approximately for 40 years, and then were discharged. This made it most difficult to have an annual report submitted because those auditors enjoyed the so-called sanctity of parliamentary approval, while their successors have not received it.

In the last session of this parliament the government introduced the predecessor of this bill, the Canadian National Railways Financing and Guarantee Act, 1971. That bill covered the financing period from January 1, 1971 to June 30, 1972. The government brought the bill on for second reading on March 6, 1972 and on April 21, 1972 the debate on second reading was adjourned. The government never proceeded with the bill during the life of that parliament. This indicates the respect they must have for this particular piece of legislation.

In this session, Your Honour, the government introduced Bill C-164 on March 19, 1973, which relates to the financing period of January 1, 1973 to June 30, 1974. The only retroactive provision with respect to the year 1972 appears in clause 13, but it is not adequately set out. In effect, we now have a bill covering the CNR and Air Canada financing for the period from January 1, 1971 to June 30, 1974, a 3½ year period. There is a six-months hiatus not covered by the bills that extends from July 1, 1972 to December 31, 1972.

● (1520)

It is obvious that neither the ministry of transport nor the government are treating this legislation with the respect it deserves. It is equally obvious that the financial affairs of CN and Air Canada are controlled by the government alone. The annual financing bill in many respects is a mockery. It is designed to delude the public and its representatives in this House into thinking that they control these two great and important public utilities.

In essence, the CNR has only to give the government a promissory note for whatever hundreds of millions of taxpayers' money it wants. And, if Air Canada wants any money, it can include that sum in the amount on the face of its promissory note. I, therefore, think that Parliament should be more selective in approving and authorizing funds. That, of course, is the spirit and intent behind the amendments proposed by the hon. member for Mississauga.

It is obvious that CNR has neglected its primary function, that of moving goods and services efficiently. Canadian National, in particular, needs to modernize its transportation capabilities. The current energy crisis has shown that in this country we are not fully capable of coping with this situation from the point of view of transportation. I am sure that is apparent to the Minister of Transport (Mr. Marchand). Unfortunately, the situation of CN has become so critical that nothing can be done over the short term. Ironically, the energy crisis may bring about the development and improvement of the Canadian National system. This sort of thing appears to be happening in the United States. According to a recent article in the *Wall Street Journal*, the energy crisis will cause an extended use of Amtrack. Clearly, it is in the interest of the United States to improve the capability of its railways, and that system is an experiment in that direction. What is Canada doing?

Both the present Minister of Transport and his predecessor in office have said repeatedly that the CN financial structure, as well as transport policies, are in desperate need of revision and modernization. The fact that the schedule of the Rapido train was changed without the knowledge of the Minister of Transport shows that there is a lack of direction with regard to that major utility. The fact that the President of Air Canada did not know about the proposed airport head tax until he read about it in the newspapers indicates a lack of consultation. It is obvious to anyone speaking to top executives of Air Canada, as well as other air line and CN employees, that there are morale problems. That this situation has been allowed to develop is an indictment of this government.

The situation was much the same under the former minister of transport. In March, 1972, as recorded at page 808 of *Hansard*, he said:

> I agree with the claim that a reorganized structure is necessary in order that members and the country generally can obtain more information, and obtain it more easily, about all aspects of transportation. With this objective in mind, I propose to bring before the House in the next session three important pieces of legislation on which work is proceeding at the present time.

Remember, that was said in March, 1972. I continue:

> The first of those is a bill designed to reconstitute Air Canada as a separate Crown corporation, thus divorcing it, as it were, from the CNR. I will also introduce a Canadian National Railways revision act and a companion piece of legislation covering amendments to the Railway Act. Hon. members will know how involved and far reaching these changes are; they have been asking for them for the last two or three years.

Following the commitment given by the former minister of transport, the present minister has been making announcements and promises. Unfortunately, there has not been action. The minister knows how desirable it is to move passengers quickly and efficiently between major

eastern Canadian cities and other centres. I suggest, in all seriousness, that it would be sensible to do as the hon. member for Crowfoot (Mr. Horner) suggested last night, divert some of the funds slated for the airport at Pickering and for the STOL experiment, to the Canadian National, in order to enable the railway to construct a modern and efficient roadbed which would permit passengers and goods to be moved at speeds between 100 and 125 miles per hour from one eastern Canadian city to another. This would be of great benefit to us all. Professor Lukasiewicz of Carleton University has suggested that the standard of Canadian transportation lags very badly behind that of other modern countries in the world. While modern western industrial nations are placing increasing emphasis on improving their public transport systems, Canada is doing the reverse.

Canadian National Railways, as the hon. member for Mississauga suggested yesterday, is entering the hotel business to an ever increasing extent. In addition, it is acquiring expensive real estate, building a tower, and is involved in 38 subsidiary enterprises some of which are not related to, or collateral to except under the loosest definitions, the business of transport by rail. The company is more interested in doing these things than in fulfilling the kind of role which Canadians have a right to expect it to fulfil.

Britain at present is testing an electric train, or a diesel electric train which can go 130 miles an hour. Research and development in the Canadian National company in this area has been pitiful, as is evident if one looks at the work entitled "Institutionalization of Canadian Rail Obsolescence", by Professor Lukasiewicz.

It was apparent, as the hon. member for Vegreville (Mr. Mazankowski) suggested, that officials of Canadian National and Air Canada were not overly frank with the committee. They were reluctant to tell us of the duties of top management officials, although the committee did learn about collateral ventures in which the railway was engaged. Information which the committee justifiably required was not always forthcoming. In examining the basis on which the officials of these companies had refused to divulge information, I learned that a similar problem had arisen in the U.K. in connection with select committees. In this may I read from May's Eighteenth Edition, page 654. This paragraph deals with "select committee on nationalized industries" and reads:

> A demand for some new parliamentary machinery to scrutinize the activities of those industries and services transferred to public ownership after the second world war . . .

There is little difference between a nationalized industry in the U.K. and a Canadian Crown corporation such as Air Canada or the CNR. Although I cannot quote in detail reports regarding the activities of the committee in question, it is said on page 655:

> For the first decade of its existence the Committee investigated on average one nationalized industry each session. In 1966-67 the membership of the Committee was increased and since then the Committee has conducted its enquiries by means of sub-committees either examining two subjects concurrently or else separate aspects of one industry.

If it were permitted under the rules, we should make an effort to follow this practice and procedure in the Canadian parliament, so that Crown agencies such as Air Canada and the CNR could be more accountable to the public. It is obvious from the committee proceedings that the trend is for the bureaucrats in these Crown corporations to proceed further and further away from their primary roles. It must be obvious at this time that the people of Canada have a right to expect better performance from their major Crown corporations. When answering a question today, the Minister of Agriculture (Mr. Whelan) made reference to the fact that Air Canada was an hour late. Everyone laughed because this is what we have come to expect.

● (1530)

If we look at the record of the scheduling of Canadian National Railways, we see that it is a terrible record wreck. Most of the time they will not even guarantee that a passenger will arrive at a particular time. It appears their attitude is they will sell someone a ticket and he will have to take his chances on when he will get there. Canadians have a right to expect something better than that.

With regard to the need for secrecy as to what these Crown corporations are doing, the activities of their main executive officers, how much they are paid, on what basis they were appointed and so on, this is something the people of Canada are interested in knowing. To say that divulging this information would somehow prejudice the operations of these enterprises is patently ridiculous. If they are of any value, they should be paid the going rate. If they are paid something less than that or are merely redundant and have positions that are not necessary for the operations of Air Canada or CNR, they should be removed.

It would be very interesting for the committee and the House of Commons to know on what basis the continuation of the present situation exists whereby Air Canada and CNR are still intertwined in their directorship. It would be interesting to know why this venture into the Canadian aerospace industry was initiated by the officials of Air Canada. It would be interesting to check further into the Wardair situation. Each time members of this House attempted in Committee to find out why these things were done, whose idea it was, whether guidance was given from the minister or on what particular basis the directors or officials proceeded, we were told, as the hon. member for Vegreville (Mr. Mazankowski) said, that the confidentiality of the matter precluded answering this type of question.

As far as CNR is concerned, I do not see why it should be permitted to continue to expect the people of Canada to provide funds for ventures like the CN tower until it has decided to proceed with its primary role of moving people and freight for the benefit of Canadians. There was never a time in this country when commodities were in such short supply in various parts of the nation. We have a feed grain shortage in eastern Canada. The British Columbia apple industry and lumber industry are cramped because of a lack of adequate rail facilities. The problems involved in moving wheat are well known.

I had a little difficulty last night following the logic of the hon. member for Regina-Lake Centre (Mr. Benjamin). I do not want to misquote him. I think he said that CN wanted to build this tower because CP has one in Calgary. He pointed out that he did not think this was necessarily a

good thing because the customers of CP had to pay for it. If it is not a good thing for CP, I fail to see why it should be a good thing for CN, even though it is a Crown corporation.

In any event, it seems clear that the principles involved in the amendments of the hon. member for Mississauga deserve support by all members of this House for the simple reason they are an indication that parliament is master of the activities of CNR and Air Canada. It would indicate the parliament of Canada does not approve of so much emphasis being placed on collateral activities such as hotels, towers and this type of thing, the cost of which should be scrutinized and deleted from the estimates for the calendar year 1973. Let these projects be financed, if they are necessary strictly from internal earnings. The fact that this direction is given by Parliament will be an indication to the officials of CNR that parliament is disturbed, and rightly so, about their activities in fields not directly related to transport. It should be a warning to Mr. MacMillan who indicated that intermodal methodology of handling business is a good thing. I do not know what he meant exactly by "intermodal methodology," but that is what he said in one of his answers in committee. As far as the Canadian parliament is concerned, intermodal methodology by C.N.R. should be confined to moving freight and moving people, not building towers and hotels.

Mr. Charles H. Thomas (Moncton): Mr. Speaker, I spoke in the debate when this bill was before the House for second reading on April 13. At that time I referred to the bill as an exercise in futility and an affront to this parliament. Nothing that has transpired since that time has altered my opinion of the bill. In fact, events since that date have served to buttress my opinion and reaffirm my conviction that this government, as it does from time with the CNR financing bill, is again playing games with this House.

This bill is a ridiculous exercise. I hesitated to speak on it again because I have spoken so often on similar bills over the past five years that I am beginning to wonder if there is any way of getting through to this government. I thought I would try once more to convince the government they should at least heed some of the advice of their own cabinet ministers who have said over and over again that this is a bad form of legislation, that there is no proper control over the financing of these two corporations and a new method of financing should be introduced. The hon. member for Central Nova (Mr. MacKay) read some statements by previous Ministers of Transport and the present Minister of Transport (Mr. Marchand) promising that legislation would be forthcoming to provide financing for these two Crown corporations in such a way that parliament would have some control over their spending, which in aggregate has been hundreds of millions of dollars every year.

This is a good time to look at the history of these financing bills. I say that because whether we agree wholeheartedly with the principle of the amendments, it is simply to bring before this House the fact that CN and Air Canada have grown beyond parliament. They have gone beyond the priorities that were set for them when they were formed many years ago. They have certainly gone beyond the priorities established for them in the National Transportation Act. It is time to examine what has happened since Bill C-164 was introduced to determine to what extent parliament is being bypassed by CNR and Air Canada.

● (1540)

Members on both sides have heard the comments made in the House by various ministers that new legislation would be brought down. They have attended meetings of the committee and heard witnesses dodge questions which were put to them, withhold complete answers, hide behind the cloak of confidentiality and in other ways avoid giving true answers to members of parliament. The presence on the order paper of amendments of the type we are considering is a good reflection of what went on in committee, and the way members on this side feel about the type of financing bill we are being asked to pass.

Bill C-164 was given first reading on March 19, and second reading on April 13 and 16. Twelve speakers took part in the debate at that time. Yet despite the government's assertions that this is an important piece of legislation the bill was set aside for six months and was not considered again until October 18 at which time there were five days of debate during which 46 speakers took part. Surely, we cannot accept the contention of the government that we have been delaying important legislation when 46 members feel obliged to say something about the operations of the two corporations concerned, as, of course, they are entitled to do.

Once the bill went to committee, it was handled very expeditiously in my opinion. The committee met on November 8, held 12 sittings and heard a number of witnesses. It reported back on December 20. I have described the bill as an exercise in futility but I would modify that opinion to this extent—it is an excellent vehicle for securing the attendance of officials of the CN and Air Canada before the committee. It gave us an opportunity to put questions to them which we had raised without success in the House. On each occasion the minister had sidetracked them in the usual way by saying he would take them up with the CN or Air Canada.

Perhaps the best witness I can call in support of my view that we are being asked to conduct an exercise in futility is the Minister of Finance (Mr. Turner) who also appeared before the committee. Someone asked him directly why the bill was necessary. He said, in effect, that if the bill were not passed the CN and Air Canada would have to borrow money on the commercial market and pay more for it. After all, the legislation before us is not necessary to enable those companies to borrow money. They already have that power under existing statutes. The minister added that the bill was necessary, too, because it gave parliament control over the appointment of auditors. One of my hon. friends has shown how little control parliament does, in fact, exercise over the appointment of auditors. The minister himself admitted that this appointment to the result of a cabinet decision taken without consultation and slipped into the bill for approval by parliament later. This is the way in which the government effectively bypasses the section of the act which says parliament must appoint the auditor each year.

The frustration which boils up regularly in this chamber is nothing new. It appears every time a financing bill comes before the House. It is felt not only by members of the opposition. Objection to this type of financing is also taken by cabinet ministers, by a previous minister of transport and by other responsible members of the government. I recall questions being directed to the present Minister of Regional Economic Expansion (Mr. Jamieson), then Minister of Transport, when one of these bills was before the House back in 1971. We were complaining about the fact that so many of the expenditures outlined in the bill had already been made. Since there was nothing we could do about them, what was the point of discussing them?

On this point, I should like to quote from the committee report, issue No. 1. of the third session of the 28th Parliament. We were questioning the Minister of Transport of that day about the desirability of this type of legislation. He said:

This is really to permit them (the CNR) during 1971 to cover commitments made prior to that time.

He went on to say:

It is not an entirely satisfactory system from the standpoint of the committee or I may say from the standpoint of the government. I have been saying to both these corporations that they should really adopt a further forward forecasting mechanism and I have been trying to get both of them on a five-year forecasting period . . . As I say, I agree with you that it is not a very satisfactory way of doing things because in a sense we are really approving something of which a good deal has already been done.

Later, I asked the minister a further question, to which he replied:

I do not want to take the responsibility for something which has been embedded in the system for decades, really, but nevertheless it is something which in my judgment we ought to get rid of or improve in some way so that we do not find ourselves in this kind of situation involving, in a way, an after-the-fact judgment.

This is what we have been complaining about. What is the point of spending days and weeks questioning officials in committee when, in fact, the money has all been spent and there is nothing one can do about it? Yet despite the views expressed by the then Minister of Transport and the promises he made in the House, nothing has been done to change the situation.

When the present bill was before the committee, I questioned the Minister of Finance about this method of financing. As members will see if they turn to issue No. 19 of the committee proceedings in the first session of the 29th Parliament, I asked him, as reported on page 25, whether he agreed that this was a proper way to finance large corporations. He replied:

No, I think it is not a satisfactory way, Mr. Thomas. I think these bills are important enough to be dealt with expeditiously by Parliament.

In reply to a further question I put to him, the Minister of Finance said:

I agree with Mr. Thomas, Mr. Chairman. I think we have to develop some more permanent mechanism for the financing of these two corporations while allowing for parliamentary control either by way of the Department of Transport estimates or through some other mechanism. I agree this is not a satisfactory procedure.

I do not know what further evidence the government needs. If they will not listen to us on this side of the House complaining that parliament is being bypassed or ignored, surely they will listen to the brains on that side. The Minister of Finance, the Minister of Regional Economic Expansion (Mr. Jamieson) and the Minister of Transport (Mr. Marchand) all agree that this is bad legislation, that parliament has been bypassed. Since they continue to bring in the same type of legislation, hon. members should not wonder why I claim that the government is deliberately mocking this House and affronting our intelligence. This is the kind of thing that leads to amendments of this nature.

● (1550)

There is a feeling among members of parliament that the CNR and Air Canada are going on in their own merry way and have forgotten the primary purpose of their incorporation. The CN was designed to run a railway. Air Canada was designed to fly aeroplanes. Yet we have no control over these corporations or can give them no direction as to how they spend their money, so naturally we should not be prepared to accept this kind of legislation. In fact, I contend that if parliament is to retain any control over the spending of these two corporations, some definite changes must be made in the financing of CN and Air Canada. I suggest that much of the mess we are in now began with the National Transportation Act of 1967. I was not here at that time, but I understand what parliament was trying to do. Although the act was viable and satisfactory in the conditions prevailing at that time, it is becoming more obvious every day that the conditions which applied in 1967 no longer apply today.

When the act was passed in 1967, it was felt that transportation should be placed on a profit making basis, or at least on a compensatory basis. The railways were instructed to make a profit, and this accounts for some of the difficulties today. Members of this House rise and fire broadsides at the CN, but in all honesty the CN is only doing what the House instructed it to do by statute. As a result, we now face an almost insurmountable obstacle: we have given the CN instructions to do just what it is doing today. We have told CN to go out and make money and not to worry about giving service.

I suggest that we are not going to change the situation by lambasting the CNR and Air Canada. Let us put the blame where it belongs, that is on ministers who have said that the whole set-up at the moment is wrong. Let them back up their words by bringing in legislation to correct the situation. I suggest they start by bringing in amendments to the National Transportation Act, which would provide some method whereby the government could tell CN and Air Canada just what their priorities are, and that we do not want them building hotels and towers until and unless they provide a proper freight and passenger train service in this country.

There are many priorities that some body should be laying down for both the CNR and Air Canada. I do not want to go into the details here since I do not have the time, but speakers both today and previously have mentioned the fact that there have to be massive infusions of capital into the CN to improve freight services in this country. Reference has been made to the present ridiculous situation where we are unable to get sufficient boxcars to move our wheat or to move our feed grains. There is a shortage of cars to move potash and a shortage of cars

to move coal. Indeed, there is a general shortage of boxcars. Surely in such a situation, instead of worrying about hotels and towers in the air, the CN should be doing something to correct this shortage of rolling stock.

We have also heard about skimping on money they have spent on the maintenance of road beds, and about how crews have been cut down to the point where there is not proper supervision, as a result of which more and more accidents are occurring than ever before. The hon. member for Crowfoot (Mr. Horner) referred to a report which outlined some of the problem areas about which he has been warning this House for years. For example, just last week there were two serious derailments in New Brunswick. Fortunately, freight trains were involved and there was no loss of life, but there was a tremendous dollar loss. I shudder to think what might have happened had passenger trains had been passing over this roadbed. Although I have not yet seen the report on this accident, it appears that this was a case of too heavy traffic passing over the rails which the roadbed could not handle, so it gave way. Instead of spending money on hotels and towers, the CN should do something now in terms of facing up to the tremendous influx of passengers they will have to haul over the next five years as a result of the energy crisis.

Before I sit down I should like, in the limited time I have, to mention another area that has caused me a great deal of concern. This is a grey area that has been very frustrating. Every time I try to get an answer to questions we have the old game of shuffle ball, going from the Minister of Transport to the railways, then back to the minister, and so on back and forth. I am referring to the matter of pensions. This has been an ongoing grievance with the unions, rightly or wrongly—and I am not taking sides. However, what I am saying is that there must be an honest and frank appraisal of the CN pension scheme. I admit that this appraisal is now underway and we are expecting to have Judge Hall's report soon. But I certainly hope that that report will not be the end of the line. While the pension proposal that has been agreed on is a start in the right direction, it is certainly not the ultimate.

When we were discussing pensions in the committee two or three years ago, I was one of those who opposed the suggestion that pensions be made part of the bargaining package. What I have seen since then has confirmed my opinion that we made a grave mistake in suggesting that pensions be included in the bargaining package, and I should like to tell the House why I say that. When you deal with a group of employees whose ages extend from 17 to 65 you find a great difference of opinion existing among those employees. As far as the young men are concerned, they think of bills they have to pay today and tomorrow and are interested in wage increases and hours of work. They think of a pension at age 65 as something away in the future and are not interested in it. On the other hand, employees in their fifties are thinking about retirement. Therefore you find a conflict of interest, and this is apparent with the pension proposals that have been agreed upon. The younger members are quite happy with it, whereas anyone who has been employed prior to 1956 is very unhappy and feels he has been cheated. This is what happens when you bargain for a mixed group such as this.

I do not know what the answer is. We have allowed pensions to become part of the bargaining process, and since the precedent has been established I doubt we can change the situation now. But this is one area in which the government should give direction to the CNR so that the whole pension mess will be tidied up.

In conclusion, I should like to say a few words on behalf of those ex-employees of the CN who have no one to speak for them. I refer to employees who have gone on pension and are no longer union members. These people have been continually overlooked, except of course for any representations made by individual members of the House. Now is the time when the government should tell the CNR it has a moral obligation to these people. Let us know how much is needed to bring their pensions up to a level similar to that of public service employees. If we have to find funds to do this, let us find them, but let us not have the CNR hide behind this cloak of not having the money to do it. It is for these reasons I think the amendments are good. They put into question the whole direction of CNR policy, and I hope members of the House will give them serious consideration.

● (1600)

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, I have sympathy for the idea behind this amendment, although I doubt that I will in the final analysis support it.

An hon. Member: Oh, come on.

Mr. Gleave: Perhaps I can be persuaded. The idea behind the amendment is that the first concern of the railroad, particularly the CNR, should be to serve Canada as a transportation system. I suggest this is a perfectly sound and useful argument. I do not know the purpose of building this tower in Toronto. It may be some kind of a prestige project so that the CNR will have the tallest building with the needle on top. It will only occupy that position of prestige until someone or some corporation somewhere decides to build a tower with a needle on top 30 feet higher. The CNR will have this sort of thing going for it, which I suppose is something, but I know a great number of people who are dependent on rail transportation, including those in industry, business and farming who will not be impressed at all by the fact that the CNR has the tallest building in Toronto. I know a great many men and women employed by the CNR who have the rather quaint idea that pensions and wages are more important than having the tallest building in the city of Toronto.

Some hon. Members: Hear, hear!

Mr. Gleave: A number of people in those categories communicate with me by telegram and by letter quite regularly regarding their concern about pensions. I received copies of two telegrams recently, one directed to the Chairman of the Standing Committee of the House of Commons on Transport and Communications. This telegram is signed by Mr. H. K. Beckett, Chairman of the Biggar Railway Employees Association, in which he states:

> We hereby request your presenting before transport committee suggestion for recommendation by your committee to railway arbitra-

tor Justice Hall that railway pension study of Commissioner Dr. Deutsch not be included in final wage and rules report of Justice Hall.

We suggest also you recommend to federal Minister of Labour, Justice Hall, and Dr. Deutsch that no action toward finalizing railway pension issue be taken prior to a hearing before your committee of the associations concerned with the railway pension issue in Canada.

The wage and rules issue under arbitration can then be concluded.

Pension study can be provided necessary time required to do a full report after House reconvenes in February 1974.

Another request I received from the same association suggested that this House continue in session until the reports of Dr. Deutsch and Justice Hall come before this House. Both of these seem to be reasonable requests. These are the types of statements being made by people throughout the country, and they do not have much to do with the building of that tower in Toronto.

Another thing which has come to my attention, and this has been mentioned by previous speakers, is the matter of rolling stock, as related to the transportation of grain and lumber, the real business of the railroad. A question which appeared in *Hansard* for January 7 at page 9087 is as follows:

How many railway cars designed for hauling grain have been built for Canadian National Railways in the past 12 months?

The answer to that question was none. Here we have a railway which is in the business of moving grain and, along with the CPR, is the sole method of accomplishing this movement. However, no cars have been built in the past 12 months for this purpose. The railway gives the excuse that the Canadian Wheat Board purchased 2,000 grain cars in 1972. As an excuse for doing nothing, they cite the emergency action the Canadian Wheat Board took in 1972 to provide rolling stock. Someone asked whether the railway was considering putting concrete ties or sleepers, as they are called, under the rails. The answer was no, they had no intention of modernizing the system to that extent. The company was also asked how many locomotives it leased, and the reply was that they were leasing a certain number from United States railroads. This is of real concern when we realize we have a rail transportation system under the direction of individuals who have been either unwilling or without the imagination to plan the modernization of these facilities in order to carry out the transportation task required in Canada.

If the government, on behalf of the CNR, brought a request before this House for almost any amount of money to modernize this transportation system, to purchase rolling stock or to purchase or lease locomotives, I am sure there would be no difficulty in getting approval. If the government were to bring forward proposals that would satisfy the questions that have been asked here during the last hour, and during the question period, in respect of the development of a passenger service which would rapidly move people between our large centres of population, such as Toronto, Montreal and the golden triangle, I am sure they would receive the approval of hon. members.

If the company came forward with a proposal for a well-designed system which could rapidly move feed grain into Quebec and the Maritime provinces, where it is needed, I am sure it would get approval for whatever amount of money was needed. If the company asked for money in order to improve its service between Thunder Bay and Vancouver, I am sure there would be no question about giving approval. No one criticized the company when it proposed to double-track the line between Winnipeg and Portage la Prairie. The company has no difficulty in getting approval for this kind of improvement which is essential to the provision of a good transportation system.

● (1610)

Why then do we not have, through the Minister of Transport (Mr. Marchand), who in the final analysis is the responsible minister, a request to this House for the financing that is needed to provide in absolute terms a rail transport facility which can serve the needs of Canadian industry, Canadian business, Canadian farming and Canadian citizens? Why does the Minister of Transport not put such a program before the House instead of waiting around? I have asked the Minister of Transport and the minister in charge of the Canadian Wheat Board if they had assurances that the CPR and the CNR would provide the facilities to move the grain out of western Canada. Their reply was that the CNR and the CPR had given such a commitment. I do not question the ministers' sincerity in the answer they gave me, but if the CNR or the CPR have ever given that commitment, they did not live up to it. There are only 10 million bushels of wheat in Thunder Bay in facilities which have a capacity of 70 million additional bushels.

The same situation exists in Vancouver where there are only three million bushels of wheat. When you know that one boat can take a third of that amount, you realize the nature of the problem. As I said, the responsibility rests with the government. When the Canadian Transport Commission reported a couple of days ago that the safety precautions of the CNR were inadequate, what answer did they get? The Canadian National Railways said that the conclusions reached by the Canadian Transport Commission in its report last week on railway safety were based on outdated figures and did not reflect current conditions. The report is not outdated, Mr. Speaker, and it does reflect current conditions. It is the CNR which is outdated and which does not reflect current conditions. The same is true of the Minister of Transport when he brings this bill before the House.

Many Canadian citizens are getting pretty fed up with this sort of approach. I do not know who is making policy in this country with regard to railroads.

Mr. Stackhouse: The NDP.

Mr. Gleave: I do not know whether it is the CPR or the government. If you read the history of the CPR as it relates to the history of this country, you would find it rather difficult to untangle who was making policy, the CPR or the government. One might have reason to hope that by 1973 the government of Canada might have been able to sort out its responsibilities and to discharge them. I say that this government is not discharging its responsibility to the Canadian people in terms of railway transportation. It is a colossal failure and it stands condemned before the House for the proposals it is putting before us. Any one who sat on the Standing Committee on Transport and Communications and listened to some of the answers we got when we were asking about transport could not

help but come to the conclusion that many questions were not being fully answered, that we were not receiving a full picture of the needs of Canadians.

I should like to go back to the safety report and point out that it is a disgrace to ask men to run trains under conditions which the Canadian Transport Commission says are unsafe. By what right do we, the people of Canada who own the railroad, ask men to drive trains at high speeds under conditions which are unsafe? The statement by the CNR management that the CTC's report is out of perspective, with no consideration given to the massive workload imposed on the CNR during the past decade, does not make sense. What do they mean by "massive workload during the last decade"? What do they think the CNR was created for except to carry a massive workload? It was not created as a scenic railway to run across the mountains, thus enabling people to sit in a car with some windows up on top and look at the scenery. It was created to move a massive amount of freight and passengers across the mountains. If those who are responsible for the direction of the CNR have not conveyed their need for facilities to meet the demands of the Canadian economy to the minister responsible, then they have not discharged their responsibility. If the minister responsible, having been informed of these needs, has not acted, then he is not discharging his responsibility.

This country needs somebody like Harry Truman who put up a little placard on his desk which read "the buck stops here". It is about time we had someone who had that kind of courage and that kind of attitude. This applies to the CNR and to the government in the present energy situation. However, I will not discuss the energy situation now because it is not the subject matter of our debate here. I could give you, Mr. Speaker, endless references to the requests that have come to us as members of the necessary service by both railways. These go right down to the local level. I continually receive letters and telephone calls from people in small towns in my constituency who tell me they cannot get a satisfactory express service. Most of them have given up hope of riding a train anyway, but they still hope to get some express service, either by truck or by rail. All too often they are dismayed and disappointed at the type of service they are offered. This is inexcusable.

I do not think anyone now expects a passenger train to stop at every whistle stop as it goes across Canada, but people do expect express to be delivered to the various towns by one means or another. After all, the people who live in those towns order goods which they want delivered, unless we expect to get to the point where everyone will have to get into his own individual truck or car and drive 60 or 70 miles to the nearest main shopping centre to pick up what he needs once or twice a week. That is a possibility. I grew up in the pioneer days in Saskatchewan when you did that. You just sat all winter on the farm, and twice a month hooked up a team to the sleigh and went the ten miles to town. Maybe you took in a load of grain. There, you gathered up groceries and the rest of your needs and hauled them home, then waited for another two weeks. If the concept of the government and of CN is that we should regress to those days, well, it is one way of running a country. It is not very efficient. But it is possible to slow our economy down to that pace.

● (1620)

Sometimes we wonder, considering the answers we get, whether the railroads are really thinking in terms of a modern transportation system, or whether they are really thinking of how little service can be given and still get away with it. I hope that, as a result of this discussion and of the proceedings in the Transport Committee some new ideas will filter down to those responsible for running the CNR and Air Canada. Maybe some of those ideas will even reach those responsible in the government, so that instead of excuses we can have an adequate, working railway transportation system for the people of Canada.

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, as an ordinary citizen living on the Prairies, even before I was of voting age, I developed certain ideas about what railways were all about, even the CNR. In those days, the railways were carrying grain from the Prairies to the ports. They were carrying goods to the Prairies, and carrying people out to the coast, as we used to say, or down east.

As a freshman member of parliament I brought some of those preconceived notions into this House with me. I thought railways, and the CNR in particular, had as their prime function railroading and that, in the course of carrying out that function, deficits might be incurred. I had heard, again before I came into this House, that the CNR was frequently required, for national, social and economic reasons, to operate lines which were not otherwise economic, in the interests of Canadian unity. That was fair enough and if, in the course of operating these lines and the main line globally, deficits were incurred then CNR could come back to this House, make its explanation, show that it had managed its affairs properly and ask for further finances in order to continue to serve the nation, carrying goods in, across and out of Canada, and carrying passengers at the same time. I understood this to be a legitimate method of operation.

Then, I began to look at some of the reports that came flying across my desk when I became a parliamentarian who still held those old fashioned notions about what railways were all about. I saw the bills that were coming in, and the reports. For example, late last year the Auditor General's report came across my desk. I was thumbing through it and I noticed that the Canadian National Railways was not one of those Crown corporations which report to parliament and have their books audited by the Auditor General. I also noted on page 187 of the 1972 report, under a heading "Loans to and Investments in Crown Corporations" there is a table which shows the comparable balances at the close of three fiscal years, 1970, 1971 and 1972, of the indebtedness of the Canadian National Railways.

In 1970, there was a total of $2,156,770,000. In 1971, it was $2,361,000,000. It had gone up about $150 million. In 1972, it was $2,590,000,000. I did not even have to make the subtraction, because I found out on page 189 that there was an increase over the previous year in the indebtedness of Canadian National Railways of $229 million, all of which was part of this $2,590,000,000.

This $229 million was itemized on page 189, and I found among other things that there was a loan to Air Canada of

$14 million, and then another temporary financing to Air Canada of $14,373,000, making a total of $28 million or, if you like, 10 per cent of this overdraft. So I say to myself that CNR started out being a railroad. It started to borrow money to carry on its railroading business, and then it began to go into the money business itself by lending money to another Crown corporation, Air Canada. This I found very strange. Some of my preconceived notions about what railways were all about began to crumble.

Now, I see Bill C-164. Here, there is reference to railroad property. That seems to be a legitimate requirement for funds. Then, there are funds for branch lines, again a legitimate operation, in the amount of $13 million. There is $31 million for equipment, which does not seem to be very much when you consider all the complaints we have heard about the lack of box cars to carry grain. Then, there is an item for telecommunications which is all right, Mr. Speaker. But then, we come to hotels and the CNR Tower. Here again, we find another type of activity in which the railway has become involved. First of all, it gets into the money lending business. I was talking to a colleague yesterday about this. He showed me an item for interest being paid by Air Canada, and I think it was to the CN, which amounted to something like $20 million a year. This I find most peculiar.

Corporate business in the present day has been known to diversify in order to invest its earnings. This seems to be a legitimate occupation for corporations which have profits. I would like to underline the word "earnings". There are a good number of Canadian corporations which earn more than they need for their normal activities, and so diversify. It is a form of insurance, if you like. It is insurance to help them run their other activities, but I do believe this activity is only justifiable when these are earnings from the principal operating function of a corporation such as the CNR. Let us go back and apply that principle to CN. Does it make sufficient earnings in its principal operation to justify diversifying and cross-insuring its activities? I suggest that it does not, because it seems to come back quite frequently to the Canadian parliament to seek more funds. These are not just funds for operating a railway, but funds for making pie in the sky. I find this very odd. I would rather have meals on wheels than pie in the sky made by the CNR.

● (1630)

I went back to my original ideas about railroads then and I do not think they were all that wrong. The Canadian National was conceived to provide transportation to those parts of Canada not served by the first railway line across the country; a most legitimate operation in the interests of Canadian unity. No one questions that. Members from this side of the House cannot bring forward measures to spend money; this must be done by the government. If the government comes forward with measures to support the legitimate activities of the railway, such as building boxcars, building grain cars and hopper cars, they will get their money quickly. I agree with the remarks made by the member who spoke just before me on this point. Why should we start building castles in the sky?

The hon. member for Regina-Lake Centre (Mr. Benjamin) complained about the emphasis that was being placed on the hotel and meal business by the hon. member for Mississauga (Mr. Blenkarn). It was the hon. member for Mississauga who introduced the amendment in order to focus attention on these particular aspects. He knew that other hon. members would be speaking on other aspects of the legitimate business of the railways, and his concern was to focus attention of the activities which were at best remotely related to railroading.

I think the CN must be reminded from time to time, and this is our opportunity to do so, that they have a responsibility to this parliament and that the taxpayer is not going to continue advancing funds for non-railway activities. That is the purpose of this amendment. Surely, there are enough transportation problems for the CN to solve to keep it busy. In solving them, the CN can come to parliament and ask for financing if it should run into financing difficulties, but it must stay with its legitimate activities. We are being asked to approve $14½ million out of a total advance of some $225 million; about 7 per cent of the total is being requested for non-railway activities. I submit, Mr. Speaker, that it is time we drew the line, that we examined the activities of the CN and directed them to focus their attention on their prime activity.

On the radio this morning I heard a technical officer of the Canadian Transport Commission who was involved in the preparation of the report made on railway safety. From his comments I was surprised and dismayed to learn that Canadian railways, and CN in particular, have reduced thair track inspection standards in the past few years. There used to be a track inspection daily, and from this man's comments I understood that this inspection now takes place four times a week. It has been halved. At the same time, Mr. Speaker, we complain about finding people to do jobs when there are lots of people and lots of jobs to be done. This reduction in track inspection procedures has been made, despite the fact that the track and the roadbed are being asked to carry heavier loads more frequently and at faster speeds. If this does not account for accidents, where are we to look?

Last spring I had occasion to travel home on the CNR. Just to make it real, there was an accident in northern Ontario, so our train had to be diverted to the CPR and go across 300 or 400 miles before rejoining the CN tracks. We were four or five hours late getting to the Lakehead, but I enjoyed the trip and cannot commend it highly enough to any hon. member who wishes to see what this country is all about. In the course of two or three days on the train I talked to various members of the crew and was distressed to find that the service I had been used to was seriously downgraded. I was used to seeing linen, silver and finger bowls on the dining room table. Why not?

I heard comments from American tourists who were most upset because they used to take that train back and forth across Canada for the sheer enjoyment of the good service. I am afraid they did not enjoy that particular trip. While they got the service from the people, because they were faithful servants of the railway, they did not get the service from the railway. It appeared that just before the crew set out on that trip they had been told their jobs were to be downgraded and they could like it or get off. Some of them had put in 30 years service and could not easily find other employment. I visited the chef in the kitchen and the washup crew, the whole lot, and found

that these people had been downgraded and their wages correspondingly reduced. This is no way to run a railroad, Mr. Speaker, to downgrade the whole operation.

We find the railroad that was originally set up to carry goods and people back and forth across Canada now engaged in the money lending business, the ultra high rise business and hotel business. It is a bad employer, too, which it has no right to be. A few moments ago the hon. member for Moncton (Mr. Thomas) spoke about the pension problem. This is a matter which was brought to my attention soon after I became a member of this parliament. I learned that the pensions paid to railway employees in this country were absolutely disgraceful. We must ensure that this situation is remedied, Mr. Speaker. Meantime, we await with interest the report of Mr. Justice Hall. If it meets the situation of the employees, I assure you I will give it my full support.

● (1640)

In my naïveté, also, I like to think that although there have been a good number of speeches on these amendments, and although there has been repetition about diversification, the proper functioning of the railroad, highrises and so on, these repetitions will persuade members of this House to support these amendments and have non-railways functions removed from this particular part of the bill. These repetitions may well serve the purpose. Perhaps a "once over lightly" touch is good for eggs, but not for railways. Let us hope, at any rate, that some of those who for one reason or another—or for lack of reason—would normally support this bill in its entirety, or this particular clause, will, either because some particular reference has struck home, or as reasonable beings, as railroad users, as the children of railroad users or, finally, as the representatives of retired railroad workers who receive letters complaining about the deplorable pension situation, support this particular amendment.

For these reasons I chose to stand up and make a few comments today in support of these amendments. I did this so that the CN can concentrate once again on its primary purpose, namely, that of moving goods and people across the country, since the railways should serve as a sort of unifying force, and provide, perhaps, certain associated services, but keep off the "pie in the sky" kick.

Mr. John Harney (Scarborough West): Mr. Speaker, on second reading of this bill I discussed the CN tower in Toronto and suggested that that tower is being built not as a communications project, but as a PR project. Without doubt, the citizens of Toronto did not notice the tower when construction first began. Since then, newspapers in Toronto and newspapers serving other parts of Canada have been publishing photographs showing the height of the tower on such and such a day or in such and such a week. I admit that it is an imposing structure. Indeed, anyone who at the beginning opposed its construction will think it not simply imposing, but browbeating.

We know how difficult it is to resist hoopla. The construction of the CN tower in Toronto is the single largest act of PR hoopla we have seen in this country for quite some time. I do not think CN needs the tower. Actually, CP decided it did not need the tower. Let us not forget that originally the tower was supposed to be a combined project. At any rate, CP felt that it did not need the tower and did not need to spend money on the tower.

I suggest, as I suggested on second reading, that CN had in mind much more than a mere tower when it decided to build that monstrosity. It wanted to swing public opinion in the Toronto region behind the metro centre project, which is the major project in the area, not the tower. The tower is simply the most evident part of the project. It serves as a lever on public opinion. Standing there, it says to the public, "Look at what CN can do for you, in building this tower. It will give you, the citizens of Toronto, the tallest tower in the world." As the hon. member for Saskatoon-Biggar (Mr. Gleave) suggested some time ago, it will be the tallest tower in the world until somebody, somewhere else, builds a taller one.

CN and CP have put a lot of pressure on the city of Toronto to develop the area south of Front Street in the way CN and CP want the area developed, which is not necessarily the way which will serve the interests of the people of Toronto or of the southern Ontario region. That is why I was afraid of the tower and opposed its construction. I felt it would be used as a PR lever; indeed, that is happening today.

In a way, the tower is symbolic of the approach of the CNR to the people of Canada and, indeed, to the members of this House. There are perhaps more shuntings in the CNR approach to parliament than you will find along CNR tracks. Members of this House today have tried to stand up and say how they feel. The railway companies of this country have been making a mockery of the original intentions behind the acts incorporating those railways. Time and time again, we have had reason to say that the interests of the people of this country have been let down. We speak of Canadian National Railways. Let us look at that name. We all know of the wag who once said that the Holy Roman Empire was neither holy, nor Roman, nor an empire. It is beginning to look as if the CNR is not going to be a national railway, in the sense in which that term was originally used.

It is not too often that we, in this House, stand up and compliment bodies set up by this House for their decisions. I was pleased to receive today, as I am sure other hon. members were, the report of the Railway Transport Committee of the Canadian Transport Commission in the matter of Section 260 of the Railway Act, and in the matter of the applications by the CNR and CPR for the discontinuance of certain passenger services across Canada. Certain regions need to be served by the railways in their passenger carrying capacity. Despite this obvious need, the railways have had the gall and audacity to apply for suppression of these services. I am, therefore, pleased to read part of the decision and order of the Railway Transport Committee. It felt that there was an overriding claim on the part of the public, a claim overriding the specific and special interests of the railways. After taking into consideration the major arguments of the railways, the committee decided to turn down the application.

May I read into the record the last paragraph of the decision of the committee, as follows:

> Many of the services under consideration in this Decision carry relatively few people, and, in all cases, these services operate at a level well below their capacity. This is primarily because of the marked

preference of the travelling public for the private automobile, and also because, in most instances, alternative means of public transport are available. But—

This is a very important "but".

—in considering the future transportation needs of the areas affected at this time, the Committee must take into account the probability of future changes in established travel patterns in Canada because of the looming energy crisis, and must see how change affects the demand for the services under review in this Decision, before considering the discontinuance of any of them. The Committee determines that these services should not be discontinued.

● (1650)

At long last, we are beginning to see some light at the end of the tunnel. The committee has been made painfully aware of the situation which looms before us. It calls it the "looming energy crisis". It is obvious to the committee, as indeed it should be obvious to the railways and as it is certainly obvious to most thinking people in Canada, that one of the most economical ways in money terms to transport passengers is by railway.

I know many members have travelled to other parts of the world, certainly to Europe. They have admired, and possibly even envied, the rail service offered to the people of Britain, Germany, the Netherlands and so on. If you stand in the station of Frankfurt, you will see hundreds, indeed thousands of people filing through that station, not just at rush hour, but at all times of the day. One thing that impresses most of us in this House about European railways is the scheduling. There are trains leaving for all parts at almost all times of the day. I wish to point out that it is not the presence of the passengers that causes the schedule to be so extensive, but the other way around. The fact that the schedule is extensive and does provide service attracts passengers to the railways.

One of the gambits the railways have used over the past few years in Canada to prove to this House that railway operations are not profitable has been to point out that they are not used by the Canadian public. One of the ways they have made apparent the railways are not being used has been by simply driving people away from using their services. In major ways, they have done this by cancelling trains, cancelling services, by making the simple act of getting a ticket at a railway station extremely frustrating or making the problem of getting from the railway station to one's home a difficult one, if not impossible.

I know that members of this House have had the good fortune of going to Montreal, but the misfortune of landing back at the Ottawa railway station. Just the other night I came back from Montreal along with a fair number of passengers. I had to wait outside the CN station in the cold for well over half an hour around the hour of midnight to be transported from the railway station to my home by taxi. I was not alone. A half hour after the train arrived, there were still 22 people waiting for a taxi. The reason the taxi service is so bad is there is a franchise or monopoly handed out by CNR to a particular service in this city. I must say the service is abysmal. It is almost as abysmal as the service we get at the airport here in Ottawa.

Mr. Gleave: That bad?

[Mr. Harney.]

Mr. Harney: I wish to point out to the hon. member for Saskatoon-Biggar (Mr. Gleave) that it is terrible.

Mr. Basford: City Council just turned down a request for 100 more taxis.

Mr. Stackhouse: We need more free enterprise competition.

Mr. Harney: The hon. member for Scarborough East (Mr. Stackhouse), the constituency cheek by jowel to mine, says we need more free enterprise competition. At that level, by all means. I agree with him. When it comes to running taxis, we socialists have no intention of taking them over.

Mr. Paproski: That's a surprise.

Mr. Harney: I am simply trying to underline the point that in almost every way the railways are trying to chase people away from their services in order to prove that people do not want them. I doubt whether that is truly the case. I am convinced the people of Canada would be more than willing to use the railways if they provided adequate service.

A few days ago it was reported in the *Globe and Mail* that a study which had been made indicated that a rapid transit service could be provided from the centre of the city of Toronto to a point 20 miles east at a cost of approximately $100 million. That may sound like a staggering amount of money, but when you consider that this $100 million is for the total cost including setting up new grade levels, new approaches, building stations, refurbishing the tracks, setting up a new signals system, providing for rolling stock and so on, you discover that is not an awful lot of money. Twenty miles for $100 million is really quite cheap when you consider that expressways cost $24 million per mile. To build the same expressway facilities over the 20 mile stretch would, by simple multiplication, cost $480 million. The service provided by the expressway system may not be as fast, efficient or safe as that provided by local surface rail service.

The same article pointed out that CNR was not necessarily ready to make the right of way available for mass urban transit because it had other priorities to consider. It had priorities given to it by the statutes of this parliament and other priorities established over the years. The first priority was intercity travel. The second priority was the carrying of industrial freight, that is service to industry. Somewhere down at the bottom of the pile there was perhaps a priority, or at least a notion, which would indicate the railway had some duty toward the transportation needs of our urban populations.

If that is the case, I would like to ask where in the statutes of this country we will find the priority for real estate. I do not think we will find it. Originally, it was understood that hotels could be built to service the public travelling on the railways. However, as the railways are proud to point out, there are now very few people travelling on them. What justifies their massive interest in real estate? I suggest the very least we can do is re-inspect the priorities we have given to the railways and tell them there is indeed a very real need for the use of their tracks,

rights of way facilities, station facilities and so on by the urban travelling public in this country.

As I said a while ago, I was delighted to read the line in the transport committee report about the looming energy crisis. It should be obvious to even a beginner in high school that one of the cheapest ways to transport people over distances, long or short, is by rail, whether you calculate it in terms of kilo-calories per passenger mile or any other way.

Mr. Benjamin: How do you spell that?

Mr. Harney: M-i-l-e. There is no doubt that the most efficient use we can make of energy when it comes to transportation is through rail traffic.

● (1700)

Another aspect of energy conservation occurs to me. We shall need to decide very soon how the fossil fuel supply in our possession can best be used. It is obvious there are certain very inefficient ways of using it; for example, using fossil fuels, oil, let us say, to produce thermal electricity which has an end use of heating buildings is terribly inefficient. There is scarcely a thermoelectric plant which can produce electricity at an efficiency greater than 40 per cent. What we should try to do, therefore, is use fossil fuels for purposes for which other fuels are not practicable. Certain types of transportation vehicles must carry their own fuel along with them; long distance traffic could not be tied to hydroelectric wires, and neither could automobiles. Trains, on the other hand, can operate electrically with great success.

Again, if we turn to the European example we find they have managed to electrify thousands of miles of railway line. Here in Canada I doubt whether there are any lines which operate electrically. This was not always the case. We used to have electric trains, and I do not mean toy trains, either. A few years ago I was living in the City of Guelph, and at that time they were just about to extend highway 401 so it would reach Guelph. I remember saying to an old resident: Isn't it great to know that as soon as they build the 401 to Guelph you will be able to get to Toronto in an hour or an hour and ten minutes? He said: Maybe, but 50 years ago we could get there in 55 minutes. And how did he do it? By means of the electric railway which served Guelph, Barrie and other places on the line. The Minister of Transport (Mr. Marchand) says a commuter rail service is to be established between Richmond Hill and Toronto. I can, myself, remember taking a train between Quebec City and St. Anne de Beaupre. It was an electric train, a very good, fast train and I am sure it made very efficient use of the hydroelectric power produced in the area.

People have been talking lately about developing rail service in this country, particularly for rapid transit use, and there has been a tendency to talk in Flash Gordon terms about the facilities we ought to install. The Prime Minister of Ontario has proposed an elevated linear-motored railway of European design for Toronto. The design has not really been tested yet, so there is a proposal to test it at the CN Exhibition within a year or so. All kinds of machines are tested on exhibition grounds. Ferris wheels and roller coasters are tested there and they work very well, but I doubt that the context of an exhibition will give us any real opportunity to test the workability of this futuristic and questionable design. On the other hand, there is much experience from years past of the efficient use of light rail traffic, and we do not need to go very far to re-establish the use of this kind of traffic along rights of way which serve urban populations.

The Acting Speaker (Mr. Laniel): I regret to interrupt the hon. member but the time allotted to him has expired.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTION TO BE DEBATED

The Acting Speaker (Mr. Laniel): It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Winnipeg South Centre (Mr. McKinnon)—Urban Affairs; the hon. member for Nickel Belt (Mr. Rodriguez)—Immigration; the hon. member for Dartmouth-Halifax East (Mr. Forrestall)—Labour conditions.

GOVERNMENT ORDERS

[*English*]

CANADIAN NATIONAL RAILWAYS AND AIR CANADA

PROVISION FOR CAPITAL EXPENDITURES AND GUARANTEEING OF SECURITIES AND DEBENTURES

The House resumed consideration of Bill C-164, to authorize the provision of moneys to meet certain capital expenditures of the Canadian National Railways system and Air Canada for the period from the 1st day of January, 1973, to the 30th day of June, 1974, and to authorize the guarantee by Her Majesty of certain securities to be issued by the Canadian National Railway Company and certain debentures to be issued by Air Canada, as reported (with amendments) from the Standing Committee on Transport and Communications, and motions Nos. 1 and 2 (Mr. Blenkarn).

Mr. Reg Stackhouse (Scarborough East): Mr. Speaker, the key word in this debate is surely the word "priorities". The question is not whether the railroad should be erecting and maintaining hotels; it is not whether the railroad should be erecting and operating a communications tower. The question is this: what does the railroad value most? What does it regard as its chief social obligation? It is clear from the debate which has taken place that hon. members across this country from one coast to another, the representatives of the people, are not convinced that

this national railway is putting people first. It is clear that service to the people does not enjoy the priority we expect it to be given. Instead, we find the thinking of the executives of the CN is dominated by what might be called a "monumentality"; it is striving to erect a monument to the system itself rather than using available resources to develop the services which our society urgently needs.

As one thinks of what the spokesmen for the railway had to say when defending the construction project one is reminded of the movie, starring Charlie Chaplin a generation ago, called "The Great Dictator". Chaplin and Jack Oakie played the parts of Hitler and Mussolini and in one scene they were seated in two adjacent barber chairs. First one jacked up his chair, and then the other, until finally each of them was hitting the ceiling. We get the impression that executives are motivated by a desire to erect a building higher than those possessed by their rivals. What we are criticizing is not the construction of a hotel or a communications tower but, rather, projects which take first claim on the resources of the railway company at a time when the primary need is the service of the people, particularly the improvement and introduction of rapid transport facilities in major urban areas such as Metropolitan Toronto.

Some hon. Members: Hear, hear!

Mr. Stackhouse: It is more in the interest of the ordinary person in Toronto that the rights-of-way entering into the heart of this massive metropolitan area be used for rapid public transit than resources be committed to some tourist attraction. The proposed tower may become an interesting construction which many visitors to the city will enjoy seeing; they may derive a certain pleasure from eating pie in the sky in a revolving restaurant a thousand feet above ground, but the real need of the working people is for efficient, rapid transit within their financial capacity.

Within the Toronto area there is mile after mile of line which could be used in this fashion. Indeed, a report of the CNR recently issued indicated it was possible to adapt a right-of-way for rapid transit purposes, connecting Toronto Union Station and Pickering, a distance of 20 miles, at a total cost of only $100 million. This averages out at $5 million per mile, in contrast to the $24 million per mile proposed for the Scarborough expressway. If this project is feasible, and according to the research study made by the CNR it is, surely it is incumbent upon all authorities concerned, including the railroads, the federal government and the local authorities, to give such construction priority. That is the purpose of this debate. It is not that we are against anything as much as that we want a reallocation of values. We want a renewal of the policy that puts people first, of the policy that asks what it is that people in this area require most.

● (1710)

What can be said about the needs of the people of metro Toronto can also be said of the needs of people in communities right across this land. One of the things that disturbs me is the lack of initiative being shown by the government in regard to meeting the needs of people in the various urban centres of Canada. For years now the CNR has financed the deficits that have been incurred by the commuter service into the city of Montreal. For example, in 1970 the CNR had to pick up a deficit of $2.1 million. In 1971, the deficit was $2.2 million and in 1972 it was $2.4 million.

I do not criticize the CNR for picking up these deficits in operating Montreal commuter trains; I think the commuter service into Montreal is a fine one that meets the needs of a vast number of people. If the CNR were picking up the deficits of a commuter service into Toronto, then I expect a lot of people would object. From all corners of the country as well as from all corners of this House, we would hear words of protest. But here is something being done to meet the needs of people living in a major metropolitan centre of Canada, and we would like to see the same kind of initiative being taken both by the company and the government to meet the needs of vast numbers of people in other centres who are trying to make their way to work and home again day by day.

Fortunately, the federal government is at last shaking itself out of its lethargy on this issue. We recently had an announcement regarding partial federal financing of a commuter train service from Richmond Hill to Toronto. However, I note that the maintenance costs of that service will be have to be borne by the Ontario government, including all deficits. In this regard we would like, first of all, to acknowledge the initiative that the federal government has shown, but we would go on to ask, does the government have to stop there? Although it may not be too little, too late, it is certainly too little in light of the needs of today's society.

What bothers me is that day after day the Minister of Transport (Mr. Marchand), when asked serious and practical questions by members of parliament, stands up and defends his lethargy by saying that he has no real influence over the CNR. I point out that the CNR is totally owned by the people of Canada, and the minister, as spokesman for the people of Canada, surely has a responsibility to get the CNR to take action. Expressways and city streets are clogged with cars and trucks day after day and can rightly be described as the largest parking lots in this country. On the other hand, vast railroad rights-of-way are lying empty. Thus, we wonder at the lack of initiative on the part of this so-called Minister of Transport. We would say to him that, good as this gesture of assistance to metro Toronto is in terms of the Richmond Hill-Toronto commuter service, it is not enough for the people of the area. Certainly, it is not enough when we add up the needs of communities in every province in this country.

I would couple with this the need for the railroad itself to begin again to give priority to the provision of passenger service. One of the things that impressed me from reading the opinions of railroad executives was the way in which they seemed to be rather unhappy about having to carry passengers at all, and on those occasions when I have travelled by train I have been impressed by how fitting their opinions have turned out to be. If the railways say they simply want to carry freight, they sometimes give me the impression they are treating people like freight. There was a time when riding on a train was a reasonably pleasurable experience. Now, you cannot even get a decent

meal on a train or find a railway journey that is enjoyable. In this time of crisis we would submit to the leaders of the government and the management of the railroad companies that it is absolutely imperative to begin to give priority to railroad passenger service once again.

I say that for three reasons. First of all, there is a pollution crisis in our cities through over-use of gasoline powered motors. For example, in the United States the environmental protection agency has ordered that all cities in the U.S. reduce hydrocarbon emissions by 93 per cent by the year 1977. Pollution has reached a critical stage and we must liberate ourselves from our dependency upon gasoline powered motors.

My second reason is congestion. In metropolitan Toronto alone there is a concentration of 850,000 motor vehicles, about one for every 2.3 persons in the urban area. This degree of congestion is strangling metro, as it is strangling every urban community in North America.

My third reason is allocation. We have been presented with a bill that calls for the appointment of an energy allocation board. This legislation purports to set up an agency to allocate energy according to need. I should like to use this word "allocation" in order to focus the attention of the House upon the need to allocate transportation services to the end that we will have adequate railroad services which will liberate us from our dependency upon motorcars, upon expressways, upon the kind of transportation facilities that today are polluting our cities, congesting them and making us overly dependent upon oil resources.

Therefore, we urge the CNR and all of the railroad companies in the land, along with the government, which surely has some responsibility here, to give priority to people in this country, and to see to it that the railroads offer them the opportunity to do something serious and creative in the urban communities in this land. These communities are presently facing a transit crisis, but these communities can find a solution to this crisis if railroad rights-of-way are used to their maximum potential. Therefore, instead of giving priority to the development of new tourist attractions which the people may or may not need, we wish the CNR would give priority to working out with the provincial and local authorities, with the encouragement and support of the federal government, ways by which existing railway tracks and rights-of-way can be utilized for rapid public commuter transportation which would free our great cities which are now in danger of strangling to death.

● (1720)

Mr. Fred McCain (Carleton-Charlotte): Mr. Speaker, there is one thing about this debate that is more notable than any other, and that is the absence of the Minister of Transport (Mr. Marchand).

An hon. Member: His parliamentary secretary is here.

Mr. McCain: From what I have seen of the presence of parliamentary secretaries it would lead me to believe this is a courtesy extended to the opposition, but their voices have not been very loud. If their conversations behind the curtains are the same as their statements in the House of Commons, or if there is no difference between their words behind the curtains and their words in caucus, then their voices are not well heard.

Mr. Guay (St. Boniface): On a question of privilege, Mr. Speaker. The hon. member does not know what he is talking about and that is obvious. In addition, he is certainly not speaking on the subject before the House at the present time.

Mr. McCain: We have both expressed our opinion, Mr. Speaker, so we will let the matter stand there.

We are talking about transportation and amendments to this bill. During the discussion of this bill in the committee and in the House, a wide range of policy needs have been expressed by members interested in the subject of transportation in general, with air and rail transportation being the principal subjects. There has been a very distinct attack on the transportation system in Canada by those who have studied the system, by those who have used the system and by those who have written about it.

Let us look at the press of December 24, where we find a report that the Deputy Minister of Transportation has indicated that governments will have to decide how to make the most efficient use of fuel, money and the facilities of transportation. Members of this House have stated time and time again that one of the building blocks, perhaps even the cornerstone of our economy as we move from sea to sea, is the transportation facilities with which we are provided. Inasmuch as the Canadian National Railways and Air Canada are government owned in their entirety, it becomes the responsibility of government to see that these services are rendered in the interests of the public.

Some hon. Members: Hear, hear!

Mr. McCain: Certainly, we can find fault with individuals in the administrative staff of Air Canada and individuals in the administrative and operating staffs of the railroad. We can cite instances where individuals have not served the public as public servants should, but the whole blame in respect of poor administration can be clearly and squarely laid on the Minister of Transport and the government of which he is a member. That burden of responsibility has been shrugged off with a degree of irony and sarcasm. We have seen reports submitted to the minister in respect of the needs of this nation, and I suggest the responsibility rests with the minister, yet he has not spoken, nor has anyone else on the government side, in a responsible way about these needs.

Let us take as an example the meeting which took place in Nova Scotia more than a year ago. A report in respect of this meeting appeared in the *Chronicle-Herald* of January 7, as follows:

> More than a year ago, a transportation "crisis" seminar was held in Wolfville, following which the sponsor, the Annapolis Valley Affiliated Boards of Trade . . . pressed Ottawa and the provincial governments for a better deal in transportation. High on the list of recommendations was boosted subsidy rates to assist Atlantic businessmen.
>
> That sparked a meeting between the Council of Maritime Premiers and Transport Minister Jean Marchand last April, at which time it was proposed that subsidies on westbound goods would be boosted.

Canadian National Railways

This meeting was in April, and the date of commitment was January 1, we presume of 1974 although the article does not say so. The article continues:

> Atlantic-area residents, weary of decades of pleading for more help and less hinderance from Ottawa in the East's bid for a fair and just transportation deal, can only hope that the federal government will be just as slow to approve freight rate increases as it has been to grant better subsidies.

The effect of any subsidy is apparently again to be wiped out, because we find that the railroads are now asking for a substantial increase in rates, as high as 33⅓ per cent in some parts of Canada. We find also that there is considerable concern about safety on the railroads. In 1959, there were 40 trains which went off the tracks. In 1969, the total had climbed to 69, and in 1972 it jumped to 132. This, then, became the subject of a board of inquiry under the Canadian Transportation Commission. Again, I submit that this is one aspect of the matters with which this bill deals. It deals with money to be spent for facilities in transportation, and safety is a very vital area in which money should be spent. The report of that commission suggested a slowdown for trains using existing tracks. I ask what this will do to an industry which is already short of cars? What will this do to a country which is pleading for a better transportation system, more efficient and faster movement of goods across the country?

The policies of this government, as embodied in the 1967 act, have permitted a decline in the safety of railways to the point where accidents have increased from 40 in 1959 to 132 in 1972. The government has sat idlely by while the railroads have reduced their maintenance staffs by roughly 80 per cent from what they were 40 or 50 years ago when trains were moving slower and hauling smaller loads. There is reference in this report to the inspection of the tracks. This inspection was carried out on a daily basis as the crews went back and forth on their little cars. The tracks were inspected superficially by eye, and the crews stopped for a closer inspection where necessary, using the appropriate tools. Today, it may be weeks before a maintenance crew ever sees a piece of track. Of course, there has to be an inspection survey, but what has been the result of the cut in the work force?

Just a matter of weeks ago, I was talking with a friend of mine who happens to be a reasonably senior engineer on one of our rail lines. He told me that if he knew any other way to make a living he would get out of his engine. He said that the safety precautions on the railway were so much poorer than when he started some 20 years ago it was shocking. He said the only reason he did not get out of the service was that he had so much invested in his pension, such as it is, he could not afford to quit. After many years of service his opinion was that the application of safety measures had deteriorated.

Under this government, and under the 1967 act as administered by the CTC, we find that the application of safety measures has deteriorated in a frightful way, detrimental to the best interests of Canada. There is only one group of people responsible for that situation. The president of the CNR is not entirely responsible: it is the policy under which the government has allowed the CNR to operate; and it is the ministers, not just the Minister of Transport (Mr. Marchand) but all the ministers in the shuttle service that has been provided by the Prime Minister (Mr. Trudeau) and by the Minister of Transport. That shuttle service has included several ministers, and they are all jointly responsible for this decline. It is detrimental to the safety and the economics of this nation. Let us put the blame squarely where it belongs—on the shoulders of the government, the Minister of Transport and the Prime Minister.

• (1730)

All these little side efforts of the CNR give me great concern. I am concerned because the tower that is now being built in Toronto was initially intended to be a joint project: it was to be a CP-CN structure. We already have co-operation and joint ownership of a communications system in this country with CN-CP stockholders. Why did the CPR not want to participate in investment in the tower? Why did they accept other real estate opportunities rather than invest their money in the tower? One can only guess that the answers were not forthcoming when this bill was investigated in the committee. I think one must assume, from the lack of information, that we have put ourselves in a position of commitment with respect to the tower, that it was not to be as profitable as was suggested by some and that CPR found it more advantageous to invest money elsewhere or accept other land development opportunities. This is what one would normally assume. If that is not the case, then let us have an answer. Why did they get out? The answer was not forthcoming.

We have had car shortages in the lumber industry, the grain industry and in agriculture in general. We have had difficulties in the transportation of fertilizer, to name but a few products that have had a squeeze. This squeeze did not come upon us without statistical evidence being relayed to the government to indicate that it was about to happen. We have had an increase in tonnage handled and cars loaded in the rail structure of the country over the years, and at the time that increase in loading has been taking place there has been a decline in the number of cars available for the railroads to carry the increased load.

The statistical evidence is available in the various documents presented to the committee, and in other locations as well. Why would any government allow a decline in the carrying capacity to take place on an annual basis when the load requirement was increasing on an annual basis? It is all right to say that the wheat and lumber movements were unusual, but the railroad has to base its operation on the long-term average and the anticipated increases which accrue in the business of this nation. An intelligent government would have ensured that the CNR was following the direction of the statistics and was prepared to accept the extra burden of transportation which inevitably was to come upon it. It is not unusual for transportation or any other industry to run on a cyclical basis, and I do not blame management; I blame the government for the fact that this cycle could not be met.

Some hon. Members: Hear, hear!

Mr. McCain: The ordinary course of events would have led the government in a different direction had it taken the care to take a look at things. One of the things about the system under which we operate is that the National Transportation Act of 1967 was supposed to set us up in a

competitive business so far as transportation is concerned. I am quite prepared to accept the fact, as has been pointed out in particular by members on the extreme left of this side of the House, that there are some debt problems so far as CNR is concerned. But when we make this allegation I wonder whether we should not at the same time take a look at the bonded indebtedness of the competitor. If the CNR is not competitive with the CPR, the government should correct that situation. That is the first thing. Second, the government should say to the management of CNR, "Moneywise you are competitive. Now get to the business of hauling freight, and make it competitive."

The CPR has no competition. There is no point in blaming the CPR for what is happening. It is this government's administration of an enterprise which makes it unnecessary for that structure to be competitive and to seek out new business. This is the burden which has been loaded on CNR management. If it is unequitable and unjust, then the government, as the owner, should put them in a competitive position and say to them, "Gentlemen, get out and do the business as any businessman would." The government cannot compete in the free enterprise world if it cannot make a profit. Let us set up a financial structure in the CNR so that it is competitive with private enterprise. At the moment the structure is such that any user of the rails is paying the maximum tariff that his commodity will bear, and in some instances more than it can bear so that he is forced to disappear from the business world. If you look at the rates in eastern Canada, for instance, in the movement of grain you will find that grain is being moved on ton-mile rates which vary by 300 per cent.

I am not referring to western grain, but there are areas of surplus grain in this country. It is not competitive for the producer or for the railways, and it is just convenient for the railways to extract from that commodity, in certain locations in Canada, three times as much tariff as it is extracting in other areas. That is the type of management which the government has tolerated in the industry which it owns.

We find ourselves in an energy crisis, and without a policy in transportation which would show any awareness of energy savings that can be made. There has been no policy statement to indicate that transportation can be used in such a fashion as to conserve energy and, as the previous speaker said, to extend our petroleum reserves for as long a period as possible. There has been no such policy from the Minister of Transport, the Minister of Energy, Mines and Resources (Mr. Macdonald), the Prime Minister or anybody else. But there is a policy to build a tower, to refurnish hotels—and now we are asked to approve the unrelated expenditure of money under a transportation bill.

This morning I had a call from a dealer in grain in eastern Canada. On December 10 or 11 the subject of grain was raised in the committee when it was discussing the financing of the CNR. We were assured in the committee that the problem would be resolved. A meeting was held in the maritime provinces on December 17, if my memory serves me correctly. The Wheat Board representatives, the feed grain board representatives, feed purchasers and railroad officials—all the people interested in the transportation, provision and consumption of grain were there. But the call I received this morning told me that there are cars of grain, for which orders have been accepted, which have not moved since December 21. I am told that the grain available will be delivered irrespective of grade, and that the customers must accept the substitution which the Wheat Board wishes to impose.

● (1740)

If our transportation system is to be planned as the Wheat Board plans it for this kind of mix-up, then it is high time the government took a hand and found out what policy is necessary, because friends of mine are moving grain back and forth, trading it back and forth within their own mills so that those mills can continue to operate.

Even after the promise made by various cabinet ministers that this problem would be corrected forthwith, and even after the meeting was held in Moncton and assurances were given that the problem would be corrected, the problem is still acute in some areas. True, there has been an improvement. I can say this to the minister responsible for the Canadian Wheat Board, and to the chairman of the Canadian Wheat Board; but there is still much to be desired when a car of grain has been on order since December 21 and it has not yet rolled away from the elevator. That is a long while for a chicken to wait for feed. For once I can agree with the hon. member for Saskatoon-Biggar (Mr. Gleave). It is high time we had a definite government policy on transportation.

Mr. Speaker: Order, please. I regret that I have to interrupt the hon. member, whose time appears to have expired.

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, as I look around this chamber it is worth noting that the only members of the cabinet here to listen to this debate on the CNR financing bill are the Minister of Veterans Affairs (Mr. MacDonald) and the Minister of State (Mr. Haidasz), who is responsible for multicultural affairs. I appreciate that the Minister of Finance (Mr. Turner) and the Minister of Transport (Mr. Marchand) might not want to show their faces around here when this kind of legislation is being debated. I suppose I should not speak ill of the two ministers who are here: there is no doubt in my mind that the Minister of State knows at least as much about transport as the Minister of Transport.

My reason for speaking on these amendments is my belief that before the Canadian taxpayer is asked by the government to support CN hotels and grandiose projects such as the CN tower, he should at least be entitled to decent transportation provided by the CNR. My party's position on this is quite distinct from the position of the other two parties. The Liberals argue that whatever the management of CN wants to do is all right with them, and the NDP complains that CN has so badly served Canadians in providing such poor rail service that it should be given even more public money to waste on hotels that run into the red and on obscene monstrosities such as the CN tower. Our position is that until CN can do a decent job as a railway, its management should not be allowed to indulge in empire building in unrelated areas.

I regret that the hon. member for Regina-Lake Centre (Mr. Benjamin) is not in the chamber. I could not help but feel a sense of wonder and awe as I followed his agile mind at work last night. He complained about the CN board of directors, he complained about the problems of the western farmer in getting proper service from the CN, and he complained that the railway does not meet the transportation needs of the people. But what was his answer to the problem of inept public management of this company? It was that the government should take over CP rail as well.

An hon. Member: Hear, hear!

Mr. Beatty (Wellington-Grey-Dufferin-Waterloo): I wonder whether I might be permitted to share with the hon. member who said "hear, hear", and with my other socialist friends, a story I heard recently that illustrates the sort of logic that the hon. member for Regina-Lake Centre uses when he says that the answer to the problem of too much socialism is more socialism. The constituency I have the honour to represent is largely rural. It contains some of the finest agricultural land in Canada. The eastern part of it, in Dufferin county, has considerable potato production.

The story is told about a couple of city slickers who decided that they would come up and make a quick dollar from the potato farmers in Melancthon township. The two were a father and son team from Toronto by the name of David and Stephen. They got in their truck and drove from farm to farm, buying up large bags of potatoes at $5 a bag until their truck was full. From there they drove into Shelburne, one of the local small towns, parked on the street and sold their potatoes for $5 a bag to the town's residents. Before long all the potatoes were sold, and they went home for the night. The next day they drove up again to Dufferin county and proceeded to buy potatoes at $5 for a big bag until their truck was once more full. Then they drove into Orangeville, where they parked on the side of the road and proceeded to sell their potatoes for $5 a bag to the local residents. By the end of the day all the sacks had been sold. After they had totalled up their earnings for the day, Stephen turned to David and said, "You know, dad, we haven't been making too much money on this deal." To which David replied, "You're right. I've been thinking about what we have to do about that. I've decided it's time we got ourselves a bigger truck." That is an example of the sort of logic employed by my socialist friends who claim that when the government has botched things up the only solution is to give the government more power.

I come from a constituency that has been ill served by the government and by the two railways. The private company would rather haul garbage than people to my area, destroying prime farmland in the process. Both it and the CNR have discontinued passenger service to my area, so that today not one passenger train passes through it. The effect of the discontinuance has been damaging to the development of the small towns which depend upon decent transportation for their survival. Many of our senior citizens have been trapped, unable to visit family and friends outside their home towns.

[Mr. Beatty (Wellington-Grey-Dufferin Waterloo).]

Each member of parliament from the area has had numerous complaints about the failure of both companies to keep their fences up and the weeds in check. But the answer of the railways is to strip back the number of section crews and the equipment those hardworking men need to do a proper job. In the meantime roadbeds are allowed to deteriorate to the point where trains have to be run upon them at reduced speed for safety. We have already reached the point where passenger service could not be restored without rebuilding vast stretches of roadbed in the area. And what is the answer of the government? It is to ask the Canadian people to spend their tax money subsidizing CN management's edifice complex while the area goes begging for decent treatment from the railways.

Repeatedly the people of my area have asked for help from the federal government, and repeatedly they have been refused. Even when the Standing Committee on Transport and Communications, which at the time had a Liberal chairman, a Liberal co-chairman and a Liberal majority, unanimously recommended in June, 1972, that service be restored, the government simply refused to act. When he was asked in this House what action he was going to take on the matter, the Minister of Transport, who confused the problem of the area with that of commuters trying to get to their jobs in Toronto, equivocated, stalled and talked of negotiations with the government of Ontario, or of local participation in the formulation of policy as requested by the municipalities.

He then simply conducted a local Gallup poll that completely bypassed municipal governments. And after claiming in the House yesterday, "I have received a report and it has been communicated to all interested parties", he disclosed that he suppressed the report for over a month, maybe because he does not feel that the local members of parliament, the affected municipalities, the chairman of the Standing Committee on Transport and Communications and the people of the area involved are interested parties.

Yet with this sort of record the government asks for the support of this House to give even more money to the CNR for projects that have nothing to do with the company's primary function, namely, running a railroad in an efficient manner. Mr. Speaker, the minister did not want to be made Minister of Transport. The Prime Minister (Mr. Trudeau) gave him his present portfolio after he had dropped the ball so badly as minister responsible for DREE and as campaign manager for the Liberal Party in Quebec that he had become an embarrassment to the government. If the minister still does not want this department, or if he is simply incompetent, then surely the people of southwestern Ontario should not be burdened with him. The Prime Minister should relieve him of his present responsibility and appoint him to the Senate where he can join the host of Liberal bagmen and campaign officials who are already working on the next election campaign at public expense. At least if he were in the Senate he could do no more damage to the people of my area.

The people of southwestern Ontario are a hardworking, industrious and independent group. They do not ask the government for hand-outs but they do believe that they

are entitled to the same sort of treatment from the government and the CNR as they would receive if they came from the Minister of Transport's riding. And they do not believe that their tax money should be going to subsidize hotels and CN towers until they have received the kind of service they deserve right now from the government and the CNR.

Mr. A. D. Hales (Wellington): Mr. Speaker, the amendment before the House deals primarily with priorities in the expenditure of money by Canadian National Railways. The amendment states that money should not be appropriated for the building of CN towers and hotels.

● (1750)

Keeping in mind that the amendment relates to priorities and spending, I should like to say a few words about the participation of CN in the GO commuter service. I was delighted to learn yesterday that the government had agreed to give $13 million toward the operation of this service between Toronto and Richmond Hill. The province of Ontario has already agreed to operate a GO service between Toronto and Georgetown, the latter being 20 miles from the city which I have the honour to represent, namely, Guelph. The city of Guelph has a population of some 66,000 people. The present plan is to terminate the GO service at Georgetown and take the people by bus the 20 miles from Guelph to Georgetown. I do not think it is a proper priority for the CNR to stop the GO train at Georgetown and ask people from Guelph to take the bus for those 20 miles and then transfer to the GO train to Toronto.

I appeal to the CNR to extend this GO service to the city of Guelph for the following reasons: first, the track is already there and, second, the equipment will be provided; the staff will be provided and the general overhead will be more or less the same. There is a place in Guelph where the GO train could stay overnight. The trains are heated electrically, so that is no problem. They could start and finish at the city of Guelph as easily as they can at Georgetown. When they think of priorities, I would hope the CNR, along with the province of Ontario, would consider extending the GO train service those extra few miles to the city of Guelph. There is presently a CN train which leaves Guelph early in the morning and comes back at night, but I understand this train is to be taken off. I am pleased that the government has seen fit for the first time to give money to the GO commuter service in Ontario. This proves that the private member's bill which I introduced last July, an act to amend the Railway Act, which simply recommended that commuter trains should be treated like any other service for the payment of subsidies on losses, has had some effect.

Speaking of priorities, Mr. Speaker, the CN line from Toronto to Stratford and on to Sarnia needs greater attention. Between Christmas and the New Year that train came into the city of Guelph; it was composed of three rail-liners which are three self-propelled cars hooked together. There was standing room only on these three cars and about 75 people were waiting to board them at Guelph. Surely the management of CNR could see the need for proper equipment at peak times such as this. It is hard for people to understand why the proper equipment is not available.

If we are to help in the environmental problem and to play our part in fighting the energy crisis, surely the railways must realize that they have an important part to play as well. They must realize that the main lines of the railways are here to stay and must be maintained and kept in good condition both as to track and general equipment. This must be a top priority. But I would say, Mr. Speaker, that as far as the CN is concerned the matter of priority leaves much to be desired.

I close by saying what I said at the beginning. I feel that the GO commuter train service for all provinces in Canada should be subsidized for losses. I am happy to know that the government has recognized this need and has seen fit to help the Ontario line. I hope that assistance will be available for other GO line services in other large urban areas of Canada. In the particular case in which I am primarily interested, I hope the GO train will go the full distance and will give the people of Guelph the service to which a city with a population of 65,000 is entitled.

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

The Acting Speaker (Mr. Laniel): Is it agreed that we call it six o'clock?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Laniel): It being six o'clock, I do now leave the chair until eight o'clock tonight.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, in rising to speak on the amendments to Bill C-164, I wish to state that I am in complete agreement with the hon. member for Mississauga (Mr. Blenkarn) with regard to reducing expenditures by CNR and Air Canada. I submit that no money should be paid to Air Canada until MOT has conducted an investigation into complaints registered by employees, members of parliament and the general public and a report has been made to parliament.

If one compares Air Canada with other airlines one will see the the operations of Air Canada leave much to be desired. Air Canada's virtual monopoly of Canadian air travel creates difficulty in measuring its productivity. There are no available Canadian companies of comparable size. Delta offers an example of an airline of comparable size in the competitive U.S. market. The comparison is one of a monopolistic public airline versus a private airline in a highly competitive market.

Let us compare assets. Air Canada possessed more total assets than Delta. Air Canada had assets totalling $834,-262,000, while Delta had assets totalling $780,706,000. In spite of greater assets, Air Canada had less operating revenues. Delta had operating revenues valuing $757,569,-

000; Air Canada's operating revenues totalled $583,272,000. Therefore, while Air Canada had $54,556,000 greater assets than Delta, it had $174,307,000 less in operating revenues. It is interesting to note that the advantage of Air Canada in total assets is not to be found in the number of aircraft. Air Canada possessed 102 aircraft while Delta possessed 138. More specifically, Delta had 22,105,725 available seat-miles while Air Canada had only 12,169,049.

If one compares expenses one will see that Air Canada incurred fewer operating expenses than Delta. Delta's expenses totalled $682,117,000, while Air Canada's totalled $537,770,000. Although Delta's over-all expenses were higher, Air Canada spent $2,975,000 more on general and administrative expenses and $8,448,000 more on promotion and sales. In the area of passenger service Delta spent $1,513,000 more than Air Canada. Therefore, while Air Canada spent more on administration, promotion and sales, it spent less on passenger service.

A comparison of productivity indicates that Air Canada experienced a yield of 6.02 cents revenue per passenger-mile while Delta managed a yield of 6.50 cents. Therefore, Delta produced 8 per cent more in revenue per passenger-mile. This was accomplished in spite of a 17 per cent lower passenger load factor. Delta was also more efficient in cargo. Delta experienced expenses of 22.20 cents per available ton-mile while Air Canada experienced 24.28 cents. An historical survey of these operating expenses reveals that Delta has held them at a more stable rate. Air Canada fluctuated from 28 cents in 1963 to 22 cents in 1971.

Also speaking against the record of Air Canada is the brief submitted to members of parliament by the Canadian Air Line Employees Association. This brief, in criticizing Air Canada operations, deals first with procedures. It says:

> Airline procedures sometimes seem to disregard reality entire. For example:
>
> (1) It is unrealistic to believe that employees may use the public address system regularly to summon supervisors or other staff members while at the same time they refuse public requests for a page on the grounds that they are not permitted to page. The customer does not know that it is a supervisor being paged at the same time that his request is refused—and he probably would not care. The purpose of the policy is eminently reasonable—i.e. the inaccessibility of the PA due to public pages; the method used to effect some control is completely irrational.
>
> (2) Qualified ticket agents were permitted to handle only domestic tickets in some offices until an indefinite point in the far distant future when the supervisor decided to designate them "international agents".

● (2010)

Also, the union claims that initiation of automated check-in procedures at some airports had made it impracticable to attempt to offer some services which were available under manual procedures. For example, a seat request might be accommodated under a manual procedure; the request would not normally be considered under one-stop check-in procedures. Unfortunately, none of the company manuals or local bulletins have reflected the inability of an airport to consider such requests. The CALEA brief also comments on facilities. Working conditions have been so bad at times that the staff have threatened to leave the premises. Recently, the following incidents, symptomatic of problems in offices across the system, have occurred:

[Mr. McKenzie.]

first, the heat in a ticket office became so intense that the manager refused to work there and a customer fainted; second, the temperature in an airport lobby reached 34 degrees. The management personnel on duty refused to take any corrective action until the union threatened to withdraw the staff and a senior union officer was called to the scene.

Then third, staff have had to complain long and bitterly about the failure of cleaning firms to maintain the premises in a clean manner. Fourth, safety hazards, such as loose wires on the floor, have been permitted to continue in the face of formal protests. In one instance an employee was injured so seriously that he was off work for approximately two months before corrective action was effected. Fifth, a cashier in one busy airport has a cubicle which is completely open in the rear to a well-frequented corridor. Although this fact is easily discernible, management do not feel there is any cause for alarm.

Then sixth, a cash register was provided for a major ticket counter which was too small to handle the volume of cash over more than two to three hours. The cashier then had a choice—leave the cash drawer open with money bulging out, or stop serving the customers briefly while the money was transferred to a safe. Seventh, employee rest facilities are dismal for the most part. Washrooms tend to be tiny, dull and sometimes dirty. Lunchrooms tend to be poorly furnished. In some bases, even the larger ones, there is not even a couch available in case an employee becomes ill and needs to lie down. The recent renovations at the Calgary airport have virtually created a firetrap for Air Canada counter employees.

It is a temptation to continue to recite further examples of poor facilities. The inadequacies cover a wide range of possibilities, as the examples indicate. Under "staffing" in the CALEA presentation it is stated that demands for overtime coverage and greater productivity have increased. The amount of overtime required, particularly for IAM and CALEA personnel, is known to have exceeded the federal maximum hours permitted, yet to our knowledge no report has been sent to the minister as required by law. Because of these increased demands, staff in some areas are suffering from some degree of mental, neural and/or emotional stress.

Air Canada has no known method for staffing their ticket offices. Maximum staff is limited by the facilities themselves. Shifts and meal/rest periods are scheduled in such a way that the staff on duty is greatest during the periods of greatest demand, normally during the noon hour. There are no published standards or statistics available to provide such information as maximum desired waiting period per customer, actual waiting period per customer per hour over extended periods in the past, or anticipated increase in customer demand.

The CALEA brief also refers to standards of Air Canada. Air Canada establishes levels of service which may vary between locations, for example offices such as airport, reservations or ticket offices, or between bases such as geographic areas, usually an urban area such as Montreal. Budget requests for the staff required to provide the level of service deemed acceptable in each location are subject to approval from more senior levels of manage-

ment. It is not unusual for these requests to be refused and an arbitrary cut in staff ordered.

With regard to automation there is great frustration among Air Canada employees. This is particularly evident in the case of one-stop check-in at airport locations. The airline cannot emphasize too strongly the need for accurate passenger counts, both because of the economic need to fill its aircraft and the safety aspect which demands an exact computation of the weight and balance of an aircraft. The anticipated computer load figures become increasingly inaccurate as each day progresses because no attempt is made to update passenger records to release space on later flights when it is no longer required.

The actual computer check-in totals may be seriously in error due to human error by the agents who operate it, customers who travel on other flights after they have been checked in, customers who are "lobby noshos" and miss their flight, computer malfunctions, and so on. The airline has recognized these problems and reinstated a manual procedure to verify the computerized check-in. Agents now verify the passenger count on board the aircraft before a flight is closed off. In the event of a computer malfunction, the agent may be forced to simply fill the aircraft and release it as he has no access to any information of the flight status, seat selection or passenger reservations. On a multi-destination flight this could affect several stations.

Also, under the heading of "employee morale" the brief states that with regard to relations, when one sees the age-old methods appear again in negotiations and grievances it is useless to claim to be more receptive when, in fact, management acts in as authoritarian a manner as ever. How senseless it is to claim to be concerned with correct procedures and administration of contract terms while at the same time members of management are imposing new and arbitrary interpretations which are bitterly contested by both the employees and the union. Women still have great difficulty in obtaining promotion. Frequently the person promoted is still the person who adhered to the party line or drank beer with the right people.

The company claims to be sincerely concerned for the welfare of its employees. Obvious safety hazards are permitted to continue. An example is the Air Canada facilities at Calgary airport. If an employee is overpaid, he is treated as if he had intentionally appropriated the money and all pay is withheld until the debt is discharged; yet if an employee is underpaid he may spend months attempting to recover his salary. One employee was underpaid in excess of $400 at the beginning of September, yet to date he has not received any satisfaction nor even a hope of satisfaction from the company.

Management ineptitude is sometimes so obvious that it cannot be overlooked. To quote one example, computerized check-in for one-stop check-in was installed in one location at a great deal of expense. When the installation was completed it was discovered that the counters were of the wrong height. An agent could neither sit nor stand in comfort on these counters. Needless to say, productivity suffered considerably.

Poor supervision is a predictable result when the company does little or nothing to select its most promising people and expose them to training and development courses in such pertinent areas as human and labour relations. These areas reflect problems similar to those experienced by CALEA members, although we do not have specific statistics to quote.

● (2020)

Also, the CALEA document mentions standards. They claim they have no information on the manner in which the standards are established for the various functions such as aircraft services, baggage, commissary, etc. The Winnipeg office also comes in for a great deal of criticism. Winnipeg is presently the site of Air Canada's financial operations. Much concern has been expressed in newspapers and by members of parliament regarding a rumoured move of the accounting computer from Winnipeg to Montreal. Naturally, Air Canada has denied any intention of moving their present Winnipeg accounting operations to Montreal. From past experience, including the manner in which Air Canada moved its operations from Winnipeg to Montreal, can one really accept the denials proferred by Air Canada? It should be noted that the first move is to take the computers from Winnipeg to Montreal and that this process is already under way. Can the rest of the accounting operation be far behind?

Another recent event in the finance branch of Air Canada was the transfer to Chicago or Toronto of the function of making up AC-CN credit cards. As well, the CALEA document comments on labour relations. For years Air Canada has attempted to suppress organized labour, and today their attitude is unchanged: it remains as it was before reorganization. In CALEA's opinion, Air Canada does not place enough emphasis on labour relations. This opinion is more than substantiated by the series of labour difficulties experienced by Air Canada in the past five years, with all the unions involves in strikes, partial strikes and slowdowns. The unions that deal with Air Canada also deal with Pacific Western Airlines. It is interesting to note that Pacific Western Airlines has been able over the past few months to conclude agreements with most of its unions in record time. One can only conclude that if Air Canada were to show an enlightened attitude toward organized labour, all parties concerned would benefit.

To summarize the CALEA brief, an attempt is made throughout to place emphasis on people—Air Canada's customers and employees. The tragic truth is that Air Canada does not recognize people as being all that important. They seem to place dollars above all else. It is so simple. If Air Canada became people-oriented, improvements could easily be achieved in employee morale, customer service, labour relations and profitability. Air Canada employees who are CALEA members are conscientious employees. However, they are disturbed and concerned about the direction being taken by this once great airline. Throughout this report they are appealing for the assistance of the government and their MPs to make Air Canada a great airline once again.

There have also been complaints in the Senate with regard to the Air Canada operation. Last June a Senator formally put forward a question in the following terms:

Canadian National Railways

In view of the fact that the International Association of Machinists have, four times in seven years, disrupted the convenience of the Canadian travelling public by their almost criminal irresponsibility, can the leader of the government give any assurance that the government will take the necessary steps to either:

(a) Upgrade the management of Air Canada, which must accept a major share of the responsibility for the large number of strikes in Air Canada in the past five years; or

(b) Initiate steps to ban strikes in the essential services; or

(c) Will the leader of the government in the Senate consider calling Air Canada officials before the Standing Senate Committee on Transport and Communications?

I have also received complaints from Air Canada employees who take early retirement. A recent letter I received from one of them calls attention to conditions which exist at Dorval. The aspect he mentions concerns morale, and we all know this has a great bearing on productivity, safety and health. Most of the persons in their respective trades study and learn their jobs through courses; others have to qualify for MOT certificates. It is very demoralizing for them when someone less experienced is made a supervisor over trained men, especially when that person is brought in from an unrelated department. Some of the promotions and replacements which have taken place have led to very bad morale at the Dorval base.

The Air Canada magazine retirement list printed monthly shows that the biggest percentage of early retirements is constituted by personnel who have been moved from Winnipeg to Dorval in the last three or four years. These are mostly men with service of 25 years or more. They are taking their retirement early, many of them only in their fifties. It must involve a great loss to the company when valuable, knowledgeable men with practical experience retire early. To fill the vacancies requires men of a high technical competence.

The following is a short list of promotions and demotions which have taken place. In the parts shop, the general superintendent was replaced. The retired employee asks why. Also, the assistant superintendent was replaced. Foremen were set up over senior and more experienced personnel, a senior planner over senior and more experienced planners. In the metal shop a general foreman was appointed from employees of the personnel department. Also in the metal section, foremen were set up over lead mechanics who acted also as general foremen on release of—

The Acting Speaker (Mr. Laniel): Order. I regret to interrupt the hon. member, but his time has expired.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, the theme of most of the speeches which have been made on the two amendments now before the House is that the Canadian National should concentrate on running its railway. I should like to underline comments which have already been made to the effect that one of the ways of ensuring a good railway operation is to achieve the best possible relations between management and employees.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): I seem to be getting support for that proposition, certainly from this side of the House, orally, and I suspect from the other side of the House, even though silently.

[Mr. McKenzie.]

Mr. Guay (St. Boniface): Hear, hear!

An hon. Member: Good for you, Joe.

An hon. Member: Half an hour late.

Mr. Knowles (Winnipeg North Centre): I am glad my friend and neighbour from St. Boniface (Mr. Guay) has broken the silence on that side of the House and expressed his agreement with the proposition I have made.

Mr. Sharp: Hear, hear!

Mr. Knowles (Winnipeg North Centre): Now I see I have the applause of the Secretary of State for External Affairs (Mr. Sharp).

Mr. Peters: Let's take a vote.

Mr. Knowles (Winnipeg North Centre): I see that the Minister of Labour (Mr. Munro) also applauded. How about the Minister of Industry, Trade and Commerce (Mr. Gillespie)? He is looking at me, but he is only smiling.

Let me go a step further and say that in management-employee relations one very crucial element is that of pensions. Now, imagine the member for Winnipeg North Centre referring to the subject of pensions!

Mr. Stanbury: Off on a new tack.

Mr. Knowles (Winnipeg North Centre): I realize how surprised my friends are, but that only shows they either have not been around here very long or that they have not been listening. In the few minutes I intend to take, I want to emphasize the importance of improving railway pensions. Though there are many facets of this question, I should like to concentrate on one area, that of the annual escalation of the pensions of railway workers already retired.

I am fully aware of the negotiations which took place last year, which began even earlier, leading to a new pension package as part of the collective agreement which is being considered now by the Hon. Emmett Hall. I am also aware that Dr. John Deutsch is a special commissioner who is looking at one aspect of pensions. But the fact is that he is looking at only one area, namely, the percentage value of the pension package agreed to in the collective bargaining in relation to the total benefits of the employees. In other words, Dr. John Deutsch has no authority under the commission given to him by the Minister of Labour to go into the broad question of Canadian National or Canadian Pacific pensions; he is looking at the one narrow aspect to which I have referred. He will simply report to the Hon. Emmett Hall as to the percentage value of that pension package, and then Mr. Hall will have to decide whether to make any adjustment in the wages to be decided by him under the terms of his appointment.

● (2030)

So, Mr. Speaker, any suggestion that pensions are dealt with because Dr. John Deutsch is working on the matter is false. Any suggestion that the matter I am concerned

about tonight is covered by the collective agreement is also false—because I am thinking particularly of the pensions of retired railway employees, those who are already on the retired list and are drawing their pensions.

The point that I zero in on particularly has to do with the rate of escalation which in the Canadian National set-up has for a number of years now been 2 per cent per year. I point out that even that annual escalation is made on an ad hoc basis: it has not been written into the rules and it has not been established in any way that employees can count on it from year to year. True, it has been done every year since it was started, but this is by the grace of the company.

Even more serious than the fact that the annual escalation of CNR pensions is not guaranteed is the fact that it is still limited to 2 per cent per year. Not many years ago, when the escalation of pensions first commenced, that figure of 2 per cent was established and we were stuck with it for a long time. But our efforts have not been in vain; we have succeeded in that getting that 2 per cent ceiling removed in the case of most pensions paid under the aegis of the government. For example, if a person is receiving old age security he now receives every year, not simply an increase of 2 per cent but an increase that is equal to the actual percentage increase in the cost of living. The same is true of persons in receipt of the guaranteed income supplement.

Then, again, I could mention the pensions of retired public servants. For a number of years their pension increase was at the rate of only 2 per cent per year no matter how much the cost of living went up. Their increase is now geared to the actual percentage increase in the cost of living. The same is true of retired armed forces and retired Royal Canadian Mounted Police personnel. Many of those retired persons have still another grievance which I might mention in passing, namely, that they have to wait until they are 60 before getting an increase. But the point I am making is that those who get the annual increase get it at a rate equal to the actual percentage increase in the cost of living.

The same can be said of pensions paid to veterans. I am thinking both of the war disability pensions paid under the Pension Act and allowances paid under the War Veterans Allowance Act. Those benefits are escalated every year, not simply by 2 per cent but by the actual percentage increase in the cost of living. I point out that family allowances are in the same category now; they, too, increase not by a fixed amount but by the actual percentage increase in the cost of living.

I might even mention retired members of parliament. They have pensions and are in fact part of a preferred pension plan, although some of those who retired a number of years ago before the plan was improved do not think it is as good all that. But even they will discover this month, if they are over 60 years of age, that their pension will not increase simply by 2 per cent but will be increased by an amount equal to the actual percentage increase in the cost of living.

So I could go on, Mr. Speaker. I have not had the chance to check every last pension that is paid under government auspices, but I think I have mentioned enough of them and have studied the situation sufficiently to be able to make the general statement that pensions, allowances and superannuation benefits that are federal in their origin are now all in the position of being increased each year by an amount equal to the actual percentage increase in the cost of living.

Therefore, Mr. Speaker, I ask what is wrong with railway employees, and particularly with Canadian National employees? Why are they not getting similar treatment? Actually, I am as concerned about employees who worked for the CPR as I am about those who worked for the CNR and are now retired. They are not included within the provisions of this bill, but I think they ought to be. What bothers me is that far too often, I think, does the CPR decide upon pension policy and then that company browbeats the CNR to go along with the decision it has made.

In any event, we are now dealing with a bill that grants money to Canadian National Railways and so it is to the Canadian National Railways that we must direct our fire. I contend that employees of the Canadian National Railways are, in a practical sense, just as much employees of the government of Canada as are all these other groups to which I have referred. I think it is a shame, a disgrace—perhaps even calling it a crime would not be language that is too strong—that this particular group of people who work for the government of Canada have pensions that are restricted to an annual increase of 2 per cent, whereas all the others get an increase that is equal to the actual percentage rise in the cost of living.

I see my good friend the hon. member for St. Boniface over on the other side. May I still call him the Parliamentary Secretary to the Minister of Transport? I have not seen the order in council that was tabled today, so I do not know whether he was retained in that position or transferred.

An hon. Member: Perhaps he was replaced.

Mr. Knowles (Winnipeg North Centre): I gather from the gestures he is making that he is still Parliamentary Secretary to the Minister of Transport.

Mr. Alexander: You can tell from the smile on his face.

Mr. Knowles (Winnipeg North Centre): Then may I be the first to congratulate him. Not long ago he gave an answer on the "late show" to a question of mine on this particular subject which led a number of people to write me and say, "We are glad to see you have got Joe Guay on your side".

Mr. Guay (St. Boniface): True.

Mr. Knowles (Winnipeg North Centre): I hear the hon. member say that is true, and I hope it is on the record. I know it is true: I know he thinks in those terms. But for heaven's sake, when are the Parliamentary Secretary to the Minister of Transport, the Secretary of State for External Affairs (Mr. Sharp) who pounded his desk a while ago, and the Minister of Labour, who is sitting over there, going to use their influence with the government? When are they going to use their influence with the government so the government will say to the Canadian National Railways, "You cannot stay out of step with all other federal authorities which are now paying pensions

and escalating them each year by an amount equal to the actual percentage increase in the cost of living"?

● (2040)

Mr. Alexander: Those members you mentioned have no influence.

Mr. Knowles (Winnipeg North Centre): There are other aspects which have to be dealt with, such as the 50 per cent pension to widows of railway workers. I think this is a disgrace. I think the provisions for early retirement are not yet good enough and the formula itself needs to be improved. Some of these things can, of course, be the subject of collective bargaining, but so as not to weaken my case in respect of the main point I am trying to make tonight I come back to it and emphasize it. This parliament cannot rest while the government fails to say to the Canadian National Railways, "You cannot remain outside the family. You cannot, at a time when other pensions are increased every year by the full percentage increase in the cost of living, raise retirement pensions for Canadian National employees by only 2 per cent a year." This is a disgrace and it is a disgrace that must end.

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I do not think it would be unfair or untrue to say that every member of this chamber shares the sentiments just expressed by one of our more distinguished senior citizens regarding faulty management of the CNR. I think we are in agreement for a variety of reasons but, if for no other reason, because—as has been pointed out by the hon. member for Winnipeg North Centre (Mr. Knowles)—this situation has existed for a long time and it is inhuman.

Let me join in the general theme of our discussion on this amendment which relates to the faulty management of the CNR. In the few minutes available to me I should like to touch upon another dimension which in its own way is equally as irresponsible and, indeed, borders on the criminal. I refer to the area of safety on the railway. I have in mind the number of accidents which have occurred not only in rail transportation but in all forms of transportation in Canada which fall within the purview and jurisdiction of the federal authority.

Perhaps, to set the tenor of my remarks, I should emphasize that the point I want to make—I have mentioned this on a number of occasions in this chamber in recent years—relates to the very obvious conflict of interest that arises in respect of transportation accidents when the body responsible for making and enforcing regulations is also charged with the responsibility of investigating those accidents and making judgments as to their cause, liability, and so on. It is in this area that I have an interest. I will keep my remarks in context by suggesting to you, Mr. Speaker, and other hon. members that what I am talking about is bad management. When I conclude my remarks I will place this subject in absolute perspective and in context with the amendment which is before us.

Since yesterday afternoon we have had before us the CTC report by the Railway Transport Committee entitled "Third report of the railway safety inquiry". When I refer to conflict of interest I have in mind management which permits this type of inquiry to be undertaken without any objection by a committee of the CTC. This is what I mean when I suggest this is man's inhumanity, if you will, to man. This amounts almost to criminal action because of the failure by the commission to do something, and more often than not in this case the crime is failure to act rather than acting in a wrong way.

In August, 1970, the Railway Transport Committee, which is an arm of the regulatory body, decided to set up an inquiry into a series of train wrecks that occurred at about that time. This was a wise thing to do internally; there is no doubt about that at all. The committee decided to do this, and arbitrarily decided that as an arm of the regulatory body it was the only group competent and able to carry out this type of inquiry. I quote from the top of page 4 of their third report as follows:

> —the committee decided to assign its two most senior and experienced officers with expertise in this field to the job of preparing reports on all aspects of railway operation and maintenance—

The field referred to here is that of safety. How could the two most senior people in this area properly advise their senior officials as to what is happening and what should be done internally to correct certain wrongs in respect of safety? the very fact that the decision to set up this inquiry was made in August of 1970, almost 3½ years ago, bears out this point. Had such an investigation been carried out by an independent commission of inquiry into these accidents on the CNR, I am sure this report would have been before the House within six months. Some 3½ years later we still do not have the final report, and the committee has not indicated a date when it expects to submit it. All we have been told is that we may expect it some time in the future, and that is not good enough. The last people to complain about this situation are those in the management of Canadian National Railways, our national transportation system. We have not heard one word of objection and no complaint has been made. Indeed, I imagine management has welcomed this fact and has accepted it as sort of a whitewash.

When accidents occur in the transportation industry in Canada it is no longer tolerable that the regulatory body conduct its own investigations. This gives rise to a conflict of interest. I will not recite examples because I have put them on the record a number of time in recent years. How can a person working on one side of the room for perhaps most of his lifetime make an objective judgment as to safety measures or standards decided upon and put into effect by his friend working on the other side of the room? I suggest he just cannot do so.

We remain the only western nation which clings to this archaic and philosophically wrong method of investigating accidents. The CNR, Air Canada and the investigative branch of the Department of Transport have done absolutely nothing about this situation. I am not making any accusations or imputing any wrong motives to the members of that branch. Indeed, they are among the finest air accident investigators in the world: they have won several national awards for their high standards of investigative work. But the investigative body was a limb or a branch not even at arm's length of the regulatory body. For example, I wonder how many of the 13 or 14 points made by the judge in the hearing of the tragic DC-8 crash in 1970 have been fully implemented by Air Canada. We

know some of them have been implemented immediately, but I wonder if all of them have.

● (2050)

I am talking about the growing rate of accidents in all modes of transport—air, shipping, rail, interprovincial trucking and busing. The carnage of the highways and in the air as a result of these accidents grows every year. The amount of information made available to the public is negligible. We have not had half a dozen public inquiries into serious Canadian transportation accidents in the last 15 years. That is not good enough. What this country needs and what management groups such as CNR must do is to urge all governments to move as quickly as possible toward the establishment of a commission of inquiry removed from parliament, so that the possibility of a conflict of interest cannot arise and so that users of the national transportation system, be they Canadians, visitors to our country or exporters into our country, can use our transportation facilities with safety and to their satisfaction.

I regret the removal, for example, mentioned by an earlier speaker in this debate, of the direct control over Crown agencies, not because they should be the day to day concern of the House of Commons but because in the absence of responsible management principles in areas such as safety not even the House of Commons and not even our colleagues in the other place have any way of questioning management regarding whether the fullest means of ensuring safety in areas of transportation are being taken. I regret the loss of parliamentary control, if for no other reason than for that reason, and I think every member of this chamber should regret it. When the remotest possibility of a conflict of interest arises and the loss of life is the consequence of an accident, all of us should remember that we have sat here and done nothing.

Equally important in the management of CNR is exactly that type of body that could urge upon the government the necessity of removing from the purview of the regulatory body or agency the responsibility for investigation. With regard to air accidents in 1972, there were 155 fatalities and some 629 accidents, 83 of which were fatal. With regard to projections to the end of last year, the figures I have are to November 30 of last year and they show that there were 161 fatalities from 745 accidents.

Rail accidents are in another area of management. I know that different criteria are involved here, but how on earth can anyone expect to understand what is going on when Statistics Canada report that there were 1,922 accidents in 1970 and the Standing Committee on Transport and Communications reports that there were 4,622 in the same year? Those figures have grown to 4,818 according to the committee, and 1,963 according to Statistics Canada. Again we have a discrepancy with regard to fatalities. According to Statistics Canada, the number increased from 180 fatalities in 1970 to 226 in 1972, but the committee reports 195 in 1970 and 255 in 1972. What happened to the other 29 deaths? Is that a responsible way for the management of one of our largest conglomerates to approach the disclosure of information? It does not display much concern for the public.

Canadian National Railways

I am concerned about the disclosure of information, I am concerned about faulty management and I am concerned enough to wonder sometimes why we should sit here and give Air Canada $140 million and CNR another $100 million. The hon. member for Regina-Lake Centre (Mr. Benjamin) said that they made operating profits in all but three of the last 25 years. That is fine; but I wonder about the Department of Transport through whom this august body reports to parliament. I wonder about their attitude to CNR and their obvious lack of concern for faulty or bad management. In the editorial of the *Evening Patriot* of December 22 the following account is to be found:

> On Thursday of this week, a light civilian aircraft landed on a runway at the Charlottetown airport across the path of Eastern Provincial Airways flight 112 incoming from Montreal. This incredibly dangerous incident happened before the eyes of a startled group of passengers in the airport lounge—

The final paragraph of the editorial reads as follows:

> This is the capital city of a province of Canada. We no longer live in a horse-and-buggy age. This newspaper is demanding immediate action on the part of the Department of Transport to correct this situation for the sake of the safety of all passengers who use the Charlottetown airport facilities.

What they are complaining about is the absence of a landing tower manned by somebody who says, "Come on in; it is safe to land" or, "It is safe to take off; the wind is blowing at such and such a velocity, the altimeter is reading so and so, your visibility is such and such". Those are simple safety procedures. I can understand now why the government does not give a damn about what the CNR does. I suppose a government that would permit the principal airport in a province of Canada to remain without a manned tower for safety's sake does not give a darn about what procedures are followed with respect to safety measures or investigations of accidents in any form of transportation. This is what I regret about the management of CNR, the management of Air Canada and the management of all other forms of transportation in Canada.

I regret their failure to bring pressure to bear on this government to correct the very obvious and glaring errors in our approach to safety in transportation in Canada. It is a simple thing to do. I sometimes wonder whether the government, recognizing that this is a principle which should be put into practice, is reluctant to do so because the suggestion essentially comes from an opposition member of parliament. For years they have neglected to do anything about this most serious situation.

● (2100)

I support the amendment of the hon. member for Mississauga (Mr. Blenkarn) because it condemns the management of the CNR. It pinpoints areas where that management has failed. I will continue to support the amendment until the management of Crown corporations like CNR and Air Canada begin to demonstrate a little more concern for the responsibilities and authority we give them rather than for mere management and the achievement of operational profits and, I might add, capital losses.

When members of management begin to demonstrate to me that they are concerned about the human aspects and are concerned about ensuring that the users of our transportation systems need not have cause to worry about the possibility of conflict of interest in the investigation of

accidents, then I will start to change my mind and perhaps be a little bit more willing to give the CNR the amount of money it needs. We need an independent commission of inquiry to conduct impartial accident investigations. The hon. member for St. Boniface (Mr. Guay) agrees that we have done nothing. I leave it to him in his new appointment to face this problem and do something.

Mr. Norval Horner (Battleford-Kindersley): Mr. Speaker, I am very pleased to be able to speak on the subject of the railways, particularly the CNR. For the past 25 years I have observed the disintegration of CNR services. The CNR was created to provide service to the people of Canada; it was not created to ease the tax burden as a whole. Initially, many concessions were made to the railways to encourage them to build tracks across the country. In terms of real estate, those concessions are now paying off very well for them. Yet we hear the railways say they cannot haul grain, that it is not paying them to haul grain. I point out that they have an obligation to haul grain and to try to keep this country together. It is utter nonsense for them to talk in terms like that.

The CNR is an agency of the federal government and the government is certainly responsible for its actions. In this bill we find the CNR seeking money for capital expenditures, not to improve its railway services, not to slow down the disintegration of those services but to spend on other projects. It has chosen to turn its back on the tracks in order to build needles in the sky. People in railway management know that the rails are disintegrating and that they will not be able to provide service much longer. They are lagging behind in things they should be doing. They should be spending money on the repair of tracks in all parts of Canada so that the CNR can continue to provide the service which it was created to provide.

It seems that people in the CNR do the things they like to do, and any time they are met with a little competition they just ease out and let someone else take over. It is a good example for budding socialists of what happens when government shifts its responsibilities onto Crown agencies and tells them, "Run things the best you can and we will pour in all the money you need." Every year officials of the CNR come before the Standing Committee on Transport and Communications. They admit their failures and their faults, but then go back and continue to commit the same faults. Seemingly, it is a failure of the democratic process that these agencies increase in number, becoming more complex in their operations and thus making it more difficult for the will of the people to be carried out through their instrumentality.

There are three services that the CNR should be providing—carriage of freight, carriage of passengers and the movement of bulk commodities across Canada. But it has almost completely moved out of the freight business. One way it did this was by providing poor living accommodation for its employees. Its passenger business has gone the same way. I once came to Ottawa on the train. Most people you talk to have travelled on the train—once. They don't do it again. In fact, from the time I got on at Saskatoon until I reached Ottawa I had the impression that someone kept asking me was I not aware that I could fly and did not have to travel by train.

[Mr. Forrestall.]

Now there is a failure on the part of the CNR to move bulk commodities and grain. We had an election campaign last year. We had "Build for a billion" stickers all across the Prairies. I imagine there are still a few of them around. But the very next year the Wheat Board says "we cannot fulfil contracts for grain because we cannot guarantee to get the wheat into export position." As recorded at page 84 of the minutes of the transport and communications committee of December 11 last, Mr. MacMillan said that their target for the period August 1 to December 8 was 67,628, cars and the actual supply of cars numbered 65,738. On the one hand we have the railways saying they reached their target, and on the other hand we have the minister in charge of the Wheat Board saying that they did not reach their target because cars were tied up with potash and lumber.

Then the joking Minister of Transport (Mr. Marchand) suggested there were too many Canadian cars in the United States and talked about sending an engine down to the United States to pick up loose Canadian cars and bring them back. When he does not know the answer to something, the Minister of Transport makes a joke. We are supposed to put up with that. We are not likely to get good performance from the CNR when we have that minister.

Of course, the Wheat Board said it disagreed with the railways. Here are two agencies of the federal government which negotiate with each other every year, yet they cannot agree on the number of boxcars over the period August 1 to December 8. Mr. Gibbings suggested in committee that the target was 61,000 cars, but only 43,000 cars were delivered. Surely to goodness we have the right to expect a better performance than that from these agencies? Are these people being paid the minimum wage so that we must accept that sort of performance from them? Surely we have the right to expect better than that from the Minister of Transport and from the minister responsible for the Wheat Board? These agencies work together all the time. They sit down together and set targets. Then they come here and report to our standing committee. Of course, they say that the language each one uses is different. The CNR is talking about car equivalents and the Wheat Board is talking about actual cars. We have all this sort of gibberish. Surely the people of Canada can expect better performance from the responsible ministers.

● (2110)

We are faced now with a situation where there is very little grain at the lakehead. The president of the Saskatchewan Wheat Pool says we are 5,000 boxcars short in Vancouver today. Next spring, when the grain is coming into the elevators, we will be back where we started, wondering what happened to the 2,000 boxcars that were supposed to solve the problem. The minister in charge of the Wheat Board, and the government, have been asked to supply more hopper cars to the railways, but we have not received any answers to our requests. Surely the government must take the matter in hand and see that the rolling-stock is provided so that grain and all other commodities in Canada can be moved.

In Saskatchewan, where I come from, we rely tremendously upon the railways. We produce more than we can use and have to export, so we depend upon the railroads. They will have to operate better in order to serve us. The

answer is not to raise the Crowsnest Pass rate. This year the railways have been able to charge what they like for lumber, but they have not provided the service required by the people in the business. They offer no guarantee to improve the service, but simply ask for more money so they can build more hotels or more towers in places like Toronto.

Mr. Speaker, the CN was created by an act of parliament. We could have another act of parliament just as easily and restructure the CNR. The people involved should be made aware of their obligations and the service that should be provided for those Canadians who need it, and we should see that they carry out their responsibilities.

Mr. Frank Hamilton (Swift Current-Maple Creek): Mr. Speaker, I have listened to this debate very carefully for the last two days. It is a well-known fact that the railways were declared by parliament to be "works for the general advantage of Canada". I have been very surprised at what I have found since coming to Ottawa. We seem to be faced with a whole series of problems such as the failure of the government to provide auditing of both the CNR and Air Canada's financial operations. We have the problem of the annual ritual of this CNR financing act to delude the public. The financial affairs of Canada's two greatest public utilities are controlled by the government and by the government alone.

We are faced with the problem of discriminatory freight rates and the collective complaints of the western premiers that it is impossible to assess the internal operations of the CNR accurately. We are also faced with the problem of financial mismanagement of the Canadian National, its long-term debt and its loans to Air Canada. Worst of all, we are faced with the failure of this government to develop a comprehensive national transportation policy.

Mr. Speaker, I used to think that the Canadian National had a major obligation to provide service, to carry goods and passengers. In the area that I come from, passenger service is almost non-existent. We deliver grain to a line that has a 20-mile an hour speed limit and where they have been replacing an average of one railway tie per mile per year for the last eight years. In this area the Canadian National receives a subsidy of over $100 for every boxcar of grain that they haul out. That is on top of the freight rate. The boxcars that are delivered are often a disgrace. They require patching and repair by the local grain buyer before loading. The buyer is afraid to reject a car because they are so scarce that he might not get a replacement.

There is a CNR line in my area where they abandoned the last 12 or 13 miles of track to the last elevator, and now Canadian National are paying the trucking costs from the last elevator which is some 20 miles to the city of Swift Current. The transportation of grain in particular in this crop year is a complete fiasco and farm deliveries are 150 million bushels less than this time last year. The Canadian Wheat Board and the railways cannot agree on the grain targets and we still have not received any satisfaction on that question. Officials of the railway companies are questioning the Crowsnest Pass rates, and I have the uncomfortable feeling that they have had some encouragement from the Canadian Wheat Board, from the minister in charge of the Wheat Board or from Department of Transport officials.

Question after question remains unanswered. Is it the intention of this government to announce, some time in the near future, a comprehensive, long-range rail transportation policy which will provide not only for the effective rationalization of rail operations but also for some logical alternative to the current energy shortage? On what basis does this government justify an annual subsidization of approximately $180 million for uneconomic rail lines, when these funds could be diverted into research concerning both alternate modes of transportation and alternate fuel systems? Why has there been so little research into rail transportation in Canada? Why has there not been research by the appropriate government agencies as well as private interests? Is the lack of government support and initiative, both economically and morally, concerning rail transportation research a major reason for this unrealistic inertia?

Would it not be more economically feasible to shelve the STOL program between Montreal and Ottawa and use the money instead to modernize the already existing rail system between these two cities? By "modernize" I mean not only increasing the frequency of the number of trains between Ottawa and Montreal but also the running times of trains between these two cities. Would not the electrification of the line between Ottawa and Montreal be less expensive than the STOL program?

I should like to know this government's views concerning the use of railways as a means of long-haul passenger transportation in Canada. Have the railways seen their day in this respect? Should transportation by air be encouraged more and more as a means of long-haul passenger transportation in Canada? Many questions such as these remain unanswered.

Let us look at what our neighbours to the south are doing about rail transportation. I should like to quote from an article which appeared in the Wall Street *Journal* of December 28 which reads:

> The Interstate Commerce Commission issued the nation's first set of regulations designed to force improved intercity rail-passenger service.
>
> The rules apply to Amtrak and the railroads that run its trains, . . .
>
> They mandate a nationwide, toll-free telephone reservations and information system; enough seating space to meet "normal demands" of customers seeking reservations; minimum levels for train-on-time performance, baggage delivery, train connections and station hours, and a range of other standards for food, temperature control, sleeping cars, rest rooms and drinking fountains.
>
> The regulations take effect April 1. ICC chairman George M. Stafford said they are designed "to improve the overall quality of 'America' passenger train service and thereby make rail travel attractive, especially during the current energy crisis."

● (2120)

Newspaper after newspaper in the United States speaks of the updating of the transportation system in that country. According to one report, travel on Amtrak trains will go "right through the roof". Amtrak officials themselves now expect ridership to leap 30 per cent next year, double what they previously predicted. I quote once more from the *Wall Street Journal* of December 28:

> —Amtrak has been flooded with state bids for new routes. Nebraska would like an Omaha-Kansas City train, Colorado a Denver-Kansas City route, Missouri a Kansas City-St. Louis route, and Ohio a Cincin-

nati-Columbus-Cleveland run. "I've had to put a map on my wall showing all the inquiries and expected inquiries. It looks like a . . . spider web," an Amtrak state-relations official says.

What is the general situation in Canada, Mr. Speaker? There are only two passenger rail lines in all of Canada which are not subsidized—the Quebec-North Shore-Labrador line, because it has never applied, and the CPR's Esquimalt-Nanaimo route on Vancouver Island because upon investigation it was found that the rail line had done nothing to improve its services, thus the request for application was denied. The railways need only apply once for abandonment of passenger service. Upon initial application the Canadian Transport Commission undertakes a study of the area to review the effects abandonment would have on the area. If these effects are thought to be detrimental to the population, the service is continued under a subsidy which amounts to 80 per cent of the loss claimed. In the following years an annual claim is made and audited by CTC officials. Each year over $100 million is expended in subsidies allotted to unprofitable railway services. A Canadian Transport Commission spokesman is quoted as saying that there are no passenger train lines in Canada making any money.

The main reason the abandonment procedure operates in this manner is that the 1967 National Transportation Act encourages the diversion of funds into unprofitable operations rather than into the research and development of advanced railway technology. The most logical alternative to the wasting of federal moneys on these unprofitable operations would be to divert a portion of the funds into research for more effective and efficient services. Electrification is a viable consideration. The modernization of railways, as represented by their electrification, has yet to start in Canada. Seventy per cent of gross ton-miles are generated by electric traction in West Germany, France and Japan. The capital investment required by electrification is far outweighted by the resultant service. The benefits entailed from this type of modernization include lower capital and maintenance costs of locomotives, longer life, higher availability, better adhesion, higher speed, better braking performance and superior environmental characteristics.

As I said at the beginning of my remarks, the railways in Canada have been declared to be works which are for the general advantage of the public of Canada. I think the taxpayer of this country is entitled to expect a better shake from the government in the matter of transportation.

Mr. Elias Nesdoly (Meadow Lake): Mr. Speaker, we are debating the amendments to this bill. My colleagues tell me that it does not much matter whether this bill passes or not, because CN and Air Canada will spend the money anyway. So why are we debating this bill if the money is to be spent? Is this not a mockery of parliament?

The amendment before us seeks to deny Canadian National Railways so many millions of dollars which are to be spent on the huge structure known as the tower in Toronto. I am told that the tower is two-thirds completed. If the amendment passes, will the tower stand two-thirds finished and never be completed, or will it be finished in any event? Therefore I think this debate is ridiculous. We should pass the bill and get it over with, because the tower is three-quarters finished anyway. Let us not be stupid.

[Mr. Hamilton (Swift Current-Maple Creek).]

A member to my right talked about the CNR as an example of socialist inefficiency. Apparently CN service is very poor. Well, if those fellows want to talk about socialists, let me tell them some things.

An hon. Member: You are not a socialist, are you?

Mr. Nesdoly: You bet I am, and proud of it. They say that Canadian National gives poor service, that it does not do the job. I admit the service is poor and that the railway does not do its job. But the service is not as poor as the service of the CPR. Actually, it is a bit better. The previous speaker mentioned how wonderful are the railway companies in the United States, how well they are doing, and so on. Mr. Speaker, they are going bankrupt left and right and there is no end in sight to the trend of bankruptcies.

I was in Washington during the week of November 26 to November 30. I was at a dinner given in the Canadian embassy. One chap with whom I had the honour of speaking said, "You know, I was in Canada three years ago. My, you guys have a wonderful railroad service." I asked him which railroad he travelled on. He said, "It was one of those government operations." I said, "Was it the Canadian National?" He said, "Yes, that's it" Further, he said that passenger service on the Canadian National was ten times better than anything he had ever seen in the United States. So who do you believe, the man who has travelled on Canadian and American trains or the *Wall Street Journal*?

The hon. member for Timiskaming (Mr. Peters) said yesterday in his speech that he had fought against the concept of taking the railroad station from downtown Ottawa to the suburbs. He neglected to say that Canadian National was never in favour of the move and that the Conservative government of the day forced the move to the outskirts of Ottawa. So what are members to my right talking about?

Some complain that Canadian National Railways are getting too much into real estate. Some members have mentioned the CN tower in Toronto. I agree with some hon. members on one or two small points. For example, I do not think the Canadian National should hang on to railway rights-of-way which it secured about 40 years ago, rights-of-way on which it has no intention of building rail lines.

Mr. Horner (Crowfoot): It sold them in Saskatchewan.

Mr. Nesdoly: I am talking about the right-of-way from St. Walburg to Loon Lake. No railway line has been built. That is to say, the railway is hanging on to the choice piece of property in the village. The village is expanding. It cannot expand more because it is surrounded by an Indian reserve. There are 50 housing lots on the railroad right-of-way, but the railway says, "We do not want to give up property because some day we may build a rail line on it". Big deal! They are trying to abandon 400 miles of line in my constituency, but claim they need this property for possible future lines. That will be the day!

One of the problems with CN concerns management. Too often we have appointed to the board of directors, or to the office of vice-president or president, men who know nothing about the railroad, men who were not brought up on the railroad or know how to run one. We have tended to appoint to the big paying positions political hacks. A man may not have done too well in the House of Commons, so he is made president or vice-president of CNR.

● (2130)

I want to tell members to my right a little more. There is a great problem with regard to boxcars and the movement of wheat. I am concerned about the movement of grain. I understand that at the present time CNR is repairing 900 grain cars. Some of them are battered and have greatly depreciated. These repairs are being carried out in Winnipeg and somewhere in Quebec. My inquiries also indicate that Canadian Pacific is doing absolutely nothing about repairing or buying new cars. At least the CNR is making an effort.

The basis of our problems is that we expect CNR to operate like the CPR. CNR is a people's railroad: it must serve the people of Canada but not on the same basis as the CPR. This is what our party will ensure when we form the government some day.

Some hon. Members: Oh, oh!

Mr. Nesdoly: That will happen some day. We will operate the CNR and CPR when we take over. We will rationalize the transportation policy of this country. There will no longer be short Air Canada flights between Ottawa and Montreal. By the time a plane gets up 13,000 feet it is time to start coming down. It then takes two hours to get from Dorval to downtown Montreal. It only takes two hours to drive from here to the Queen Elizabeth Hotel. For short run passenger service trains are the only logical answer. We should forget about aeroplanes; they use a lot of energy.

An hon. Member: Do you know where Montreal is?

Mr. Nesdoly: Yes, I have been there a few times. There have been complaints about inadequate passenger service. I live in northern Saskatchewan. I travel from Saskatoon on the CNR passenger train. That is a good service. In southern Saskatchewan they do not have good service. That is because CPR runs through Regina. In my area we are satisfied with the passenger service.

I have read many articles and reports on state-operated railways. Some of the most efficient railways in the world today are being operated in France, Germany and Italy.

Mr. Stanfield: What about Japan?

Mr. Nesdoly: These are state-operated railways. The taxpayer has been underwriting the losses of the CPR for the past 50 or 100 years: let us not be gullible about that. There are many railway companies in the country south of us. They are all going bankrupt. Pennsylvania went bankrupt a while ago. I guess that is a railroad called Pennsylvania. Our railroads also went bankrupt. It is up to the government of Canada to resurrect them. The government did not bail them out as they bailed out the shareholders, the people who had money in the railroads.

Until the government of Canada has the guts to make the railroad system a people's railroad we will not have a transportation system that will satisfy the needs of the Canadian people.

Mr. Stan Schellenberger (Wetaskiwin): Mr. Speaker, I rise to speak on the allocation of money to Canadian National Railways and Air Canada, and in particular on the amendments of the hon. member for Mississauga (Mr. Blenkarn) having to do with funds for hotels and towers. I wish to speak briefly about a hotel with which I am somewhat familiar. It is located in a city close to where I live, the Hotel McDonald. The hon. member mentioned that its profits are somewhat low. I know they have a manager problem. They have night managers, day managers, assistant managers, food control managers, beverage control managers, and I suspect they even have a manager who is available in case all those managers happen to be out at the same time. I am familiar with the time it had problems and ten people were fired. Another manager was hired to find out the problem. As the hon. member for Mississauga said, it is no wonder the McDonald made only $15,000 in 1971, and $31,000 in 1972 with an investment of $8.3 million. In addition, this hotel gets most of the convention traffic in the city of Edmonton.

I wish to refer for a moment to Mr. MacMillan's opening remarks when he appeared before the Standing Committee on Transport and Communications. He said:

> Our activities today include such things as telecommunications, hotels, trucking, passenger buses, marine services, real estate, industrial location, international consulting, pipeline studies, and the provision of transportation and telecommunications expertise for large-scale resource development. And, without neglecting our basic job of providing good rail transportation, we are expanding in many of these fields and looking towards other fields of diversification.

These amendments single out only two of the things in which the railways are involved, namely, hotels and towers. Air Canada has 21 vice-presidents. I wonder how many vice-presidents are necessary for CNR to handle all the diversification in which they are involved. I have no trouble in supporting these two amendments. Even though CNR has been traditionally involved in hotels, I believe these amendments point out that parliament is concerned about the diversification of the CNR into these many facets. The CNR should have to borrow the money for hotels, TV in hotels and tourist attractions in Toronto from other sources. They should be involved in the encouragement of passenger and freight service and safety as well as providing luxurious hotels and towers.

In committee I asked about the safety record of CNR. I pointed out that I understood it was poor. I received a comparison with the United States. I then pointed out that only $19 million per year was put into improving railway crossings. I stated it should be necessary to put more funds into the updating of railway crossings because 85 per cent of them are not marked with flashing lights. Perhaps this is one reason for the poor safety record of CNR. The answer I received is that it is necessary to accelerate the program but it will be necessary to substantially increase the funds available. I was told these level

crossing projects have become very expensive and it will take several million dollars to update them.

The following was pointed out to me by a constituent, and I quote from his letter of July 9:

> The daily passenger makes a round trip from Calgary, Drumheller, Camrose and Edmonton. This passenger train does not always blow the whistle. Now, to the best of my knowledge, the said passenger has had two accidents this year about two months apart.
>
> One was near Edmonton where a gravel truck was hit. The other accident, I believe, was between Drumheller and Calgary. It killed all six passengers in the car. This is the CNR.

● (2140)

Soon after he had pointed this out to me by letter—and of course I notified the CNR—he sent me a further letter telling me that a dayliner had hit a truck and two people had been killed. So there are problems and, as my hon. friend from Crowfoot (Mr. Horner) stated, the CTC has also expressed this opinion in a report. Instead of towers, hotels and STOL aircraft providing service between Montreal and Ottawa, perhaps we should be more concerned about passenger train service. We learn that by the end of 1971 the CTC had received 69 applications for discontinuance covering virtually all passenger transportation services in Canada. The significance of this is clear. The railways are not prepared to provide any passenger service whatsoever unless subsidies are available from the government and the government is prepared to provide such subsidies in the public interest.

Another omission which concerns me is the lack of effective research. When the president of the CN was before the committee I asked why the transcontinental train only arrives on schedule 34 per cent of the time. He told me—and I was surprised at his answer—that our winter conditions made it difficult to get these trains across Canada on time. The biggest problem, apparently, was the cold—the icy winds that affect the running of the trains. I asked whether any research had been carried out to overcome this problem, perhaps through the better heating of these cars. Apparently none has been carried out up to this time. I believe the railway should become more deeply involved in researching better means of transporting people across the country.

These, Mr. Speaker, are some of the reasons I feel we should support the amendment before us. I feel the CNR should get away from all this diversification and become more concerned in the handling of freight and passengers. That was its business to start with, and it should continue to be so.

Some hon. Members: Hear, hear!

Mr. Peter Reilly (Ottawa West): Mr. Speaker, I shall, of course, ask hon. members to support the amendments before them. At the same time I should like to make a few remarks of my own about both Canadian National and Air Canada. Each of these concerns is a public utility in the true sense of the word. A public utility is created, not as an occasion for self-aggrandizement, not to build empires but to serve the public where it is either impossible or undesirable for private enterprise to do so. And may I say to my demi-semi, pretend-socialist friends—if there are any of them here—that I have not come here to sing the praises of the Canadian Pacific, whose performance I believe to be as abominable as that of any other transportation company in this country. After having been deeded half the country to provide transportation where it was needed, they goofed, they blew it, they built themselves into a giant multinational corporation, one could almost call it.

[Mr. Schellenberger.]

Mr. MacKay: Multicorporate corporation, perhaps?

Mr. Reilly: Yes, multicorporate corporation, as someone near me says. I would suppose that in the case of Canadian National it would devote itself to the movement of goods from point to point in this country where it was necessary to do so. Instead, what did we see in the annual report? We see not only luxury hotels and communications towers, but satellites, trucking companies and Lord knows what else.

What we do not see is much evidence of the successful movement of people and the moving of goods such as grain and lumber from place to place in this country. And there are people who are being very badly hurt by this failure. In fact, because of the policy of the railroads, which it pleases their highly-paid bosses to call rationalization, which usually means screwing the people in one way or another, entire towns have disappeared from the west. Anyone who knows the Prairies can confirm this. But they do not care about that. In the financial statement we read that in 1972 Canadian National carried record amounts of traffic, earned the highest revenues in its history and "continued its steady improvement in over-all financial results which has taken place in recent years". Then the company's president, Mr. MacMillan, says at the conclusion of his commentary:

> The management and board of directors of Canadian National look forward to a continuation of the steady progress toward planned objectives which has taken place in recent years. They recognize the contribution made to this progress by the thousands of men and women who make up Canadian National—

And so on. Then they tell us they lost $17.8 million. I grant you that is a heck of a lot better than the $67.5 million they lost in 1960, but if this is their best year, by my reckoning it is going to take them until 1980 to break even at the rate they are going. That is not what I would call running a company very well.

As to Air Canada, may I say I have travelled hundreds of thousands of miles in aircraft of every conceivable kind, to almost every point in this world, over the last 20 years. I want to tell hon. members I have had better service on Air Congo than I have had on a great many Air Canada flights. Begin with the necessary task of making a reservation in Ottawa to go to Montreal, Toronto, Chicago or wherever. Here we are, in the capital of Canada, the seat of parliament. When ones phones for a reservation, who picks up the phone? Somebody in Montreal. It used to be one could telephone to the airport and some friendly person would say, "Better hang back and not spend the money on a cab to come out here, because the whether is bad and the plane may not get off the ground." You cannot do that now, because in Montreal they don't know what is happening here in Ottawa and they seem to have no way of finding out. Indeed, you are lucky if you can find someone to answer the phone in the first place. But if you surmount that obstacle, if you get a reservation and find there is a reasonable probability that the plane will take

off, you board the aircraft. If you are only going to Toronto or Montreal it is not very important, but if you are going out west, as a great many members of this House have to do—

An hon. Member: Don't go.

Mr. Reilly: —or any appreciable distance, sooner or later you will have to eat. And here begins one of the more traumatic experiences a human being has ever been asked to suffer —plastic food served in plastic containers, very often by plastic people. The labour relations of the airline are so bad that when I was considering travelling from here to Toronto next weekend I found myself reflexively thinking, "God, I had better find out whether there is a strike on"—because their history of labour relations has been so turbulent, as the former minister of labour sitting over there knows very well.

● (2150)

I have been fairly harsh on both these Crown corporations, and this is not according to my policy. I do not think that Crown corporations ought to be jumped on when it is not always their fault that things go wrong. The real responsibility lies over there in the empty pew which is sometimes occupied by the Minister of Transport (Mr. Marchand). The real responsibility lies with this government which has failed to come up with any national, rational transportation policy. I see the parliamentary secretary here, but the minister is absent; in any event, his presence would not affect the outcome.

Mr. Guay (St. Boniface): You are not here too often yourself.

Mr. Reilly: I am here when it is important to be here. As I was saying, the real fault lies with the government, which has failed to give the country a rational policy, which has failed to realize the needs of Canadians from coast to coast, and which has failed consistently to realize how important it is to those people to be able to move themselves and move their manufactures to market.

Every day in this House we hear questions asked by worried members on this side of hon. gentlemen opposite concerning why wheat cannot be moved, why lumber cannot be moved and why other manufactures cannot be moved. Lately, faced with a crucial shortage in eastern Canada of oil and other petroleum products, questions have been directed to our capacity to move oil products. But there simply is no rational transportation policy in this country.

I could go on at some length about the traumatic experience it is to travel by rail. For myself, I would sooner go by bus. Anyone who has travelled on a train in this country knows what it is like to try to find the dining car, to be directed 98 cars to the rear and then to be told by a surly person when you get there that the snackbar is closed and you have to get something from a candy dispenser.

Then, again, anyone who has travelled on our national airline knows how fouled up the computers get; they know that getting from point A to point B is a calamitous business. As one of my colleagues has said, the only thing on which you can congratulate Air Canada is its non-stop flights between airports.

We will continue to have these problems until this government puts its shoulder to the wheel.

An hon. Member: Or until it changes.

Mr. Reilly: Or, as my hon. friend says, until it changes. But short of that, we will continue to have these problems until the government realizes the vital importance of transportation to this country that spans so broad a distance and is populated by so few people. Some of them are remoter than others, off the main line and off the beaten track, but they are Canadians nevertheless and are entitled to service. Until this government begins to think about these problems and to plan for them, until it gives us a rational transportation policy, Canadians will continue to worry about their industries, the marketing of their produce and the supply of the necessities of life. So far this government has shown no inclination to give thought to these matters.

The performance of the Minister of Transport has gotten to be one of the grislier jokes of the daily question period.

An hon. Member: "Farce majeure."

Mr. Reilly: Yes. There is no apparent willingness on the part of the government to tackle these problems, just as it has failed to tackle other major problems that have been brought before this parliament. The most passion I have ever seen directed by this government toward any piece of legislation was the first amendment it threw at us last January to cover up the fact that because of such high unemployment it was necessary to overspend by $800 million the amount that had been estimated for the unemployment insurance fund.

As I have said, daily we hear questions being asked by worried representatives of the Canadian people, and until the government accepts its responsibility we will continue to worry on behalf of the Canadian people.

May I call it ten o'clock?

Mr. Deputy Speaker: Does the House agree to call it ten o'clock?

Some hon. Members: Agreed.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

Adjournment Debate

URBAN AFFAIRS—REQUEST FOR INCREASE IN FEDERAL SHARE OF COST OF RAIL LINE RELOCATION IN VIEW OF ENERGY CRISIS

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, on December 21 I directed a question to the Minister of State for Urban Affairs (Mr. Basford) concerning whether or not the minister was now considering increasing the 50 per cent federal government cost-sharing formula for rail line relocation in Canadian cities in an effort to promote intercity rail transit in co-operation with the municipalities and provinces.

As could have been expected, the answer from the minister was uninformative. He said that my question would be best answered when legislation is introduced. One has to wonder, however, when any legislation concerning this subject will be forthcoming from the government. In view of the energy crisis, it is indeed surprising that there is no federal policy regarding intercity rail transportation or on any means of urban transportation, for that matter.

Actually, the question I directed to the minister concerns two interrelated subjects: rail line relocation and intercity rail transportation, which may fall more under the realm of the Department of Transport than the Department of Urban Affairs. Many Canadian cities are planning to relocate railway tracks away from downtown areas, thus freeing large amounts of property for urban development. One tremendous advantage inherent in such a relocation is that connections from these could provide a means of transporting people to and from the inner city. With the possiblity of fuel shortages in Canada this winter and the prospect that these shortages may extend for some time to come, it seems imperative that the government give consideration to this and other suggestions which might improve intercity transportation as a means of conserving energy.

Members of this House are only too familiar with those problems which have arisen and will continue to arise from the energy crisis. Shortages of oil and gasoline necessitate that people be encouraged to leave their automobiles at home and use public modes of transport wherever possible. The best way to encourage such a transformation in the public's attitude is by developing public transportation systems which are both more efficient and economical than the private automobile.

Technology has provided us with such rapid transit systems. However, the federal government has done little to improve the current situation. It gives no leadership and has no real policy. The Minister of Transport (Mr. Marchand) summed up the government's attitude regarding urban transportation very well when on December 21 he declared:

> We cannot change these things overnight.

The minister added:

> There is no doubt this is something that we would like to do and we will do it wherever possible.

● (2200)

The question, of course, is when? I am no expert on the subjects of transportation and energy, but one does not need to have any particular expertise in these fields to realize that Canada, like other countries, has serious petroleum shortages and inadequate urban transportation facilities. The thing that makes us unique is that we do not even have a coherent set of policies to deal with these problems.

One example of the way in which rapid transit lines could be added to existing or relocated corridors can be seen in a proposal by the Metro Toronto Transportation Commission. A study by the commission and Canadian Pacific Railway shows that the Canadian National main line corridor through east-end Toronto and Scarborough could have a 20-mile long, rapid transit line added to it at a reasonable cost. This line would provide transit for thousands daily and at the same time ease gas shortages and relieve inner-city traffic congestion and pollution. It is proposals such as this that the government should now be considering for all of Canada's urban regions, not just for some.

The federal government's decision, announced on Monday, to provide a $10 million grant to launch a province-operated commuter rail service between Richmond Hill and Toronto's Union Station is a step in the right direction. However, it should be noted that this grant, which will provide long rail service, marks only the first time that the senior level of government has directly financed a commuter service in Canada.

If the federal government is really serious about the need for public transit as an alternative to the automobile, why is it not supplying more money and leadership to the provinces to help speed the provision of new transportation services? In the city of Ottawa, at least, what the government appears to be doing is encouraging people to bring their cars into the core area. I refer to the Department of Public Works and its intention to construct a mammoth underground parking garage in the heart of the downtown area. This will encourage public employees to bring their cars to work rather than seek out public transportation. The logic escapes me.

Logic is what the United States has been using for the past several years in developing policies to deal with urban congestion and pollution. Like us, they have a long way to go, but they do have a head start on most countries. Long before the advent of the energy crisis, the Americans were formulating long-range urban transit policy. The federal government has provided the initiative and the majority of funds which have enabled governments to come to grips with the problem. Instead of building more freeways, they are building more buses and commuter trains. In these regions, particularly New York and New Jersey, new public transportation networks are now being tested as more and more motorists are opting for buses and, to a lesser extent, trains because of high fuel costs. The U.S. government's foresight is now paying off. This is an example we should have followed. I should also mention the fact that with the serious petroleum shortages, the United States is bringing back transcontinental railways in a big way. Railways once again will be trafficking large numbers of people across the country and across the states.

We in Canada should also look to the past for solutions for the future. The railway was responsible for opening up this country and in no small way has contributed toward our development and prosperity. It is perhaps time to resurrect the locomotive and to once again utilize it as a

means of ferrying persons across the provinces and across Canada. Such a revitalization of our rail lines would provide Canadians with an alternative means of transportation over relatively long distances, to say nothing of the savings in petroleum.

The passenger services currently being provided by our two national railways are at present neither efficient nor economical and do not operate on a sufficient scale to handle large numbers of people. This situation should be changed. Our railways should be encouraged to expand their passenger operations and lower their fares. As in the case in the United States, the federal government could provide subsidies to the companies to finance such an expansion. Perhaps then Canadians would leave their cars at home when travelling long distances.

In conclusion, then, I believe it is time the government got around to formulating a policy to deal with inner-city transportation. One means of providing a better urban transit system might be via rail lines connected to relocated corridors; but the actual mode chosen is not really that important. As well, the government should consider reviving railways throughout the country. What is important, though, is that something be done soon to deal with the problems which are arising. However, based on what we have seen thus far in the way of policy, I am not optimistic.

Mr. Ian Watson (Laprairie): Mr. Speaker, to suggest that the government consider amending a proposed cost-sharing formula on legislation yet to be introduced in this House, although it will be soon, is to ask for a hypothetical response to a hypothetical situation. There is nothing to indicate that the proposed 50 per cent federal cost-sharing in railway relocation projects is not adequate. Moreover, to suggest that the cost-sharing be increased to promote intercity rail transit is to miss entirely the main purpose of the railway relocation legislation.

The proposed measure is intended for intracity, not intercity, application. It is designed, as will be readily apparent when the bill is introduced, to apply to cities where obsolete or underused railway facilities—tracks, yards, terminals—are formidable obstacles to planned and orderly urban development. Essential intercity lines will not be reduced in capacity or efficiency. The provisions in the railway relocation legislation are intended to modify the flow of traffic on lines in cities or to relocate lines entirely in accordance with urban plans formulated by the provinces and their municipalities.

Where a rail line is relocated, the property thus vacated may be put to any number of uses in accordance with the priorities established by such plans. These priorities can include the provision of improved and expanded rapid transit facilities in cities. Railway rights-of-way will, in many cases, provide excellent corridors for rapid public transit systems. It is our hope, in view of the energy crisis and for environmental considerations generally, that the municipalities will give top priorities to rapid transit systems in their urban plans prepared for railway relocation.

Of much more potential importance for intercity transit is the national transportation development corporation which the minister proposed, on behalf of the government, last October in Edmonton at the second and highly successful trilevel conference. He stated at the time that the federal government was making the proposal contingent on the kind of response obtained from the provinces. I can report that officials of the Department of Industry, Trade and Commerce, the Department of Transport and officials responsible for urban affairs have since been seeking the views of the provinces on the desirability of such a national corporation, and everywhere that response has been positive. Such a national agency will help marshall our resources to the task of meeting current and future needs in public transportation and will go some way to meeting the further demands created by the energy situation.

The need for such an agency is obvious, both on economic grounds as well as in the light of emerging energy needs. The domestic market for public transportation systems will amount to at least $5 billion over the next two decades, and we have the opportunity now to develop an integrated public transportation system that will meet, in an energy conserving way, the transit needs generated by large cities and small cities, as well as among cities.

I would like to remind hon. members also that the federal government has been carefully examining its overall role in urban transportation as was outlined in the last throne speech, and it will consult the provinces on this when the examination has been concluded. It is prepared to do this to improve and strengthen the urban environment for the future as well as to meet more pressing current needs as illustrated by the energy situation.

IMMIGRATION—TRANSPORTING OF CHILEAN REFUGEES TO CANADA BY GOVERNMENT PLANE—NUMBER INVOLVED—SCREENING—GRANTED OF LANDED IMMIGRANT STATUS

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, on November 30, 1973, the Minister of Manpower and Immigration (Mr. Andras) announced measures to assist Chilean refugees wishing to come to Canada. At that time the minister announced that in line with Canada's ongoing refugee program, the government would relax selection criteria, would accelerate immigration processing, provide language training and job placement services, assistance to cover transportation costs, financial assistance to provide for accommodation, winter clothing and other such special support to facilitate early establishment. The minister at that time said that as of that date 20 people had arrived in Canada, 50 had received their visas and the applications of 125 others were being processed as quickly as possible.

On December 21, 1973, about one month after his initial announcement to the House, the minister further announced that applications respecting approximately 1,400 persons had been received. He said that 184 visas had been issued and up to 213 additional visas could be issued once applicants had responded to the request that they come forward for their medical examinations. The minister went on to say that all applications received as of that date ought to be completed by January 31, 1974, with many being completed before the end of December, 1973. Well, Mr. Speaker, to date no refugees have landed in Canada since the minister's first announcement of November 30, 1973.

● (2210)

There are four groups of persons in Chile who have requested the aid of the Canadian government in leaving that country. These include Chileans who have sought refuge in the Canadian embassy; those who are seeking entry to Canada through normal, but relaxed immigration procedures; another group who are hiding in Santiago and are being hunted by the military junta; and finally those refugees, Chilean and non-Chilean, who are presently sheltered in six specially created United Nations refugee camps. By way of clarification it should be noted that those who have applied for visas on a normal basis have done so with a view to bettering their personal economic positions, as many have lost their jobs since the junta takeover. The large majority of these people have no political problems with the ruling military. On the other end of the spectrum, those who are in hiding have little or no hope of escape. They are in hiding and we do not know who they are or where they are.

The last group, those who are being cared for under the United Nations refugee program, is the group which both needs and at the same time can benefit from the minister's announced accelerated immigration program. United Nations figures of December 27 showed that 509 refugees were in camps on that day, 1,147 foreigners were on UN lists but living in the city, 123 in embassies and 23 in prison.

The minister's statement in the House that Canada was expanding its aid to refugees created a good deal of optimism and hope among UN officials and the refugees. But in actual practice the announced policy was not much relaxed, and on the contrary was found to be very strict. There were lengthy interviews, first about professional capacity, then questioning about political ideology and party affiliation, followed by medical examinations, a check-out with Ottawa and a wait of several weeks. Some later received curt, two-paragraph letters, of which I have a copy here, affirming rejection by Canada because "your admittance to Canada would be contrary to the public interest of the Canadian people." As a matter of fact, the situation has become so confusing and contradictory that Mr. Ernest Schlatter, the UN High Commissioner for Refugees in Santiago, directed a letter to the Canadian ambassador in Chile, Mr. Ross, on December 28 complaining of Canada's policy in the UN operation.

Three common complaints from UN refugee camps have been that the Canadian immigration officials presume the clients to be guilty as criminal terrorists until proven innocent. The refugees have also spoken bitterly of police-type interrogation. Thirdly, the manner in which the Canadian officials have gone about assisting these refugees appears contrary to what the Minister of Manpower and Immigration in his statement referred to as humanitarian considerations. The minister has not cleared up to my satisfaction the disposition of the refugees in the UN camps who have applied for entry to Canada. For example, we do not know how many from the UN camps have applied to come to Canada and what their status will be if the UN camps are closed as scheduled on February 3.

The minister has obfuscated the whole issue by quoting regular immigrant concerns about Canada's winter weather and by using meaningless phrases such as "importing revolution," "real refugees," "revolutionaries in masquerade" and his classic statement that "all 124 immigrants are clean." Who, in heaven's name, does the minister think overthrew the democratically elected government? The terrorists and revolutionaries are in the military junta, not in the refugee camps. Why does the government regard the Latin-American refugee who has taken a stand against an oppressive, dictatorial, guerrilla regime as a criminal terrorist and not a freedom fighter, a patriot striving to build a world of justice and decency?

In recognizing the military junta diplomatically, the Secretary of State for External Affairs (Mr. Sharp) announced that such recognition did not imply agreement with the junta. Yet his colleague the Minister of Manpower and Immigration appears not to have understood this, for he seems to regard it as his duty to hand over those refugees to the illegal junta, those who have most opposed the junta and who have most to fear at the hands of the military. I cannot help but feel that in the minister's view General Pinochet could fulfil the qualifications he has made necessary for the refugees. I am sure the minister could find him "clean."

The Acting Speaker (Mr. Laniel): Order, please. I regret to interrupt the hon. member, but the time allotted to him has expired.

Mr. Mark MacGuigan (Windsor-Walkerville): Mr. Speaker, I think it no exaggeration to say that the statement we have just heard is an abuse of the proceedings on adjournment. Yesterday the hon. member for Nickel Belt (Mr. Rodriguez) raised a supplementary question with respect to whether the government is considering the establishment of scholarships for refugee students who would like to get out of Chile; tonight he lectures us on another question having to do with Chileans coming here, but not scholarships. Other hon. members opposite, when they make an attempt to change the subject on which they originally asked a question, at least refer to the subject matter of the original question. The hon. member opposite has not favoured us with that courtesy this evening.

The Secretary of State for External Affairs (Mr. Sharp) and the Minister of Manpower and Immigration (Mr. Andras) have already adequately replied to the charges made tonight by the hon. member for Nickel Belt. As I have said, the charges are not, in any event, the subject matter which is before us.

LABOUR CONDITIONS—NEGOTIATIONS WITH MARITIME EMPLOYERS' ASSOCIATION ON GUARANTEEING OF LOANS

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I want to direct a few words to the parliamentary secretary tonight arising out of a situation started many months ago on the Montreal, Trois-Rivières and Quebec docks with regard to early retirement and an alleged undertaking by the government of Canada to guarantee full employment for the workers. I hope I have not misquoted the minister on this.

On two occasions, first on December 10 and again yesterday, I asked questions of the minister relating to the intentions of the government with respect to the guaranteeing of certain loans incurred by the Maritime Employ-

ers' Association to effect the early retirement of slightly over 500 waterfront workers in those three ports. The minister indicated to me on one occasion that he did not really know what I was talking about, and then he recalled that there was a guarantee to assist these people. Yesterday he was not certain what had happened. He was vague about it and indicated that he would try to find out something for me for today.

What we are talking about is the underwriting of loans of approximately $12 million for the Maritime Employers' Association, which is essentially a private group representing private industry and private interests based in Montreal but in fact representing east coast ports as well. I am concerned that a deal was made some time ago. I cannot imagine the Royal Bank of Canada or the Canadian Imperial Bank of Commerce extending to the Maritime Employers' Association something like $9 million or $10 million on the basis of the figures which in less than eight or nine months had proven to be deficient, so I must conclude that some other assurance was given to the banks. There must have been an undertaking given to the banks by the government that it would do everything in its power to effect full employment; that is, a guarantee of work through all these three ports. That is the only way I can imagine the banks would lend that amount of money to the Maritime Employers' Association.

I am sure the government at the time did not in deed or in word, maybe by implication but not by indication, guarantee the loan to the Maritime Employers' Association which is virtually on the brink of bankruptcy: they cannot meet their commitments to the banks.

● (2220)

I have before me a copy of the proceedings of a meeting of the Maritime Employers' Association held in Montreal on Thursday, December 13, at 2.30 p.m. This copy was distributed on December 19, 1973. I want to read one or two parts of this extract. We are dealing here with the report of A. E. Masters, president of MEA, to member companies. This company represents employers such as Atlantic Container Line (Canada) Ltd., Cast North America Limited, Clarke Transportation Canada Ltd., Federal Commerce and Navigation Co. Ltd., Kerr Steamships (Canada) Limited, Montreal Shipping Company Ltd., and so on. I think we all know their names.

In that report to the members, Mr. Masters deals with the total cost of the early retirement program, which was to run about $7 million originally and was financed by the Royal Bank and the Canadian Imperial Bank of Commerce on the basis of cargo projection flows starting in May. These projections have now proved deficient. He deals with the three ways in which that deficiency occurred. There was a decline in cargo handled at the three river ports. The cargo shift from bulk to mechanized methods was taking place at a more rapid rate than had been anticipated and, finally, productivity had increased. That is fine and probably absolutely accurate. What concerns me has to do with the following part of the report which I now quote:

> Your board is meeting with officials of the federal government in the Departments of Finance, Treasury Board and Transport immediately after this meeting with a view to finalizing the refinancing of your association's loans.

Mr. Masters then instructed directors of MEA not to ask questions, not to discuss this because meetings were to take place that very afternoon. I am concerned about the impact on the port of Halifax of the 75-cent per ton cargo assessment put on just a few days ago to help offset pension and administration costs. We are concerned about this. Mr. Masters told the meeting not to make a fuss, not to make a noise because they were going to get the federal government to underwrite the loan, so that the cargo assessment will not have to go up for the ports of Montreal, Trois-Rivières and Quebec. The people of Halifax are understandably concerned.

I am concerned about the confusion and about what the government intends to do. Will it guarantee the loans and permit MEA to function for a month or two after the loans have been guaranteed, and then simply let them fold their tents, declare to the banks their inability to meet the loan and let the Canadian taxpayer pick up the tab? On the one hand there is increased assessment in Halifax and there is increased assessment in the port of Saint John. This will come about quickly. I hope this evening the hon. member who acted previously as parliamentary secretary can tell us of the intentions of the government with respect to these loans.

Is the government to guarantee these loans? Are we in danger of having to repay the loans to the banks? If so, what compensation is to be offered to the ports of Vancouver, Halifax, Saint John, New Brunswick, etc., and to other ports? Finally, I am concerned about the attitude of the Department of Transport, the National Harbours Board and what-have-you about the establishment of the Maritime Employers' Association in the port of Halifax, as that port can operate at a fraction of the cost which is now being charged against administration in Montreal. I know the hon. member will do his best to answer these questions. I suggest to him that his failure to do so tonight will have me on my feet again before the House adjourns.

Mr. Joseph-Philippe Guay (St. Boniface): Mr. Speaker, I suggest that the Minister of Transport (Mr. Marchand) yesterday, as recorded at pages 9014 and 9015 of *Hansard*, answered in a clear manner matters raised by the hon. member for Dartmouth-Halifax East (Mr. Forrestall). The Maritime Employers' Association is a corporation incorporated under part II of the Canada Corporations Act that represents some 85 operators who employ International Longshoremen's Association labour in the major eastern Canadian ports. There are several separate labour agreements, one of which is for the three St. Lawrence River ports of Quebec, Trois-Rivières and Montreal, for a three-year period ending December 31, 1974.

Difficulty was experienced in the early stages of this contract due to changing cargo patterns, including the high level of containerization and diversion to other ports and the ILA strike in these ports in 1972, finally settled by an act of parliament and by arbitration which cost MEA a great deal of money to support a wage-guarantee program. In May of 1973 a reduction of some 550 men in the work force was accomplished for which MEA borrowed $7.2 million with an undertaking from NHB that the matter would be brought to the attention of the government if results showed that conventional financing was too great a burden for MEA. This present recommendation is there-

fore in fulfilment of that undertaking. The repayment program for these funds has not been met and cannot be met within the current labour agreement.

The NHB has proposed to the government that some arrangements be made to guarantee bank loans incurred by MEA for the purpose of the early retirement program for surplus longshoremen. This will remain an MEA obligation entirely and will be repaid out of MEA charges made at Montreal, Trois-Rivières and Quebec.

There is no relationship between the MEA labour contract in these three St. Lawrence ports and the east coast ports. These are completely separate contracts and neither Halifax nor Saint John could be involved. Funds for each port in the NHB system are kept separate and distinct, and funds from Saint John and Halifax could not be used to pay any obligations in the St. Lawrence ports.

The basis of the funds to support this guarantee is reserved funds invested in government bonds from the three St. Lawrence ports out of prior years' profitable port operations. In the event that the government was ever called on to make good such a guarantee, these reserve funds would be made available by the NHB for this purpose. These total now about $30 million. There are no similar funds of any kind in the port of Halifax, and in fact the government was required to provide $1 million in the 1973 estimates to cover the operating loss of that port. There are only about $2 million of similar funds in the port of Saint John, and the NHB has pledged that this will be used for capital improvements in the port. The government has not yet completely reviewed the NHB proposal, so detailed comments are rather premature.

Motion agreed to and the House adjourned at 10.30 p.m.

HOUSE OF COMMONS

Wednesday, January 9, 1974

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

BROADCASTING, FILMS AND ASSISTANCE TO THE ARTS

Fourth report of Standing Committee on Broadcasting, Films and Assistance to the Arts—Mr. Fleming.

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

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

[*Text*]

APPOINTMENT OF GRANT DEACHMAN TO TARIFF BOARD

Question No. 1,923—**Mr. Cossitt:**

1. What were the considerations that led to the appointment of Mr. Grant Deachman of Vancouver, formerly M.P. for Vancouver Quadra, to the Tariff Board, as announced by the Minister of Finance on April 10, 1973?

2. Did the fact that he was at one time a member of the executive committee of the Liberal Party of Canada have a bearing on his appointment?

3. Did the fact that he was formerly a Liberal Member of Parliament have a bearing on his appointment?

Hon. John N. Turner (Minister of Finance): 1. In a reply to an oral question in the House on April 11, 1973, it was suggested that the appointee had been a great public servant who developed his judicial qualities to a very high degree in the House.

2. No.

3. The fact that he had been a member of parliament had a bearing on his appointment.

SCALE RESPECTING FEES PAID TO LAWYERS EMPLOYED BY GOVERNMENT

Question No. 2,398—**Mr. Cossitt:**

Is any fee scale maintained by the government in regard to fees paid to lawyers doing government legal work and, if so, what are the various items and amounts of this tariff or scale?

Hon. Otto E. Lang (Minister of Justice): Given the diverse range of legal services performed by lawyers retained to act on behalf of the government, tariffs or scales of fees are maintained only in relation to those services where the activities are routine or the proceedings reasonably well defined. In matters pertaining to the criminal law there is a scale of fees, paid to lawyers retained as agents of the Minister of Justice, the amounts of which vary according to the experience of counsel retained and with the complexity of the professional services being rendered. The range of the tariff is from $20 per hour for preparation and $200 per day in court to $40 per hour for preparation and $400 per day in court. In exceptional cases, $50 per hour for preparation and $500 per day in court may be allowed. In property conveyancing matters, standard services are normally remunerated at a fixed tariff, for example $15 for drafting a standard lease, $50 for a title search under a land registry act, and other services at $20 per hour. In all other non-litigation matters, the fee to be paid to an agent of the Minister of Justice is governed by the level of experience of the lawyer retained, the complexity of the matter in question and, where relevant, the amount of money involved in the case. The fee is normally billed on an hourly basis. In so far as civil litigation is concerned, there is no payment to lawyers, retained as agents of the Minister of Justice, according to a scale or tariff of fees. Agents are expected to charge the same fees that they would ordinarily charge their other clients for similar work, and they are expected to submit an account prepared on an hourly basis.

B.C. PENITENTIARY COMPLAINT

Question No. 2,652—**Mr. Reynolds:**

1. On February 11, was a written complaint sent to management at the British Columbia Penitentiary concerning dealings between officers and inmates contrary to the penitentiary service regulations and, if so, did the incident involve inmate No. 6061, Herbert and guard H. O. Johnson as well as Dr. Brewster, a penitentiary physician?

2. Was an answer received by the complaining officer and, if not, can the Minister advise for what reason?

Hon. Warren Allmand (Solicitor General): 1 and 2. There is no evidence of such a complaint being received by management at the British Columbia Penitentiary. It is assumed that the matter alluded to refers to two complimentary tickets to a National Hockey League game in Vancouver on March 10, 1973, which Dr. Brewster, the Penitentiary physician, left with Hospital Officer Johnson for delivery to inmate Hébert and his A.A. sponsor. The provision of gratuitous benefits of this nature does not contravene Penitentiary Service Regulations.

Order Paper Questions

GOVERNMENT POLICY RESPECTING HIRING OF PERSONNEL THROUGH PRIVATE EMPLOYMENT AGENCIES

Question No. 2,659—**Mr. Forrestall:**

1. What is the policy of the government towards the hiring of personnel for government positions of a full-time, part-time or casual basis through private employment agencies, other than Canada Manpower Centres?

2. How many persons have been employed through such agencies since April 1, 1970, by year?

3. For a similar period of time, how many persons were placed by Canada Manpower Centres in government positions on a full-time or casual basis?

4. How does the government assess such practice?

Mr. John M. Reid (Kenora-Rainy River): I am informed by the Treasury Board Secretariat and the Department of Manpower and Immigration as follows: 1. The hiring of personnel for government positions of a full-time, part-time or casual basis is governed by the Public Service Employment Act and, other than those hired by department through Canada Manpower Centres, is done through the Public Service Commission.

2. Nil.

3.

	Full-Time*	Casual**
1970–71	45,535	4223
1971–72	80,414	3498
1972–73	86,364	3705
1973 to July 31/73	36,230	1110

*6 days or more **5 days or less

NOTE: The above statistics indicate the number of referrals by Canada Manpower Centres to departments and agencies of government which resulted in placements in government positions.

4. Not appplicable.

CANADIAN PENITENTIARY SERVICE

Question No. 2,772—**Mr. Stackhouse:**

1. (a) How many Classification, Visiting and Correspondence Officers were on the staff of the Canadian Penitentiary Service in 1972-73 (b) how many are currently on the staff?

2. How many parolees were required to forfeit their paroles and return to penitentiary in 1970, 1971 and 1972?

3. How much expense was incurred in 1973 for the production by the print-shop at the Millhaven Maximum Security Institution of score-cards for use at the golf course of the Institution?

4. (a) How many inmates in the Warkworth Institution have been allowed to leave the Institution in 1973 to play golf at courses outside the Institution (b) have they been given escorts (c) have they been required to pay the green fees and transportation (d) if the Institution has paid these expenses, what has been the cost (e) what has been the cost of providing escorts?

5. (a) What has been the dollar value of illegal drugs confiscated in Canadian penitentiaries in 1972 and 1973 (b) how many inmates were (i) charged (ii) convicted in 1972 and 1973 with drug offences committed in Canadian penitentiaries?

6. Has the RCMP made any investigations of illegal drug-use in Canadian penitentiaries?

Hon. Warren Allmand (Solicitor General): 1. (a) 211 Classification Officers; 73 Visits and Correspondence Officers. (b) 235 Classification Officers; 94 Visits and Correspondence Officers.

2. 1970, 422; 1971, 639; 1972, 666.

3. None. Scrap material was used in the production of score-cards as part of the print shop training program for inmates.

4. (a) 95; for a total of 210 absences to play golf; (b) Yes. Escorts were approved volunteer citizens or regular staff members. (c) No. There were no transportation costs and golf fees were donated by the clubs concerned; (d) Not applicable; (e) No costs were involved where volunteer citizens acted as escorts. Where regular staff members acted as escorts the only cost involved would be that resulting from the staff members' absence from the institution for a maximum of three and a half hours.

5. (a) 1972, $2,167*; 1973, $2,966*. (b) (i) 1972, 21; 1973, 40; (ii) 1972, 21; 1973, 40.

6. Yes.

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*Approximations, institutional value, to December 1, 1973.

B.C. PENITENTIARY—INMATE AUGER

Question No. 2,795—**Mr. Reynolds:**

1. Did inmate Auger 6980 arrive at the British Columbia Penitentiary on September 8, 1973 under custody of the Quebec Region?

2. Was this inmate sent to Quebec Region under escort less than 30 days prior to that date?

3. Did the prisoner and penitentiary officials question his shipment to Quebec when outstanding charges were still to be faced in British Columbia and, if so, with what result?

4. What was the cost of this transfer?

5. What was the reason for this transfer?

Hon. Warren Allmand (Solicitor General): 1. Yes.

2. Yes.

3. No. No one questioned and it can only be assumed from documentation on file that communication between the County Court Registrar and the British Columbia Penitentiary Records Department did not function in this instance in that no official document or other notification was received stating that Mr. Auger was required to again appear in B.C. Court, prior to his transfer to the Quebec region.

4. $1628.71, breakdown as follows: Cost of the Transfer: Staff costs including air fare, meals, hotel, taxis, and overtime, etc. in the transfer of Mr. Auger from B.C. to Quebec on August 22, 1973, and his return to B.C. on September 8, 1973, are as follows: August 22, two escorting officers from B.C., $814.75; September 8, one escorting officer from B.C., $548.96; Total, $1,363.71. Mr. Auger's air fare amounted to $131 each way plus a meal on each of the two trips at $1.50 per meal thus making a grand total for the transfer of $1,628.71.

5. Mr. Auger is a unilingual French-speaking inmate, who was encountering serious difficulties adapting to an English-speaking milieu. This was considered to be a sufficient enough reason to warrant the unusual measures adopted in his case. Also, Mr. Auger had requested this transfer on humanitarian grounds.

COST OF CANADA'S PEACEKEEPING INVOLVEMENT IN VIET NAM

Question No. 2,838—**Mr. Forrestall:**

What was the total cost to the Canadian taxpayer of Canada's involvement in peacekeeping in Viet Nam?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Expenditures since 1954 to September 30, 1973 in respect of the International Commission for Supervision and Control (ICSC) in Indo-China including Cambodia, Laos and Viet Nam and the new International Commission for Control and Supervision (ICCS) in Viet Nam amounted to $8,507,554 of which $3,078,322 is recorded as recoverable. Total expenditures in respect of both commissions relating specifically to Viet Nam are available only from April 1, 1969 as prior thereto the ICSC in Indo-China was considered as a single entity and the accounting procedures did not differentiate between expenditures in Cambodia, Laos and Viet Nam. For the period April 1, 1969 to September 30, 1973 expenditures in respect of both commissions relating to Viet Nam amounted to $2,176,482.

LEAP ADVERTISING COSTS AND OFY ADMINISTRATIVE EXPENSES

Question No. 2,841—**Mr. Marshall:**

1. Of the $9,500,000 committed to the Local Employment Assistance Program for the fiscal year 1973-74, what portion was allocated for advertising costs?

2. By what means has LEAP been advertised to the general public?

3. For what reason are the administrative expenses of OFY not constructed in such a manner as to allow the computation of the average cost per project for the approval process?

Mr. John M. Reid (Kenora-Rainy River): I am informed by the Departments of Manpower and Immigration and the Secretary of State as follows: 1. No portion of these program funds have been allocated for advertising. Other administrative funds in the amount of $581.42 have been allocated for the production of an information sheet.

2. Information on LEAP is available at every Canada Manpower Centre across Canada as is information on every program and service administered by the Department of Manpower and Immigration. Special emphasis is placed by Special Programs Counsellors and Consultants on assisting clients of CMCs, likely to remain unemployed despite normal labour market activity, to develop LEAP project proposals.

3. The projected administrative expenses of OFY submissions were taken into account in the approval process. In 1973, the administrative costs of OFY projects constituted an average of 9 per cent of total project budgets.

DEPARTMENT OF COMMUNICATIONS PUBLICITY EXPENDITURES

Question No. 2,854—**Mr. Nystrom:**

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

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

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

Hon. Gérard Pelletier (Minister of Communications): 1. Total value of contracts granted by the Department of Communications for information purposes: 1972-1973, $9,800; 1973-1974, nil.

2. Contracts granted during the fiscal year 1972-1973: John Doherty Co. Ltd., Ottawa, Ontario, two contracts for a total amount of $9,800 for consulting and editing services. 1973-1974, nil.

3. The Information Services budgets allocated to information were: 1972-1973, $161,500; 1973-1974, $150,000.

SALARIES PAID TO EXECUTIVE OF QUEBEC INDIANS ASSOCIATION

Question No. 3,065—**Mr. Godin:**

What are the salaries paid to the Executive of Quebec Indians Association (a) President (b) two Vice-Presidents (c) Secretary (d) Staff Manager?

Hon. James Hugh Faulkner (Secretary of State): The Indians of Quebec Association is a private association. Inquiries concerning the salaries paid to the executive of this association should be addressed directly to the Indians of Quebec Association, Village des Hurons, Quebec, G0A 4V0.

HALIFAX INTERNATIONAL AIRPORT—DOMESTIC AND INTERNATIONAL FLIGHTS

Question No. 3,135—**Mr. Forrestall:**

What percentage of (a) domestic (b) international flights went out on schedule from the Halifax International Airport to date this year?

Hon. Jean Marchand (Minister of Transport): These statistics are not kept by the Ministry of Transport. In Air Canada, international and domestic flight delays are not processed separately, and therefore the following information is for both domestic and international flights for the period from January 1, 1973 to October 31, 1973: 75.9 per cent of the flights departed within 15 minutes of scheduled departure times.

CROP RESEARCH

Question No. 3,142—**Mr. Schellenberger:**

What was the total number of man years budgeted by the Department of Agriculture for crop research for the fiscal years ending March 31, 1973 and March 31, 1974 and, of the total number, how much was used on (a) high protein barley (b) high protein, high lysine barley (c) high protein oats (d) feed wheat?

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

	1972–73 (man years)	1973–74 (man years)
Crop Research	1013	1027
(a) high protein barley	5	5
(b) high protein, high lysine barley	1	1
(c) high protein oats	2	2
(d) feed wheat	15	15

Order Paper Questions

SUPPLEMENTARY RETIREMENT BENEFITS ACT

Question No. 3,177—**Mr. Forrestall:**

What is the rationale for requiring contributions to the Supplementary Retirement Benefits Act after an employee has accumulated 35 years pensionable contributions when such contributions cease, to the Public Service Superannuation Account after 35 years pensionable service?

Hon. C. M. Drury (President of the Treasury Board): The Advisory Committee, whose recommendations to the President of the Treasury Board were accepted by the government, in proposing the legislation on the Supplementary Retirement Benefits Act for submission to parliament in 1970, felt that every employee who was going to benefit under the Supplementary Retirement Benefits Act should contribute for the valuable new benefits provided under that act so long as that person was employed on a full time basis. There is no relationship between the method of financing the benefits payable from the Superannuation Account under the Public Service Superannuation Act and the method of financing the benefits payable from the Supplementary Retirement Benefits Account under the Supplementary Retirement Benefits Act. Accordingly, in looking for new sources of funds for the payment of benefits under the Supplementary Retirement Benefits Act there was no reason to limit the period over which contributions should be made.

PURPOSES OF TRIPS MADE BY S. S. REISMAN, 1971-72

Question No. 3,225—**Mr. Knight:**

1. In the fiscal year 1971-72, what were the purposes of the trips made by S. S. Reisman, Deputy Minister of Finance (salary range: $45,000-$50,000), to (a) Washington ($265) (b) Paris ($1,056) (c) Washington ($94) (d) Washington ($120) (e) Washington ($327)?

2. In what months of the year were these trips made?

Hon. John N. Turner (Minister of Finance): 1 and 2. (a) Washington ($265)—Purpose of Trip—To attend discussions with U.S.A. representatives regarding the trade between Canada and the United States in automotive products, and certain other trade issues affecting relations between Canada and the United States. August, 1971. (b) Paris ($1,056)—Purpose of Trip—To attend the meeting of the Organization for Economic Co-operation and Development and the Working Party on International Financial Developments. September, 1971. (c) Washington ($94)—Purpose of Trip—To attend discussions with U.S.A. representatives regarding the balance of payment relationship between Canada and the United States. October, 1971. (d) Washington ($120)—Purpose of Trip—To attend discussions with U.S.A. representatives regarding the United States Interest Equalization Tax, foreign exchange development, and the upcoming meeting of the Group of Ten (Smithsonian Conference). December, 1971. (e) Washington ($327)—Purpose of Trip—To attend with the Minister of Finance the meeting of the Ministers of Finance and Central Bank Governors of the countries in the Group of Ten. December, 1971.

[Mr. Whelan.]

PURPOSE OF TRIP MADE BY A. W. JOHNSON, SECRETARY OF TREASURY BOARD, 1971-72

Question No. 3,287—**Mr. Knight:**

1. In the fiscal year 1971-72, what was the purpose of the trip made by A. W. Johnson, Secretary of the Treasury Board (salary range: $45,000-$50,000), to Hong Kong, Peking, Canberra, Sydney and Tokyo ($3,643)?

2. In what month of the year was this trip made?

Hon. C. M. Drury (President of the Treasury Board): 1. Hong Kong, Peking, Canberra, Sydney, Tokyo ($3,643)—Purpose of Trip—The Secretary of the Treasury Board is a member of the Interdepartmental Committee on External Relations. In that capacity he was visiting several posts in the Pacific area, as well as attending a meeting of Canada's Heads of Missions in that area held in Canberra, Australia, for the purpose of discussing the co-ordination of the policies and programs, and the integration of the services, of Canadian government departments and agencies with external interests.

2. Date, January, 1972.

PURPOSE OF TRIP MADE BY J. P. CONNELL, 1971-72

Question No. 3,288—**Mr. Knight:**

1. In the fiscal year 1971-72, what was the purpose of the trip made by J. P. Connell, Deputy Secretary of the Treasury Board (salary range: $34,000-$40,000), to San Francisco ($745)?

2. In what month of the year was this trip made?

Hon. C. M. Drury (President of the Treasury Board): 1. San Francisco ($745)—Purpose of Trip—To attend the 1971 international conference of the Public Personnel Association.

2. Date, November, 1971.

PURPOSE OF TRIP MADE BY G. COUSINEAU, 1971-72

Question No. 3,290—**Mr. Knight:**

1. In the fiscal year 1971-72, what was the purpose of the trip made by G. Cousineau, Deputy Secretary of the Treasury Board (salary range: $28,000-$35,000), to Lansing, Mich. ($119)?

2. In what month of the year was this trip made?

Hon. C. M. Drury (President of the Treasury Board): 1. Lansing, Michigan, U.S.A. ($119)—Purpose of Trip—To meet with officials of the Michigan state government to review their long range plan for electronic data processing in relation to the study that the Treasury Board was to undertake with regard to data processing in the federal government.

2. Date, October, 1971.

RCMP RETIREMENT BENEFITS

Question No. 3,302—**Mr. Forrestall:**

As of November 30, 1973, how many retired members of the RCMP are not eligible for receipt of benefit under the Public Service Supplementary Retirement Benefit Act who have retired after (a) 20 years service (b) 25 years service (c) 30 years service (d) all other lengths of service for which pensions are normally paid, expressed as a percentage of those receiving pensions and in absolute terms?

Hon. Warren Allmand (Solicitor General): (a) 55.85 per cent, 644; (b) 41.75 per cent, 453; (c) 8.9 per cent, 22; (d) 31.81 per cent, 49.

PUBLIC SERVICE SUPPLEMENTARY RETIREMENT BENEFIT ACT—ADOPTION OF CONCEPT OF PAYMENT OF INFLATION COMPENSATION

Question No. 3,303—**Mr. Forrestall:**

Is it the intention of the government to proceed with the full adoption of the concept of payment of inflation compensation through the Public Service Supplementary Retirement Benefit Act on the basis of years of service regardless of age and, if so, on what date can such legislation be expected?

Hon. C. M. Drury (President of the Treasury Board): In so far as the Treasury Board Secretariat is concerned: No, at least, not at the present time.

LEGISLATION TO AMEND SUPPLEMENTARY RETIREMENT BENEFIT ACT AND PUBLIC SERVICE SUPERANNUATION ACT

Question No. 3,304—**Mr. Forrestall:**

1. Pending the introduction of legislation to substantially amend the Supplementary Retirement Benefit Act and the Public Service Superannuation Act and other pension-related legislation, will the government give consideration to ceasing the current practice of having members of the Public Service fill in retirement-pension election forms far in advance of the actual date of termination of service?

2. Is the government giving consideration to eliminating the hardships involved to such about-to-retire public servants when legislation is introduced and passed between the date on which an employee has signed an election and the date of the employees termination of service?

Hon. C. M. Drury (President of the Treasury Board): 1. For administrative convenience and in order to speed up the processing of retirement benefits, those retiring employees who are entitled to a choice of benefits under the Public Service Superannuation Act are asked to indicate that choice some weeks in advance of their actual retirement date. The wording on the Optional Benefit Form clearly states that the option becomes operative on the date of ceasing to be employed and employees are therefore free to change an option made prior to retirement at any time up to the date of ceasing to be employed and, under some circumstances beyond the actual retirement date.

2. In any situation where legislation is introduced after the date of completing an Optional Benefit Form but before the date of retirement, the employee concerned could receive the benefit of the new legislation.

POST OFFICE—IRREGULARITY AND LATENESS COMPLAINTS

Question No. 3,308—**Mr. Fairweather:**

1. Have complaints been received about irregularity and lateness of mail originating from Toronto, particularly from subscribers of newspapers and financial and trade publications?

2. What steps has the Post Office Department taken to overcome such delays and ensure a return to normal service?

Hon. André Ouellet (Postmaster General): 1. Sporadic complaints have been received about irregularity and lateness of time-dated material, originating from Toronto, most recently the weekly ethnic press and the monthly FM radio programs in magazine form, second class mailings.

2. Short-range solutions to the complaints involve the establishment of a complex production control system, working with the mailer to improve his mail makeup and delivery schedule and an increased recognition by all post office employees of the sensitivity of time-dated material. Long-range permanent solutions depend on the installation of the new Toronto processing facilities, which is proceeding according to plan.

CANADIAN PENITENTIARIES SERVICE—OVERTIME FOR CUSTODIAL STAFF

Question No. 3,313—**Mr. Stackhouse:**

1. How much was spent on overtime for custodial personnel by the Canadian Penitentiaries Service in each of June, July, August, September and October?

2. How many additional members for the custodial staff have been authorized since June 1 by the Treasury Board?

3. How many (a) have been hired (b) have received training (c) are now on duty?

4. How many escapes have there been from federal penal institutions since June 1, 1973?

Hon. Warren Allmand (Solicitor General): 1. June, $503,436; July, $506,710; August, $502,509; September, $531,418; October, $525,846.

2. Six hundred twenty-one.

3. (a) 470; (b) 173; (c) 260.

4. Thirty-four. June 1 to December 3, 1973.

MANPOWER

Question No. 3,356—**Mr. Godin:**

1. What is the total manpower available in Canada?

2. Of this number, how many (a) men (b) women are employed?

3. For both sexes, how many are members of a labour union?

Mr. Herb Breau (Gloucester): Statistics Canada reports that: Statistics Canada does not produce data on total manpower in Canada, however, it does collect information on the labour force which is defined as follows: "The civilian labour force is composed of the portion of the civilian noninstitutional population 14 years of age and over who, during the reference week were employed or unemployed (those without work and seeking work, or those temporarily laid off for the full week)." For parts 1 and 2 of the question, the most recent data available are for November 1973. For part 3, however, the latest data available are for December 1971, which is when the last survey of trade union membership was conducted. Comparable data for December 1971 has therefore also been provided in response to parts 1 and 2. These data are provided in the following table.

Order Paper Questions

(in thousands)

	(1) Labour Force			(2) Employed			(3) Union Membership		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
November 1973	9,297	6,097	3,200	8,829	5,776	3,053	(not available)		
December 1971	8,655	5,745	2,910	8,125	5,343	2,782	2,428	1,848	581

COMBINES INVESTIGATION ACT—COMPETITION POLICY

Question No. 3,358—**Mr. Crouse:**

Is the government aware of the concern and disappointment among small businessmen over the first stage proposals for a new competition policy in Canada and, if so (a) is the government giving any thought to establishing a policy that loss leadering ought to be subject to restrictive legislation (b) on what date can the House expect that the subject of loss leaders and predatory behaviour and the protection of small businessmen will be incorporated into amendments to the Combines Investigation Act?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): The Minister of Consumer and Corporate Affairs does not agree with the premise in the hon. member's question that small businessmen are concerned and disappointed over Bill C-227, the first stage proposals for a new competition policy in Canada. On the contrary, many favorable comments have been received in support of the bill. In reply, however: (a) Representations have been received concerning the practice of loss-leadering. It is intended that these will be considered in the course of developing proposals for stage two of the competition policy. These representations can also be considered as Bill C-227 proceeds through the parliamentary process. (b) Bill C-227, which contains a number of measures for the protection of small businessmen, received first reading on November 5. No date has yet been set for second reading.

ORDER PAPER QUESTIONS NOS. 2,941 TO 2,950 INCLUSIVE

Question No. 3,377—**Mr. Cossitt:**

With reference to Question Nos. 2,941 to 2,950 inclusive in regard to moneys paid to certain lawyers, on what exact date and time were these received by the Privy Council Office, who received them, what are the names and job designations of those to whom they were assigned for the purpose of compiling answers, has the Privy Council Office at any time attempted to expedite the answers and, if so, on what specific dates?

Hon. Otto E. Lang (Minister of Justice): See reply to Question No. 3,366 relative to the Parliamentary Enquiries and Coordination Division of the PCO. Questions Nos. 2,941 to 2,950, inclusive, were referred to the appropriate official in the Department of Justice by the Parliamentary Enquiries and Coordination Division on October 17, 1973. The time frame in which questions are answered varies depending on workload, time involved in compiling statistics, research etc. In each instance an endeavour is made to answer questions as expeditiously as possible. However, one must bear in mind that questions are an addition to the usual workload of divisions and sections and there are times when other duties devolving on officers responsible take priority.

ORDER PAPER QUESTION NO. 2,398

Question No. 3,379—**Mr. Cossitt:**

With reference to Question No. 2,398 of June 26, 1973 in regard to the fee scale for lawyers doing government legal work, on what exact date and time was this received by the Privy Council Office, who received it, what are the names and job designations of those to whom it was assigned for the purpose of compiling an answer, has the Privy Council Office at any time attempted to expedite the answer and, if so, on what specific dates?

Hon. Otto E. Lang (Minister of Justice): See reply to Question No. 3,366 relative to the Parliamentary Enquiries and Coordination Division of the PCO. Question No. 2,398 was referred to the appropriate official in the Department of Justice by the Parliamentary Enquiries and Coordination Division on June 27, 1973. The time frame in which questions are answered varies depending on workload, time involved in compiling statistics, research, etc. In each instance an endeavour is made to answer questions as expeditiously as possible. However, one must bear in mind that questions are an addition to the usual workload of divisions and sections and there are times when other duties devolving on officers responsible take priority.

VETERANS LAND ACT—ELIGIBILITY OF MALE AND FEMALE VETERANS

Question No. 3,386—**Mr. Marshall:**

1. Under the Veterans Land Act, is any distinction made between a male and a female veteran as to qualifications to acquire loans and, if not, and it can be deduced that a war veteran, whether male or female, can qualify (a) can either the male or female qualify (b) can they both qualify and acquire separate loans and, if not (i) what is the definition of a veteran (ii) what is the regulation that prevents both female and male veteran from qualification, if they are married to one another?

2. If the regulation states that they both cannot qualify, for what reason?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): 1. There is no distinction made between a male and a female veteran as to qualifications to receive a loan. (a) Yes. (b) Section 14 of the Veterans' Land Act Regulations provides that where a husband and wife are both eligible to participate in the benefits of the Veterans' Land Act and a certificate of qualification was issued to each of them, only one such certificate shall be in effect at any one time except where evidence of legal separation has been submitted and the Director is satisfied that the legal separation is not the result of collusion or an understanding between the veteran and his spouse with a view to obtaining any benefits under the act.

2. This regulation reflects the basic principle on which the benefits of the Veterans' Land Act were developed, i.e., that the successful rehabilitation of a veteran on the land was dependent on providing him or her with a built-in equity of up to $2320, non-repayable if the veteran complies for a period of 10 years with the provisions of the VLA purchase contract including residence in the case of a veteran settled as a small holder. The act envisaged the establishment of a veteran and spouse as a family entity because normal matrimonial circumstances precluded any reasonable basis on which separate properties could be purchased for each of them, if they were both eligible and qualified veterans, as they could not be expected to

comply with the residence requirement on the separate properties. Re-establishment credit benefits and VLA benefits were alternative one to the other. Where a husband and wife were both veterans and a qualification certificate was issued to each of them, the decision was left to them as to which would apply for the VLA loan. Usually the one who did so was the one who had the smaller re-establishment credit benefit.

ADULT OCCUPATIONAL TRAINING COURSE

Question No. 3,399—**Mr. Godin:**

1. For the 1972-73 fiscal year, how many persons registered for adult occupational training courses (a) across Canada (b) in Quebec?

2. How many completed the courses in Quebec?

3. What was the average salary of such persons?

4. What were the salaries paid in Ontario?

Mr. Mark MacGuigan (Windsor-Walkerville): 1. (a) During the fiscal year 1972-73, 275,701 Canadians enrolled in the institutional part of Canada Manpower Training Program: 204,247 were full-time trainees and 71,454 on a part-time basis. (b) In Quebec, 133,774 trainees enrolled in the program: 71,873 on a full-time basis and 61,901 on a part-time basis.

2. In the Province of Quebec, 53,790 full-time trainees completed their courses in 1972-73. This figure does not reflect however the number of discontinuations during the fiscal year nor the number of trainees still in training at the end of this period.

3 and 4. Based on full-time trainees only, the average weekly allowance paid to trainees is: for Canada, $51.34; for Quebec, $60.03; for Ontario, $59.04. No allowances are paid to part-time trainees.

CANADIAN AMBASSADOR TO LEBANON—OFFICIAL VISITS TO SAUDI ARABIA

Question No. 3,416—**Mr. Macquarrie:**

1. In the past six months how frequently has the Canadian Ambassador to Lebanon made official visits to Riyadh, Saudi Arabia?

2. What was the date of such visit or visits and with what representatives of the Saudi Arabian government did he confer?

3. On what date is it intended to appoint a resident Canadian Ambassador to (a) Saudi Arabia (b) Iraq (c) other Arab countries in the Middle East in which Canada is not as yet so represented?

Hon. Mitchell Sharp (Secretary of State for External Affairs): 1. Three times.

2. During the first visit from June 18 to 26 the Ambassador conferred with King Faisal to whom he presented his credentials, the Crown Prince, the Minister of State for Foreign Affairs, his deputy and various other government officials. During the second and third visits from October 29 to November 1 and from December 7 to December 12 respectively, the Ambassador conferred with the Minister of State for Foreign Affairs, his deputy and various other government officials.

3. (a) A decision was taken on December 20 to appoint a resident Canadian Ambassador to Saudi Arabia. (b) No decision has yet been taken to appoint a resident Canadian Ambassador to Iraq. (c) The appointment of a resident Canadian Ambassador to Morocco is tentatively scheduled for the summer of 1974.

PERSONAL LOANS MADE BY CHARTERED BANKS

Question No. 3,431—**Mr. Matte:**

1. What rules have been established for chartered banks regarding the way personal loans are to be made?

2. Can the chartered banks loan up to 100 per cent of deposits on hand?

3. Do the same rules apply in the case of loans made to firms?

4. What percentage of the deposits must chartered banks deposit with the Bank of Canada as reserves?

Hon. John Turner (Minister of Finance): 1 and 3. The general powers of banks to make loans with or without security, including personal and business loans, are set out in Section 75 of the Bank Act. Banks are prohibited under Section 138 of the Act from making an agreement with another bank with respect to the rate of interest or charges on a loan. Under Section 92 of the Act and the Bank Cost of Borrowing Disclosure Regulations of September 27, 1967, banks are required to disclose the cost of borrowing on personal loans. Subject to such provisions, a chartered bank is permitted in competition with other banks and other financial institutions to establish its own rules regarding the way personal and business loans are to be made.

2. The relationship of the total outstanding loans of a bank to its total deposits is not laid down in the Bank Act and varies depending on the policy and operations of each bank. The statement of assets and liabilities of the chartered banks, published each month in the Canada Gazette, indicates that at October 31, 1973, the total outstanding loans of all chartered banks were approximately 59% of total deposits.

4. Under Section 72 of the Bank Act, a bank must maintain a minimum cash reserve in the form of notes of, and deposits in Canadian currency with, the Bank of Canada, such reserve not to be less on the average during any month than an amount equal to 12% of its deposit liabilities payable on demand in Canadian currency and 4% of its deposit liabilities as are payable after notice in Canadian currency. Each bank must maintain a secondary reserve, in addition to its cash reserve, comprised of treasury bills and day to day loans to investment dealers plus any cash reserves that are in excess of the minimum requirement, such reserve not to be less on the average during any month than 8% currently of its deposit liabilities as are payable in Canadian currency.

PURCHASE OF "THE DUNES" COTTAGES, PEI

Question No. 3,432—**Mr. MacLean:**

1. Did the Department of Indian Affairs and Northern Development purchase property known as "The Dunes" cottages for the Prince Edward Island National Park?

2. How much land was involved in this purchase?

3. Have the cottages been now disposed of?

4. Were the cottages leased or used in any other way during the period that they were the property of the Department and, if not, for what reason?

5. In making plans for the Prince Edward Island National Park that involves such things as the purchase of land, which has a direct effect on the local residents, were local organizations such as the Cavendish Resort Association contacted for advice and suggestions?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): 1. Yes, in 1971.

2. Approximately 3.14 acres.

3. Yes, through Crown Assets Disposal Corporation.

4. Cottages were leased to former owners from April 5 to October 29 in year of purchase only.

5. Previously only the provincial authorities were consulted on acquisitions; however, it is now the practice to inform local officials and organizations.

* * *

QUESTIONS PASSED AS ORDERS FOR RETURNS

BUILDING PROGRAM FOR ALL GOVERNMENT VESSELS

Question No. 2,335—**Mr. Forrestall:**

What specifically is the spending and building program for the next five years by type (operational capability) of all government vessels including military for (a) operational use north of 60 degrees parallel (b) operational use south of 60 degrees parallel?

Return tabled.

PAROLES

Question No. 2,426—**Mr. Leggatt:**

1. For each fiscal year 1963 to 1973, how many paroles were granted to people where less than one third of their sentences had been served?

2. Of the above paroles granted, how many have since been revoked?

Return tabled.

NEW BRUNSWICK—NUMBER OF PUBLIC SERVANTS

Question No. 2,729—**Mr. Corbin:**

For each department or agency (a) how many public servants were working in New Brunswick at the end of the last fiscal year (b) how many were female employees (c) in what localities were such public servants working (d) of the female public servants, how many held jobs other than secretaries, stenographers, typists (e) were the jobs rated as "bilingual" filled at that time and how many were there?

Return tabled.

PAYMENTS BY CBC AND OTHER GOVERNMENT DEPARTMENTS TO PRESS

Question No. 2,731—**Mr. Stevens:**

1. In each of the past six fiscal years, what was the total amount paid by (a) CBC (b) the government through all departments, agencies or Crown corporations to (i) The Canadian Press (ii) Broadcast News Limited (iii) Press News Limited?

2. What contracts are now outstanding between CBC or any other department, agency or Crown corporation with The Canadian Press group and what are the amounts payable to The Canadian Press group under the contracts?

Return tabled.

[Mr. MacLean.]

CBC AUDIENCE RESEARCH DEPARTMENT PERSONNEL

Question No. 2,735—**Mr. Stevens:**

1. As of March 31 in each of the years 1967, 1969, 1971 and 1973 (a) how many persons were employed in CBC Audience Research Department (b) what was the operating budget for the Department in each of these fiscal years?

2. Does CBC distribute research reports outside the Corporation and, if so (a) what reports have been distributed (b) which departments or members of the public received such reports in the past three fiscal years?

3. Has the government established any other internal media research groups or departments and, if so (a) on what dates were they established (b) under what departments (c) what is their present staff and operating budgets?

4. In each of the past six fiscal years (a) what was the total government expenditure with private consultants for media research (b) what were the names of the five consultants who received the highest amounts and what amounts did each receive (c) what were the five departments or agencies of government that expended the largest sums with private consultants for media research and what amounts did each expend?

Return tabled.

NEW BRUNSWICK—AIR POLLUTION

Question No. 2,738—**Mr. Corbin:**

1. Have any citizens of New Brunswick complained to the Department of External Affairs, to the Department of the Environment or to other departments or agencies with respect to air-pollution over New Brunswick emanating from the Loring, Maine Base of SAC, where quantities of fuel oil by-products and used oil are often burnt?

2. On what dates were such complaints made and by whom?

3. What was the response of the government to such complaints?

Return tabled.

GERMAN SHIP BUILDING

Question No. 2,789—**Mr. Hales:**

1. Are German shipbuilders currently engaged in the construction of ships capable of year-round Arctic navigation?

2. Are Canadian engineers, technologists, or any other Canadian personnel engaged in assisting German ship-building firms to construct ships capable of year-round Arctic navigation and, if so (a) how many such personnel are involved (b) with whom are these personnel affiliated in Canada (c) which department or departments of the government are involved in any such programme (d) who is paying the salaries and expenses of any such personnel on any such programme?

3. Is any Canadian money being spent on any aspect of the development of German ships capable of year-round Arctic navigation and, if so (a) how much money has been spent thus far (b) how much more money is going to be spent (c) by which department or departments of the government is the money being spent (d) if more than one department of the government is involved, how much money was spent by each?

4. To what use would any such ships be put, and if such ships are currently being developed, when could they be expected to be launched into operation?

5. What are the names and addresses of Canadian companies in the business of building the same sort of ships and were any of these companies invited to tender by the German developers?

Return tabled.

REPORT ON PSYCHIATRIC SERVICES

Question No. 2,794—Mr. Reynolds:

How many psychiatrists are presently employed (a) on a full-time basis (b) on a part-time basis, in each of the regions mentioned in the recent report from the Solicitor General regarding psychiatric services?

Return tabled.

CANADA MANPOWER TRAINING PROGRAM—CONTRACTS WITH THE DEPARTMENT OF MANPOWER AND IMMIGRATION

Question No. 2,807—Mr. Orlikow:

1. What were the names of employers who entered into contracts with the Department of Manpower and Immigration under the Canada Manpower Training Program for the purpose of training-in-industry and on-the-job-training, in the fiscal year 1973-74 to date, by province and municipality?

2. In each case, what was the number of trainees involved and what was the amount of money spent or committed?

3. What are the objectives of the program?

4. Has the department conducted any evaluative study of the program and, if so, what was the date of the latest report?

Return tabled.

CORPORATION IN RECEIPT OF ASSISTANCE FROM EXPORT DEVELOPMENT CORPORATION

Question No. 2,822—Mr. Knight:

1. What were the names of the corporations which received assistance in the form of export credits insurance, foreign investment insurance, loan guarantees or loans from the Export Development Corporation in each fiscal year 1968-69 to 1973-74 to date?

2. In each case, what were the amounts involved and, where applicable, the terms of repayment?

3. Has either the Corporation or the Department of Industry, Trade and Commerce conducted any evaluative study of the program and, if so, what was the date of the latest report?

Return tabled.

ATOMIC ENERGY OF CANADA LTD.—PUBLICITY EXPENDITURES

Question No. 2,847—Mr. Nystrom:

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

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

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

Return tabled.

CANADIAN INTERNATIONAL DEVELOPMENT AGENCY—PUBLICITY EXPENDITURES

Question No. 2,850—Mr. Nystrom:

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

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

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

Return tabled.

CENTRAL MORTGAGE AND HOUSING CORPORATION—PUBLICITY EXPENDITURES

Question No. 2,852—Mr. Nystrom:

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

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

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

Return tabled.

INFORMATION CANADA—PUBLICITY EXPENDITURES

Question No. 2,867—Mr. Nystrom:

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

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

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

Return tabled.

DEPARTMENT OF MANPOWER AND IMMIGRATION—PUBLICITY EXPENDITURES

Question No. 2,870—Mr. Nystrom:

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

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

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

Return tabled.

DEPARTMENT OF NATIONAL DEFENCE—PUBLICITY EXPENDITURES

Question No. 2,871—Mr. Nystrom:

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

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

Order Paper Questions

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

Return tabled.

PUBLIC SERVICE COMMISSION—PUBLICITY EXPENDITURES

Question No. 2,878—**Mr. Nystrom:**

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

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

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

Return tabled.

CANADIAN COUNCIL—RESEARCH EXPENDITURES

Question No. 2,896—**Mr. Nystrom:**

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

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

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

Return tabled.

CANADIAN RADIO-TELEVISION COMMISSION—RESEARCH EXPENDITURES

Question No. 2,899—**Mr. Nystrom:**

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

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

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

Return tabled.

UNEMPLOYMENT INSURANCE COMMISSION—RESEARCH EXPENDITURES

Question No. 2,938—**Mr. Nystrom:**

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

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

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

Return tabled.

[Mr. Nystrom.]

CANADIAN POLICE INFORMATION CENTRE

Question No. 2,953—**Mr. Atkey:**

1. Is the new central police computer now on line and (a) if so, what is the nature and range of services now available to the RCMP or other government agencies or departments from this new facility (b) if not, on what date will it be and what is the nature and range of services that will be available to the RCMP or other government agencies or departments at that time?

2. (a) On what date will all the facilities of the Canadian Police Information Centre (CPIC), of which the central police computer is part, be in full operation (b) what will be the nature and range of services that will be available to the RCMP or other government agencies or departments at that time (c) will CPIC be able to provide computer-assisted interrogation facilities similar to those being employed by the Watergate hearings of the U.S. Senate?

3. (a) Which police forces in Canada or in other countries will have access to the central police files stored in CPIC (b) what other agencies or departments or individuals, public or private, will have access?

4. (a) What records will be stored at CPIC (b) if criminal records are stored what will be the categories of information in each individual file (c) will such criminal records contain (i) records of persons arrested and/or charged but not convicted (ii) records of fingerprints where the accused person is not convicted (iii) records concerning military courts martial (iv) records concerning summary or juvenile convictions (v) records concerning persons on interdicted lists?

5. Will security and intelligence files be stored at CPIC and, if so, what will be the categories of information in each individual file?

6. What measures will be taken to guarantee the physical security of terminals which will give access to information stored at CPIC and what steps will be taken to ensure that only legitimate terminals become connected to this system?

7. What controls will be placed on the use of records obtained from CPIC through legitimate terminals?

8. What opportunities will be open to persons on whom a file is stored at CPIC to learn of the existence of such a file and to correct any erroneous or false information contained therein?

9. Does the government contemplate introducing legislation covering any or all of the above matters and, if so, on what date will such legislation be introduced?

10. (a) What is the total amount that the government has spent on CPIC to date (b) what is the amount that will likely be spent by the time CPIC is in full operation (c) what is the estimated annual operating cost of CPIC once it is in full operation?

11. (a) How many employees will be required to run CPIC at full operation (b) how many have been hired so far (c) what are the respective salary ranges of those hired and for all employees who will be running CPIC at full operation (d) what will be the total annual salary costs of running CPIC at full operation?

Return tabled.

CMHC—LAWYERS EMPLOYED IN MANITOBA

Question No. 2,959—**Mr. Cossitt:**

What were the names and addresses of all lawyers employed by Central Mortgage and Housing Corporation during the past fiscal year in the Province of Manitoba and what was the total amount of money paid to each individual?

Return tabled.

CMHC—LAWYERS EMPLOYED IN NEW BRUNSWICK

Question No. 2,963—**Mr. Cossitt:**

What were the names and addresses of all lawyers employed by Central Mortgage and Housing Corporation during the past fiscal year in the Province of New Brunswick and what was the total amount of money paid to each individual?

Return tabled.

SHIP CONSTRUCTION SUBSIDY PROGRAM ASSISTANCE

Question No. 2,979—**Mr. Broadbent:**

1. What were the names of the corporations which received cash grants under the Ship Construction Subsidy Program (SCSP), in each of the fiscal years 1972-73 and 1973-74 to date and what were the amounts of each grant?

2. What were the names of the owners of ships and other vessels built under the program in each of the above fiscal years?

3. What were the names of foreign-based ship-owners who commissioned construction of ships and other vessels under SCSP or Shipbuilding Temporary Assistance Program, who benefitted from a federal export subsidy and what were the amounts of the export subsidy in each case in each of the above fiscal years?

4. What are the objectives of the Shipbuilding Temporary Assistance Program?

5. What was the date of the latest evaluative study of the SCSP and STAP conducted by the department?

Return tabled.

CRIME PREVENTION

Question No. 3,022—**Mr. Atkey:**

1. (a) What are the details on the nature of the programs (i) the National Consultative Study of Youth Services for Crime Prevention (ii) "Project '73" (iii) the Toronto Youth Program Information Exchange (b) what is the relationship between these programs (c) what is the cost of these programs to date and how many people have been involved?

2. Does the Solicitor General intend to provide "Project '73" with further funds and (a) if so, to what extent is the Minister planning to finance this program (b) if not, what are his reasons for discontinuing this program?

3. Does the Solicitor General intend to use the National Consultative Study of Youth Services for Crime Prevention as a permanent policy advisory group or merely as a temporary investigatory study team?

4. Is the Solicitor General planning to produce a Task Force Report based on the findings of "Project '73" and, if so, on what date will the report be released?

Return tabled.

NUMBER OF DISABLED UNEMPLOYED

Question No. 3,101—**Mr. Stevens:**

What are the numbers of unemployed who were classified as disabled in each year since 1962 and what is their percentage of the total number of unemployed in each year?

Return tabled.

CBC—COMPLAINTS FROM STATION CJET, SMITHS FALLS

Question No. 3,112—**Mr. Cossitt:**

1. Has the Canadian Broadcasting Corporation received complaints from Radio Station CJET of Smiths Falls, Ontario, about indecent language and material being aired on the program "Concern" and, if so, what was the nature of the reply made to CJET?

2. Who is the producer of the program "Concern" and for what reason has he allowed allegedly foul language to be aired?

3. What steps will the Secretary of State take to see that the program "Concern" does not contain indecent language or foul material in the future?

Return tabled.

Order Paper Questions

COMBINES INVESTIGATION ACT—DISTRIBUTION OF INFORMATION PORTFOLIOS

Question No. 3,201—**Mr. Rose:**

1. How many informational portfolios relating to the new amendments to the Combines Investigation Act of November 5 were distributed to Canadians?

2. What groups and individuals received these portfolios and what was the number distributed to each group?

3. What was the total printing and distribution cost?

4. Is it the normal practice of the Department of Consumer and Corporate Affairs to follow similar public relation practices when other bills are being introduced by the Minister?

Return tabled.

RECREATIONAL EXPENSES

Question No. 3,321—**Mr. Nesdoly:**

What is the breakdown of the moneys spent on recreation in 1971, 1972 and 1973 respectively in the following communities (a) Fort Ray (b) Hay River (c) Simpson (d) Fort Smith (e) Inuvik (f) Norman Wells, Northwest Territories?

Return tabled.

NEWSPRINT SHORTAGE

Question No. 3,370—**Mr. Cossitt:**

1. Has the government any plans to deal with the reported newsprint shortage that threatens continued publication of weekly newspapers and, if so, what are such plans?

2. Is the government prepared to take any steps necessary to curtail exports of newsprint until all domestic needs are supplied?

Return tabled.

INDUSTRIAL DEVELOPMENT BANK—NUMBER OF APPLICATIONS FOR LOANS

Question No. 3,398—**Mr. Scott:**

1. How many applications for loans from the Industrial Development Bank have been received from each province since its inception?

2. How many loans have been granted in each province and in what total amount per province?

3. (a) How many loans have been granted in the constituency of Victoria-Haliburton (b) in what total amount?

4. How many loans per province are presently in default?

5. What has been the profit, or loss, of the Industrial Development Bank?

Return tabled.

ADULT OCCUPATIONAL TRAINING ACT—ISSUANCE OF CONTRACTS

Question No. 3,400—**Mr. Godin:**

Did the Minister of Manpower and Immigration issue contracts for the 1972-73 fiscal year to employers or companies under section 6 of the Adult Occupational Training Act and, if so (a) how many were issued (i) to Ontario employers (ii) to Quebec employers (b) what were the names and addresses of each of such companies in Quebec (c) what was the length of each contract?

Return tabled.

Oral Questions

CMHC—NUMBER OF MORTGAGES DRAWN BY LEGAL FIRMS IN METROPOLITAN VICTORIA, 1968-72

Question No. 3,421—**Mr. McKinnon:**

How many CMHC mortgages were drawn by each firm listed in the answer to Question No. 2,377, in each year 1968 to 1972?

Return tabled.

MOTIONS FOR PAPERS

[*English*]

Mr. John M. Reid (Kenora-Rainy River): Mr. Speaker, I ask that all notices of motions for papers be allowed to stand.

Mr. Speaker: Is it agreed.

Some hon. Members: Agreed.

ORAL QUESTION PERIOD

[*English*]

ENERGY

OIL—SITUATION IN TERMS OF SUPPLY AND PRICE IN LIGHT OF DECISION OF NEW GOVERNMENT OF VENEZUELA TO TAKE ROYALTIES IN KIND

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, the Minister of Energy, Mines and Resources will recall that last December he told the House the government of Venezuela had expressed interest in a possible accord with the government of Canada on assured future petroleum supplies. In light of the decision of the new government of Venezuela to take royalties on oil in kind after April 18, has the government of Canada reached an accord with Venezuela, and can the minister tell the House what this royalty decision by Venezuela will mean in terms of future oil supplies to Canada and prices for such oil from Venezuela?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, we have noticed the remarks of the president-elect of Venezuela with regard to the possibility of taking royalty in kind and, indeed, with regard to the possibility of bringing to an early end some of the concessions in that country. We have had our embassy in Caracas keep in touch with the government on the situation and, in particular, until the new government takes power, to make clear Canada's interest in a continued assured supply from that country and the possibilities of an accord with regard to such proportion of Venezuela's oil supplies as may be taken in kind rather than supplied through Canada's traditional suppliers.

● (1410)

Mr. Stanfield: Is the government taking any specific action to ensure that Canada will be able to purchase at least enough of the royalty oil to avert a shortfall caused by Venezuela's decision to take a portion of royalties in kind rather than in cash? Has the government proposed anything specific? Has it made any arrangements to negotiate promptly with the government of Venezuela in this regard?

Mr. Macdonald (Rosedale): Mr. Speaker, in this regard our embassy has been instructed to keep in touch with the interim Venezuelan administration and also, as soon as the new government becomes responsible for the conduct of affairs in that country, to represent the interests that the hon. gentleman has indicated.

Mr. Stanfield: Mr. Speaker, I might ask whether the minister is contemplating another visit to Venezuela, but I will not.

Mr. Bell: We cannot stand another one.

Mr. Stanfield: I should like to ask about the status of the Canadian Commercial Corporation. Has the government of Canada taken up with the government of Venezuela the question of whether the government of Venezuela regards the Canadian Commercial Corporation as a government corporation in terms of entering into an agreement on a government to government basis? Has the government of Venezuela informed the minister or the government of Canada that it is prepared to deal in these circumstances through the Canadian Commercial Corporation?

Mr. Macdonald (Rosedale): Not specifically, but of course that will be one of the questions to be discussed with the new government when it takes power.

INQUIRY AS TO PLANS TO DEVELOP COAL RESOURCES

Hon. George Hees (Prince Edward-Hastings): I have a supplementary question, Mr. Speaker. As the rapidly rising prices of oil from foreign countries such as Venezuela make very clear the need for developing alternative energy sources in this country, can the minister advise the House when he plans to announce a specific program to develop the coal resources of Canada to their full potential?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, we would hope that the question of coal, particularly for thermal purposes, would be one of the subjects on the agenda for the first ministers meeting and would be discussed within that context.

Mr. Speaker: Order, please. Five or six members are seeking to ask supplementaries on the first question. I suggest to hon. members that yesterday we spent most of the question period on the very first question raised by the Leader of the Opposition, and members in the fourth and fifth rows never had a chance to ask their questions. I appreciate that supplementaries have to be asked, but we might try to complete the first round of questioning, after which I will return to the hon. member for Calgary North, the hon. member for Yorkton-Melville and others who have supplementaries to the first question.

OIL PIPELINE EXTENSION TO MONTREAL—POSITION OF QUEBEC GOVERNMENT

Mr. David Lewis (York South): Mr. Speaker, I want to ask the Minister of Energy, Mines and Resources or the Prime Minister to clear up the situation arising out of a report in *Le Devoir* this morning that the authorities in Quebec do not know of any agreement between the government of Quebec and the government of Canada with respect to the extension of the pipeline. This is the report in the newspaper. I ask either the Prime Minister or the Minister of Energy, Mines and Resources to be specific in the answer and to inform the House whether or not there is an agreement between the two governments with respect to the extension of the pipeline?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, there have been extensive discussions and a full description of viewpoints in this regard but there is nothing so formal as to be called an agreement.

Mr. Lewis: Whether it is formal or informal, the minister in particular and to some extent the Prime Minister, but more specifically the minister, have given the House of Commons the impression that there has been an agreement, that whether or not it has been written out in a formal document the two governments have agreed about the need for extension of the pipeline and that the only question remaining to be discussed was which route the pipeline would follow. I ask the minister again, has the government of Quebec informed the government of Canada that it is in agreement with the idea of having an extension of the pipeline to Montreal, whatever route may eventually be chosen? Has such an agreement been reached between the two governments?

Mr. Macdonald (Rosedale): Mr. Speaker, it is my understanding from the discussions that the government of Quebec is agreeable to the extension of the pipeline.

Mr. Lewis: Can the minister inform the House whether in expressing such agreement the government of Quebec posed to the government of Canada a number of specific questions, the answers to which are tied as a condition to any agreement they may have expressed about the need for extending the pipeline?

Mr. Macdonald (Rosedale): Not in the formal sense of conditions subject to any agreement. We understand that in general terms they share the views of the government of Canada about the importance of a pipeline to Montreal. They recognize, of course, that the final responsibility is that of the government of Canada. They have made their views known to us on these various aspects and they will be taken into account in reaching a decision.

[*Translation*]

MANPOWER

LOCAL INITIATIVES PROGRAM—POSSIBILITY OF PROVISION OF ADDITIONAL FUNDS IN LIGHT OF UNEMPLOYMENT

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I should like to put a question to the Minister of Manpower and Immigration.

In view of the great number of projects submitted under the LIP, which shows the interest of the people for this program, does the minister intend, as was the case last year, to grant further subsidies for the achievement of more projects thus reducing the number of unemployed in Canada?

[*English*]

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, as I indicated some days ago, the decision was taken not to augment the original funding announced last fall.

[*Translation*]

INQUIRY WHETHER LOCAL INITIATIVES PROGRAM WILL BE RENEWED NEXT YEAR

Mr. Roland Godin (Portneuf): I should like to put a supplementary question to the Minister of Manpower and Immigration.

Does he intend to renew this program next year?

[*English*]

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, no such final decision has yet been taken.

* * *

ENERGY

ALLEGED OFFER OF CRUDE PETROLEUM BY KUWAIT AT LESS THAN VENEZUELAN PRICE

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, on January 3 I asked the Minister of Energy, Mines and Resources whether he, any members of his department or agencies acting on their behalf had been approached with regard to the purchase of some 360,000 barrels per day—I notice the words "per day" were left out—of crude petroleum from Kuwait. Was there an offer made and was that offer at a price less than what Canada is now paying Venezuela for crude petroleum?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, after the hon. member's question I made inquiries of my officials. They confirmed that they knew of no such offer in that regard from Kuwait.

INQUIRY AS TO ACTION TO INCREASE COAL PRODUCTION IN EASTERN CANADA

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, my question is supplementary to that asked by the hon.

member for Prince Edward-Hastings. It is directed to the Minister of Energy, Mines and Resources. Because of the drastic decrease in eastern Canadian coal production at a time when that part of the nation is the most vulnerable to scarcity of oil, can the minister say what action he favours to raise the level of production in eastern Canada of this useful alternative source of energy?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, over the past five years we have gone through a process of phasing out some uneconomic coal operations in eastern Canada. I think we would need to have a better indication of the economies or possible economies in developing this particular hydrocarbon in that area before we would encourage anyone to get back into that field again.

Mr. MacKay: Is the minister prepared to recommend to his cabinet colleagues special measures in conjunction with the provinces concerned, including federal aid, to look into this whole question?

Mr. Macdonald (Rosedale): Mr. Speaker, in light of past experience I think I would have to see far more evidence of the kind I have already referred to before reopening this particular area of endeavour.

OIL—VOLUME OF EXPORTS BY MIDDLE EAST COUNTRIES

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources. In view of the recent statement by Christopher Rand, a former employee of Standard Oil, that exports from the Middle East countries this year are actually up by 40 per cent over last year, how does this compare with the government's information and does the minister have any information about some of that oil either being diverted or stockpiled elsewhere in the world?

● (1420)

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): I think that was a television comment in the recent past. I have made inquiries but I do not have a response at the moment.

OIL—REQUEST FOR ASSURANCE CONSUMERS WILL RECEIVE BENEFIT OF ANY PRICE REDUCTION RESULTING FROM APPRECIATION OF U.S. DOLLAR

Mr. Lorne Nystrom (Yorkton-Melville): Since there is a possibility that the price of oil will go down because of the appreciation of the United States dollar, the price being tied to the United States dollar, can the minister assure us that any benefits that accrue as a result will go to Canadian consumers rather than to the multinational oil corporations?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): I would certainly hope so, Mr. Speaker.

[Mr. MacKay.]

REQUEST THAT INVENTORY OF STOCKS BE PROVIDED BY OIL COMPANIES AND FUEL DEALERS

Mr. Dan McKenzie (Winnipeg South Centre): I have a supplementary question for the Minister of Energy, Mines and Resources. In view of the absence of any conclusive evidence that there is an actual shortage of fuels in Canada, will the minister consider asking all oil companies and fuel dealers in Canada to provide the government with a complete inventory of all their fuel stocks and information as to where these fuels are stored? By "fuels" I mean gas, oil, bunker fuel, kerosene, jet fuel, and so on.

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, that has been the function of those engaged in the liaison process which has been under way with the industry for the last several months.

HOME HEATING OIL—ALLEGED UNDUE PRICE INCREASES

Mr. A. D. Alkenbrack (Frontenac-Lennox and Addington): Mr. Speaker, my question is also directed to the Minister of Energy, Mines and Resources. It arises from his recent declaration that the prices of petroleum fuels would be frozen and from complaints I have received from constituents that the price of home heating fuels, especially propane, has increased by 32 per cent in the past ten months. Why has this freezing process not been carried out effectively?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): I might remind the hon. member that the request made of the industry related specifically to prices at the wholesale level; there is no ability to control prices at the retail level. Moreover, in order to assure supplies, particularly of home heating oil in regions of Ontario dependent on offshore supplies, it has been agreed that certain price increases could be made by the companies.

Mr. Alkenbrack: I have a supplementary question directed to the Minister of Consumer and Corporate Affairs. Is the minister aware of any action undertaken by his department together with that of the minister of energy pertaining to this matter of undue price increases?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): We are in continuous and constant contact.

Some hon. Members: Oh, oh!

Mr. Hees: The same old song.

* * *

THE CANADIAN ECONOMY

INCREASE IN WHOLESALE PRICE INDEX—STEPS TO PROTECT CANADIANS FROM DOMESTIC INFLATION

Mr. James A. McGrath (St. John's East): Mr. Speaker, my question is for the Minister of Finance. In view of the fact the wholesale price index released today shows a substantial increase amounting to 26.5 per cent over the year, and since the prices of vegetable and animal products reflect the highest rate of increase, may I ask the minister what steps the government proposes to take to

protect Canadians from the effects of this domestic inflationary process?

Hon. John N. Turner (Minister of Finance): The rate of increase in the wholesale price index has, fortunately, shown a slight reduction proportionately in the last two or three months. It still reflects international commodity prices against which we have been protecting the Canadian consumer by increasing his disposable income by tax reductions and other measures, through family allowances and by increases through the indexing of pensions.

Mr. McGrath: Since Canadian incomes seem to be losing in the race against inflation, may I ask the minister what further steps the government proposes to take to deal with this issue, bearing in mind the experience, for example, in the United States where the price of a loaf of bread is expected to go to a dollar?

Mr. Turner (Ottawa-Carleton): In terms of real disposable income, that is to say, after discounting inflation and taking into effect tax reductions and other increases on the demand side of disposable income, real income in this country is 6 per cent above what it was last year.

Mr. McGrath: Notwithstanding the minister's assurance to the contrary, the fact that real inflation exists in Canada is a matter of public record. May I ask the minister whether he proposes to place this subject on the agenda of the first ministers' conference which is to take place later this month?

Mr. Turner (Ottawa-Carleton): I suppose it will be implicitly on the agenda. It will certainly be on the agenda when the Ministers of Finance meet on January 23 and 24.

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SHIPPING

LEGALITY OF USE OF TANKERS OF ITALIAN AND LIBERIAN REGISTRY TO TRANSPORT OIL FROM VANCOUVER TO EASTERN CANADA

Mr. Paddy Neale (Vancouver East): Mr. Speaker, in the absence of the Minister of Transport may I address my question to his parliamentary secretary. In light of the recent transfer of oil from Vancouver to Holyrood, Newfoundland, by the *Barbagia,* a tanker of Italian registry, in light of another recent transfer of oil from Vancouver to Quebec City by the *Akritas,* a tanker of Liberian registry, and in view of the fact that neither tanker is a ship of British registry as required under the Coastal Shipping Act, can the minister assure the House that these actions were undertaken without violation of the act?

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I believe that is exactly what the minister is investigating at the present time, but I will bring the matter to his attention.

Mr. Neale (Vancouver East): Mr. Speaker, I have a supplementary question and I wonder whether the parliamentary secretary would also take it back to his minister on my behalf. In view of the fact there is a tanker of Canadian registry available in Montreal, the *Bassin Transport,* with a capacity of 120,000 barrels and which meets all of the pollution and safety regulations of the Canada Shipping Act, what consideration has the minister given to chartering this vessel for the purpose of transporting oil from the west coast of Canada to the east coast?

Mr. Guay (St. Boniface): Mr. Speaker, in view of the preface to the question I will do what I have been asked and bring this matter to the attention of the minister as well.

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TRANSPORT

REQUEST FOR ACTION TO PREVENT RAILWAY FREIGHT RATE INCREASE ON STEEL SHIPPED TO WESTERN CANADA

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, in the absence of the Minister of Transport I should also like to ask a question of his illustrious parliamentary secretary. In light of the expressed intention of the two major Canadian railways to increase their freight rates on eastern steel transported to western Canada by up to 33 per cent on February 1, 1974, what action, if any, is the minister contemplating to stop this increase which will place an unbearable burden on the steel construction industry in western Canada?

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I will bring this matter to the minister's attention.

Mr. Oberle: When the parliamentary secretary is discussing this matter with the minister, would he also ask him whether he is aware of the fact that the price of steel in Canada has increased four times in the last six months, and that the freight increase now proposed will put industries and consumers in western Canada in an impossible position?

* * *

SOCIAL SECURITY

ALLEGED FAILURE TO INCLUDE OVERSEAS SERVICE WITH ARMED FORCES IN QUALIFYING FOR OLD AGE PENSION

Mr. G. H. Whittaker (Okanagan Boundary): Mr. Speaker, my question is for the Minister of National Health and Welfare and relates to a question I asked him yesterday and to his answer. In view of the fact it is clearly stated in the letter from Health and Welfare, Canada, that my constituent returned to Canada after completing his duties abroad, will the minister answer today whether this man will be eligible for his old age pension according to regulation 15 of the Old Age Security Act?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): The answer that I gave yesterday still holds, Mr. Speaker. The time spent by anyone in a foreign country will have to be considered in order to determine his eligibility.

Oral Questions

[*English*]

AGRICULTURE

INQUIRY AS TO REQUEST BY ONTARIO FOR ASSISTANCE TO THUNDER BAY AREA FARMERS FOLLOWING CROP LOSSES

Mr. Paul E. McRae (Fort William): Mr. Speaker, I have a question for the Minister of Agriculture. In view of the disastrous rains that hit the Slate River valley and the Thunder Bay area during the months of July, August and September last year, which virtually wiped out the hay and feed grain crops, left farmers with no feed at a time when feed grains are so costly, and also proved disastrous to the potato farmers, has the minister received any request from the province of Ontario for assistance to the farmers of this region, many of whom will be bankrupted without this assistance?

Hon. E. F. Whelan (Minister of Agriculture): No, Mr. Speaker.

* * *

● (1430)

IMMIGRATION

STATUS OF CHRISTIAN KARL RING

Hon. Paul Hellyer (Trinity): Mr. Speaker, my question is directed to the Minister of Manpower and Immigration and I have given him notice. Will he advise the House whether Mr. Christian Karl Ring is in Canada and, if so, whether he has a valid visa and what is the purpose of his visit?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, Mr. Ring originally came to Canada as a tourist on September 28, 1972. He was subsequently ordered deported and his appeal is now before the Immigration Appeal Board.

Mr. Hellyer: Is the minister aware that this man is wanted for questioning in Rome in respect of supplying arms to the Japanese terrorists who were involved in the Lod massacre, and also in respect of the possession of drugs and of weapons of war, and wanted in Switzerland on a charge of wounding with intent to kill? If so, can the minister advise the House why a man like this was welcome in Canada in the first place?

Mr. Andras: Mr. Speaker, he has been ordered deported, which is not exactly a welcome. I do not think I can comment further.

Mr. Nielsen: Where is the happy hooker now?

Mr. Hellyer: Just keep stalling and stalling.

[Mr. Lalonde.]

FISHERIES

REQUEST FOR REFERENCE OF ANNUAL REPORT OF DEPARTMENT TO COMMITTEE

Mr. Thomas S. Barnett (Comox-Alberni): Mr. Speaker, I should like to address this question to the President of the Privy Council in his capacity as government House leader. In view of the fact the Minister of Fisheries indicated some months ago he had no objection to a reference of the annual report of his department to the Standing Committee on Fisheries and Forestry, and in view of the committee's expressed desire to have such a reference, will the minister agree to make such a reference tomorrow and to include in that reference the right of the committee to sit while the House is adjourned and to travel to British Columbia so it may hear evidence about the current crisis in the halibut fishery and on other matters about which B.C. fishermen are concerned?

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, it is not possible to give a definite answer because I am not sure at the moment whether the House will be adjourned or prorogued. That will depend upon circumstances as they develop. If we succeed in having an adjournment, I would consider the possibility of empowering the committee to meet while the House is adjourned. If that were the wish of the committee I would consider the matter.

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AIR TRANSPORT

INQUIRY WHETHER TERMINAL CHARGES TO CARRIERS TO BE INCREASED

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, my question is for the Minister of Transport. Can he inform the House whether he plans to increase terminal charges for airlines in the near future?

Hon. Jean Marchand (Minister of Transport): Terminal charges, did you say?

An hon. Member: Aren't you with transport?

Mr. Marchand (Langelier): Mr. Speaker, no decision has been made on the subject.

Mr. McKinnon: Mr. Speaker, has the minister or his department not notified some or all Canadian air carriers that there will be a 20 per cent increase in terminal charges in the very near future?

Mr. Marchand (Langelier): I am not informed of this, Mr. Speaker.

Some hon. Members: We want Joe, we want Joe.

[*Translation*]

HOUSING

PROGRESS OF NEGOTIATIONS WITH QUEBEC TOWARD AGREEMENT UNDER ACT

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

In view of his talks with the Quebec Minister of Municipal Affairs aimed to coming to an agreement for implementing Bill C-133 in Quebec, and in view of the slowness of the negotiations, can the minister say whether the government of Quebec has shown any opposition to this bill? If so, can he tell us on which particular point?

[*English*]

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, the Quebec government has not shown opposition to Bill C-133. As I indicated to the House the other day, we are negotiating and consulting with the government of the province of Quebec as to the use of the National Housing Act in that province, with specific reference to the application of the neighbourhood improvement program. There is no opposition from the provincial government to National Housing Act programs in that province. It is simply a process of negotiation as to how best they can be used.

[*Translation*]

Mr. Lambert (Bellechasse): Mr. Speaker, in view of his answer, can the minister tell us if these negotiations will soon end and if the agreement will be signed shortly so that the municipalities may benefit from it as soon as possible?

[*English*]

Mr. Basford: I would hope so, Mr. Speaker, but that is relative to the use of the neighbourhood improvement program and the neighbourhood improvement fund within the province of Quebec. There is nothing to prevent the use of other sections of the act within the province of Quebec, as is now taking place in terms of senior citizen's housing, the sewage treatment loan program, the assisted home ownership program and all the other programs which are now operational in that province.

[*Translation*]

Mr. Lambert (Bellechasse): Mr. Speaker, I should like to ask a supplementary.

Mr. Speaker: I recognize the hon. member for Bellechasse.

Mr. Lambert (Bellechasse): Mr. Speaker, in view of the importance of the subject, I should like to ask a supplementary of the minister to clarify my question.

It concerns more particularly the part of the act which will apply to the renovation of sectors. Has Quebec shown any opposition in this regard?

[*English*]

Mr. Basford: No, Mr. Speaker. There are negotiations going on with the provincial government as to the use of the neighbourhood improvement program in Quebec and within selected neighbourhoods the use of the repair and rehabilitation sections. Those negotiations are continuing. In the meantime, I would emphasize to the hon. member that other programs, including rehabilitation programs undertaken by non-profit housing associations or corporations, can now go forward in that province.

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IMMIGRATION

DEPORTATION OF PERSONS FOR CRIMINAL ACTIVITIES

Mr. Sean O'Sullivan (Hamilton-Wentworth): Mr. Speaker, my question is directed to the Minister of Manpower and Immigration and arises from the report that the Toronto police department in the year 1972 alone discovered 364 persons who, by virtue of criminal activity, were subject to deportation from Canada. In view of the concern expressed by the chief of police and senior officials of the police department of that city that unless the minister's department now enforces the act and deports such people Canada will have a crime rate like those of the United States cities of New York and Chicago, will the minister instruct his officials to get in touch with the police forces and finally take the action which should be taken under the act to ensure that these people are deported from Canada?

Some hon. Members: Hear, hear!

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I welcome the opportunity to set the record straight, as a matter of fact, because there is a great deal of spurious comment in that question, if I may say so.

An hon. Member: Don't get touchy.

Mr. Andras: In fact, my officials have been in constant touch with the Toronto police. I talked with the chief of the Toronto police force as recently as two days ago. As a matter of fact, the co-operation between us is working extremely well, and we will enforce the act.

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ENERGY

PETROLEUM PRODUCTS—REQUEST FOR LIST OF PRICE INCREASES APPROVED, COMPANIES INVOLVED AND PRODUCTS CONCERNED

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources. He announced in December, I believe, that he had approved certain increases in the prices of petroleum products based upon the price of imported crude. Will he make available a list of all the increases in prices he has authorized in respect of petroleum products based upon the price of imported crude in terms of the company involved, the nature of the product and the amount of the increase approved?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, this information was made

available to the standing committee during its consideration of Bill C-236. It did not indicate the identity of individual companies but it did indicate specific requests and the reaction with regard to the seven or eight eastern Canadian refiners. I will be glad to get a copy for the hon. member.

Mr. Stanfield: May I ask the minister to give me a comprehensive list involving not only the refiners but also the wholesalers or jobbers who have imported the crude and have sought permission to charge higher prices? Would the minister give me a comprehensive list of any increases authorized, designating the companies, the products and the price increases?

● (1440)

Mr. Macdonald (Rosedale): Mr. Speaker, I will be glad to inquire for the further information.

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EXTERNAL AFFAIRS

PRIME MINISTER'S INTENTION RESPECTING VISIT TO EUROPEAN ECONOMIC COMMUNITY AND AUSTRIA

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I have a question for the Prime Minister. Why is the right hon. gentleman not going to Paris when he visits the European Economic Community and Austria in February?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I have no plans to visit the European Community and Austria in February.

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HONOURS AND AWARDS

SUGGESTED COMMENDATION OR DECORATION FOR CONSTABLE GREGORY ROBBINS OF DEEP RIVER POLICE FORCE

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is not in any way provocative. It is directed to the Prime Minister. Mention has been made in the last two or three weeks of the extension and multiplication of crime not only in our country but in other countries. In the last couple of days a police officer, Constable Gregory Robbins of the Deep River police force, revealed that often it is those who are urban police officers who are the unsung heroes. What he did gave deep pleasure and satisfaction to Canadians as a whole.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: I wonder whether the Prime Minister, in his position as the Queen's first minister, would consider giving to this police officer a commendation or recommend him for a decoration so that police officers who daily face terrific danger with courage as he did will know that the country as a whole appreciates their efforts?

Some hon. Members: Hear, hear!

[Mr. Macdonald (Rosedale).]

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I would ask the right hon. gentleman to refer the clipping he had in his hand to me and I will pursue the matter. I will want to inquire into the circumstances of the heroic deed to which he refers. I would also add for the information of the right hon. gentleman that the government has followed up on the initiative of the former Prime Minister, Mr. Pearson, who instituted a Canadian system of honours. The essence of that system is that it is removed from politics. I would inform the right hon. gentleman that he is in as good a position as I to make a recommendation to the Governor General in respect of people who deserve recognition under the Canadian system of honours. I have no privileged position, Mr. Speaker.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: I will have nothing to say in answer to that except that, as I read the names of some of those who have received the Order of Canada, if there are no political considerations I can see no other reason for some of the appointments.

Some hon. Members: Shame!

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EXTERNAL AFFAIRS

CANADIAN PARTICIPATION IN WORLD POPULATION YEAR

Mrs. Grace MacInnis (Vancouver Kingsway): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. It arises from the fact that last October 31, in answer to a question of mine which had begun in May, the minister undertook that he would make within two or three weeks, hopefully, a statement on Canada's preparation for World Population Year in 1974. Now that we are in World Population Year and before there is too much damage accomplished as a result, I wonder whether the minister would carry out this undertaking and make such a statement before the House rises?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I do not know whether I will be in a position to make a statement before the House rises. That depends upon an uncertain date. But may I say that arrangements are under way for consultations throughout the country in preparation for the conference that is to be held later this year on World Population Year. My colleagues, the Minister of Manpower and Immigration, and the Minister of Health and Welfare are carrying on similar inquiries and public discussions all for the purpose of stimulating interest in this in Canada and to give the government the advantage of the views of all the Canadian people.

Mrs. MacInnis (Vancouver Kingsway): I have a supplementary, Mr. Speaker. Many Canadians are interested in this. Can the minister suggest ways and means by which the ordinary citizens can find out what is going on with a view to taking part and placing their views before the government?

Mr. Sharp: Mr. Speaker, our general idea is that we should ask some non-political organization to undertake the organization of such a meeting so that Canadians can express their views freely without interference from politicians.

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POST OFFICE

AUTHORITY FOR INTERCEPTION OF CERTAIN MAIL

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, on Monday last I asked the Postmaster General a question and he undertook to give me an answer. I seek the guidance of the Chair concerning whether I must ask the question again or should rely on the minister's undertaking.

[*Translation*]

Hon. André Ouellet (Postmaster General): Mr. Speaker, I am pleased to answer the question. I can assure the hon. member that no postal worker tried to intercept Mr. Keeler's mail. The computer card was returned in good faith to the Department of National Defence since it bore no stamp. Because of the nature of the information given on the card, the employee simply thought it belonged to the Department of National Defence. He returned it not to the inquiry division but simply to the administration division of National Defence.

* * *

[*English*]

TRANSPORT

RAILWAY PASSENGER SERVICE IN SOUTHWESTERN ONTARIO—AVAILABILITY OF REPORT TO MUNICIPALITIES BEFORE TRI-LEVEL CONFERENCE

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, my question is for the Minister of Transport and relates to the report on railway passenger service in southwestern Ontario which we discussed earlier this week. In light of the minister's statement on Monday that the report is to be studied at the tri-level conference to be held soon in Ontario, may I ask the minister why he has to date refused to make the report he has received available to the municipalities which will have to deal with it at that conference?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, that situation is not as complicated as the hon. member wants to indicate. We have two parts of this report in hand. We are going to get a third one and will communicate this report to all interested parties as soon as we have the three parts so that it can be discussed at the tri-level conference we will have in Ontario.

Mr. Beatty (Wellington-Grey-Dufferin-Waterloo): In light of the fact the Minister of Transport has had the CTC report for over a month and as its recommendations are not dependent upon the Gallup poll of 1,200 families which he has not yet received, does the minister feel that his suppression of the report is consistent with his commitment to full consultation with the municipalities concerned—

Mr. Speaker: Order, please. I bring to the attention of the hon. member that we have just about reached the end of the question period. Perhaps members who have supplementaries might pursue the matter tomorrow. The Chair will recognize the hon. member for Calgary South.

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ENERGY

OIL—POSITION OF MINISTER ON POSSIBLE SHORTFALL OF SUPPLIES

Mr. Peter C. Bawden (Calgary South): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. On January 4 the National Energy Board reported to the Standing Committee on National Resources that January to March minimum foreign crude oil imports in regions one and two, without the Shaheen refinery, would be 70.1 million barrels. The movement of crude from Vancouver by way of Panama is now 100,000 barrels a day, or a total of 9 million barrels for the three months. This is over 5 per cent more crude than these regions received last year, according to Statistics Canada—

Mr. Speaker: Order, please. Would the hon. member ask his question? I will have to call time and orders of the day before the hon. member asks the question if he does not ask it soon. We are running short of time.

Mr. Bawden: In view of the fact that this region has received 5 per cent more crude this year without the Shaheen refinery, and as the Shaheen refinery will mean an additional 10 per cent plus, will the minister say how he can possibly foresee a national emergency or energy shortage in eastern Canada this winter?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I am a very prudent man.

* * *

IMMIGRATION

ACTION TO EXPEDITE DEPORTATION OF CRIMINALS

Mr. Jake Epp (Provencher): Mr. Speaker, I wish to direct a question to the Minister of Manpower and Immigration supplementary to that asked by the hon. member for Trinity. In view of the fact the minister put his finger on one of the acute problems in our immigration law, namely, that through various appeals people can stay in Canada year after year, is the minister contemplating, especially in the Ring case, any action whereby deportation of known criminals and drug traffickers will be expedited?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, Bill C-197, which was passed by the House last year, restricted the right of appeal to the Immigration Appeal Board. Such deportations, as in the

case referred to by the hon. member, are now being expedited and in fact are being implemented at a much greater pace than before.

Mr. Speaker: Perhaps we might have one or two supplementaries, after which I will have to call orders of the day.

DEFERRAL OF JUDGMENT BY APPEAL BOARD ON DEPORTATION OF CERTAIN AMERICANS FOUND IN POSSESSION OF MARIJUANA—RELATION OF LEDAIN COMMISSION RECOMMENDATIONS

Mr. Duncan M. Beattie (Hamilton Mountain): Mr. Speaker, I wish to direct a supplementary question to the Minister of Manpower and Immigration. In light of the Immigration Appeal Board's decision to defer judgment on the deportation orders with respect to two American immigrants found in possession of marijuana, will the minister tell the House what consultation, if any, he has had with the Minister of National Health and Welfare to relate the decision of the Appeal Board to the LeDain Commission recommendations?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, that consultation will be taking place very shortly.

Mr. Beattie (Hamilton Mountain): Mr. Speaker, I wish to direct a supplementary question to the Minister of National Health and Welfare. Could he tell the House when, if ever, he is going to introduce legislation to implement the recommendations of the LeDain Commission?

Mr. Paproski: He wasn't listening and he doesn't care.

Mr. Speaker: Orders of the day.

Mr. Oberle: I rise on a point of order, Mr. Speaker. During the question period two very important questions were asked of the Parliamentary Secretary to the Minister of Transport. It was unfortunate that the minister was absent, but the parliamentary secretary indicated that one of the problems was exactly what the minister was studying while he was outside the House. I wonder whether I could have Your Honour's indulgence to let the minister answer the questions, of which he now has notice?

Mr. Speaker: The Chair obviously has no objection to the matter being pursued further if there is consent.

Some hon. Members: No.

Mr. Speaker: Perhaps the question might be deferred until tomorrow, at which time the Chair will give priority to the hon. member so he may ask the question.

[Mr. Andras.]

● (1450)

GOVERNMENT ORDERS

[*English*]

WAYS AND MEANS

CUSTOMS TARIFF

Hon. John N. Turner (Minister of Finance) moved:

That a Ways and Means motion to amend the Customs Tariff, notice of which was laid upon the Table, Tuesday, October 23, 1973, be concurred in.

Motion agreed to.

* * *

CUSTOMS TARIFF

Hon. John N. Turner (Minister of Finance) moved that Bill C-248, to amend the Customs Tariff (No. 3), be read the first time and be printed.

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

* * *

ENERGY SUPPLIES EMERGENCY ACT

MEASURE TO PROVIDE FOR ALLOCATION BOARD, MANDATORY ALLOCATION OF SUPPLIES AND RATIONING OF CONTROLLED PRODUCTS

The House proceeded to the consideration of Bill C-236, to provide a means to conserve the supplies of petroleum products within Canada during periods of national emergency caused by shortages or market disturbances affecting the national security and welfare and the economic stability of Canada and to amend the National Energy Board Act, as reported (with amendments) from the Standing Committee on National Resources and Public Works.

Mr. G. W. Baldwin (Peace River) moved:

Motion No. 1.

That Bill C-236, An Act to provide a means to conserve the supplies of petroleum products within Canada during periods of national emergency caused by shortages or market disturbances affecting the national security and welfare and the economic stability of Canada, and to amend the National Energy Board Act, be amended in Sub-clause 2(1) thereof by deleting the words "or any province" in lines 28 and 29 on page 2.

He said: Mr. Speaker, this bill, like the child who goes to kindergarten, comes back from committee in a much better state than it was in when it left this House. It is less repugnant to us now than it was before but there are still a number of areas where, in our opinion, it can be greatly improved. I think the bill is going to pass anyway. It is quite obvious that the government, with the assistance of the rather obsequious and subservient members of its junior coalition party, is going to ensure that the legislation is passed. During the course of discussion on the amendments we will have some comments to make which we think may be of some use, and hopefully some of our amendments will be accepted.

I have said that the bill will pass. This is obvious when you see how deeply and passionately those two parties favour the bill. The government favours it. Of course, the government position is always to take more power whenever it can, without any action. The government's position on this is like that of the usual bureaucrat when approaching a problem—when in doubt, mumble; when in charge, ponder; and when in trouble, delegate. That is just what the government is doing with this legislation. We have had enough promises, enough talks, enough declarations, enough statements made by members of the cabinet over the last few years which, if stretched end to end, would reach from Victoria to Halifax and would provide enough material to fuel this building for several years. But, Mr. Speaker, when it comes to action, to things to be done, to be anticipated in expectation of this problem, there has been nothing at all. If actions were clothes to cover nakedness or naked policies, then the Prime Minister (Mr. Trudeau) and the Minister of Energy, Mines and Resources (Mr. Macdonald) in my opinion would tie for the title "Mr. Nude Canada of 1973".

With respect to the members of the party to my left and the approach which they took in committee, and which they will probably repeat in the House, they also love to see large, undiluted quantities of power given—

Mr. Speaker: Order. I am sorry to interrupt the hon. member but it is extremely difficult for the Chair to hear him. May we have order, please. It is extremely difficult for the Chair, and hon. members interested in the debate, to follow the hon. member who has the floor if all the conversations that are taking place in the chamber continue as at present.

[*Translation*]

The hon. members should recognize that the floor was given to one of their colleagues, the hon. member for Peace River (Mr. Baldwin). If some members want to talk, they should go behind the curtains or in the lobby.

[*English*]

Mr. Baldwin: Thank you, Mr. Speaker. If the conversations continued it would mean that any faint hope I might have of converting hon. members opposite, or hon. members to my left, would be lost. My only hope is if they hear me, understand me and believe me. I was dealing with the approach to be taken by hon. members to my left to this particular amending motion, and to the bill generally. I have not much hope that their attitude will change. We have observed their very subservient and obsequious attitude toward the government on this subject. It is a sad situation. As I sit and observe them I say, speaking in the kindest possible way and not in any political sense, that the present front bench of the socialist party can be compared to a group of withered Buddhas presiding over the ruins of party purity.

● (1500)

It is quite true, Mr. Speaker, that some patently phony issues were raised by the hon. member for York South (Mr. Lewis) yesterday, and I will deal with them when we come to the appropriate amendment. I simply use this occasion to point out that it is the view of this party, and the view which fortunately the government was persuaded to accept, that any declaration as to a national emergency must be approved by parliament; that any situation which would come about if the position suggested by the hon. member for York South were accepted, would mean that there could be a declaration by this House following an order by the cabinet as to a national emergency; and that a declaration by this House, and the debate which would follow, that no national emergency existed could be circumvented and vetoed by the other place. That is something which this party will not tolerate.

Mr. Knowles (Winnipeg North Centre): It is the other way around.

Mr. Baldwin: The hon. member will have a chance to express his view, but he has put himself and his party in an odious position which indicates that he has no faith in the virtue of this House to deal with and set aside an order made by the government if the facts do not justify it. That is what this party wants; it is what this party has always sought and we now have it in reasonable form. I compliment the minister for his astuteness, after some considerable persuasion, in accepting this particular proposition.

I shall not detain the House very long with regard to this amendment, but I think it is essential that we go into it. It gives us an opportunity to find out at the very beginning, in the definition clause, what is involved in this bill, what it could lead to and what the probable consequences are as well as how they may affect other jurisdictions in the country. The amendment is very simply to delete the words "or any province" from the interpretation of the words "wholesale customer" which appear in clause 2, the interpretation clause.

I do not think it will do any harm from the viewpoint of continuity to put the present definition on the record so that it will appear in the context of my remarks. As the bill now reads, "wholesale customer" is defined as:

> ... any person who purchases any controlled product in bulk at the wholesale level and includes Her Majesty in right of Canada or any province, any agent thereof—

Then, it goes on to deal with other groups, other institutions and other classes. My amendment is for the purpose of deleting the words "or any province". I know it is true to say that to some extent—and I am probably anticipating the minister in this—the provinces are substantial users of petroleum products. But in the words of my leader, while they are not sovereign powers in their own right, they have, within the limits of their responsibility, what are in effect sovereign powers as well as some very important functions with respect to the people who have elected the governments of those provinces.

May I point out what some of the functions of a provincial authority are? They are, the construction and maintaining of roads; the use of buildings, which obviously includes the extent to which certain buildings will be used and the fuel to be used to heat them; the providing of fuel for utilities, and I am thinking in particular of those provinces which maintain their own utility corporations as a public service—Manitoba, British Columbia and Ontario are typical examples. Those provinces and their people have seen fit to establish public corporations for the provision of electric power, among other utility powers, to the people of the province. This is something

which has to be taken into account when we consider whether the word "province" should be included in this definition of "wholesale customer". There are other provinces which maintain, have maintained, and no doubt will continue to maintain certain facilities for providing transportation for the people. I could go on but I shall limit the list for the purpose of my argument.

What could happen is that any of the provincial governments with regard to maintaining and continuing the services of this kind will, if this bill goes through in its present form, if an emergency is declared and approved by parliament and if a mandatory allocation program is established, have to come hat in hand to a five member board in Ottawa to seek permission for the use of fuel to be supplied by suppliers, as defined, to the provinces as wholesale customers. That is the situation which concerns me.

I recognize that there is another aspect which is covered: British Columbia, for example, has established a marketing board which will take possession of or market certain fuels which are made available in the province. As this bill now stands, under the definitions which I have given to the House and under the right of the Energy Supplies Allocation Board to establish prices, it would then be competent for this five member board to say to the province of British Columbia, "You cannot supply fuel which has come into the legal ownership of your marketing board to any of your own provincial agencies within British Columbia; under no circumstances can you do that unless we give you a certain permit to indicate type, amount, quantity, date and so on." Those are problems which have to be faced.

I want to make another point, Mr. Speaker. The minister knows, as do I and a lot of other people, the very doubtful constitutional character of this legislation. Let us be clear: this body has not and never will take the position, if circumstances warrant the declaration of an emergency, that there should be any constitutional challenge so far as we are concerned. But we are not able to answer for other people in Canada; we are not able to answer for provincial authorities in Canada. We will get a chance to go into this later, but the minister knows that under the jurisprudence which now prevails, the question of an emergency is not a question for the government. It is not even a question for this parliament.

The existence of an emergency which justifies a federal government taking powers and authority to deal with matters such as contractual relationships, and natural resources lying entirely within the control of a province, is a matter of fact. The courts have held this. The Supreme Court of Canada and the Privy Council, in the days when the Privy Council still had jurisdiction, have held this. That position is supported by the litigation which was dealt with after the first world war and the second world war. The question of whether there is an emergency is a matter of fact and if it does exist, the government can legislate. The courts have held that if the federal government legislates in accordance with the terms of that emergency, it has the right to overrule provincial rights and provincial jurisdiction. That is as it should be. We do not challenge that right.

[Mr. Baldwin.]

● (1510)

Let me suggest the doubtful legal basis on which this bill stands in its present wording. Theoretically—I admit that this is most unlikely to happen—if the Prime Minister were to wake up one morning and find that the fuel for heating his house had been shut off, he could have the cabinet declare a national emergency and then ask this House to support it. The bill, conceivably, could provide for that. Fortunately, we have been able to persuade the government to allow its decision in that regard to be debated in Parliament.

I am concerned about the position of the provinces. I do not suppose, unless members on the government side change their position or unless I am more persuasive than I have been in the past, that this amendment will pass. Yet we are responsible, on behalf of the people of Canada, for seeing that the best possible bill is passed and that the legislation, in its final form, has as few imperfections in it as possible. Therefore it is my duty to speak of the dangers of including provisions of the kind I have mentioned.

I do not know if any province would see fit to challenge the government declaration. I hope not. If the circumstances warrant the government's declaring an emergency, no one would challenge that. Yet I want to emphasize again the doubtful legal foundation on which this legislation rests and indicate that, beyond any shadow of a doubt, there are real dangers in this. I hope that the exclusion of the relevant words might remove those dangers.

I have looked through the bill and have spoken of the powers contained in it. The regulatory provisions give the board to be established power to establish pricing systems. The government through the board, may make regulations with regard to wholesale customers. It can establish pricing systems which are binding upon provincial authorities which become owners of petroleum products, natural gas or coal, or the products of those fuels which are to be allocated by an order. This board can say to provincial authorities, "We will tell you how much you can charge your own provincial organizations, your own provincial services and facilities, for the fuel which is produced in your province and which belongs to the government and people of that province." I am not arguing about the powers of provincial authorities vis-à-vis the federal authority. I am merely pointing out some dangers that my party, in moving certain amendments, wishes to avoid.

This five-man board can demand from any provincial authorities information with regard to present and past accounts. It can ask for information as to pricing, as to forecasts, projections, and so on. One only needs to read the regulatory section to note the vast powers, quantitatively and qualitatively, with which this board will be invested. I, therefore, say that in dealing with this bill, the House should proceed with the utmost caution and examine and survey each particular issue raised in it.

I do not know how much fuel in the provinces might be involved in any allocation order or how much fuel, which would be subject to an allocation order by the board, the provinces have been using for themselves. We attempted to look into these things in committee but were met by what will be known in future as the "Macdonald principle" underlying the calling and examining of witnesses.

We were told at that time that government witnesses, departmental witnesses, witnesses from the National Energy Board or administration officials, and the minister can correct me if I am paraphrasing him wrongly, could only appear with the permission of the minister, could only say what the minister allowed them to say and that, in the final analysis, it was competent for the minister to control these witnesses appearing before the standing committee. That is a pernicious doctrine which, some day, I hope will be challenged.

If that doctrine prevails, what will it do to the Public Accounts Committee, or to all standing committees? It is essential that members of parliament should be able to come to a committee and obtain information on which to base their attitude towards any legislative proposal. We learned of the attitude of the minister, and that the government wanted this legislation put through with great haste. We do not disagree with the need to legislate with reasonable promptitude. On the other hand, we want reasonable opportunity to make careful and reasonable scrutiny of the provisions of this bill. Hon. members were sent to this House for the purpose of ascertaining such things. Of that opportunity we were deprived.

If this particular amendment is rejected, and I have put forward the bona fide views of my party as well as my own bona fide views on the matter, I urge the minister and the members of the Board yet to be established, in the event that there are mandatory allocations to deal with petroleum products, natural gas or coal, not to compel the provinces to come forward hat in hand. Let the provinces not come forward in a subservient manner to these five people, in order to secure petroleum, natural gas, coal or the products of those fuels in order that they can carry on with reasonable effectiveness the services which are the concern of the provincial governments on behalf of their people.

Mr. Randolph Harding (Kootenay West): Mr. Speaker, in dealing with clause 2 I think we can speak not only on the amendment moved by the hon. member for Peace River (Mr. Baldwin) but deal, more generally, with some of the changes which took place in committee.

Let me say that right from the start my party has been in favour of legislation along the lines now before us coming into effect, if we are forced to allocate oil products in Canada. In the event of a national emergency, legislation such as this must be ready. For that reason, we were not happy with the attempted Conservative filibuster on second reading. We indicated then that it would not take long for the public of Canada to whip the Tory party into line when it was realized that the party was playing, as one of its members said, Russian roulette with the eastern provinces in the matter of energy.

The bill went to committee and members of all parties co-operated in making changes to those clauses which we felt needed changing. I think most of the opposition to the initial legislation was ironed out in committee. I have no hesitation in saying at this time that members of all groups worked very co-operatively in bringing about these changes. While many of the changes in the new draft were brought in by members on the government side, a large number were suggested by members of our group and the official opposition who indicated to the minister the changes we thought should be in the bill. To their credit, the government drafted them and brought them in.

● (1520)

I wish to say a few words about the energy crisis that Canada is facing at this time. Our party feels there is a genuine energy crisis. We do not think it just occurred in the past two or three months or because the Arab nations decided to withhold oil supplies.

Mr. Speaker: Order, please. I apologize to the hon. member, but I think I should interrupt him for a moment. At the start of his remarks, the hon. member seemed to advance the theory that as we consider the first of the amendments moved, under the Standing Orders there might be a general debate. That, of course, was not considered as a possibility under the Standing Orders. We have before us a specific amendment. I appreciate the hon. member has every right to make introductory remarks and refer to the general matter before us, but the debate at the report stage is not the third reading debate and general observations are usually made on third reading. I recognize this is not always followed very religiously, far from it on some other bills we have had before us, but I would not like to accept the hon. member's theory that when the House considers the first of the motions set down for consideration, that at this stage of the proceedings we can have a general debate. The rules of relevancy apply and hon. members should, as much as possible, relate their remarks to the specific motion before the House.

I again apologize to the hon. member for having interrupted him. I am sure he will bear this in mind when he has concluded his general remarks and addresses himself to the motion now before us.

Mr. Harding: Thank you, Mr. Speaker. I was just trying to bring to the attention of the House the fact that this crisis with which this legislation deals is very real. I do not think it will be over in three or four months. It is a long term proposition. We have about 10 years' supply of conventional reserves left. The lead time for developing these resources is not that far away.

The motion moved by the hon. member for Peace River (Mr. Baldwin) to strike out the reference "or any province" should be turned down by the members of this House. I do not make that suggestion lightly. If there is to be any kind of successful allocation program in Canada, you cannot start exempting the provinces. If you do, you will not have an allocation program. It is not a matter of taking away from the provinces. For example, we feel that if provinces were allowed to make wholesale purchases of products which had to be brought under control, they might be able to utilize these products for purposes other than emergency purposes. This, in effect, would completely nullify the whole allocation program throughout the Dominion of Canada. I firmly believe the allocation board will have close consultation with all the provinces or agencies before making any allocation of supply.

Mr. Woolliams: Don't be naïve.

Mr. Harding: To exempt provinces at this particular time would mean the loss of control by the allocation board of emergency supplies of some specific oil product

which was required. The allocation of supplies of any type of oil product is the very key to the survival and working of this program in Canada. I am convinced the provinces will go along with and welcome this, as will the oil companies. The president of Imperial Oil appeared before the committee. He welcomed the introduction of an allocation program. In the event they had supplies on hand which had to be allocated, he felt it would be much better for a board to be in the position to say whether this or that oil product would go here or there.

As far as our party is concerned, we are not going to endorse the amendment. We think it would weaken the bill and weaken the primary function of the whole act which is to ensure that oil products in short supply get to those areas where they are needed and to which priority has been given by the board.

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, in the same general tone used by the members, I wish to express my appreciation to the members of the committee for the energies they expended in improving the bill. I wish to express particular appreciation to the hon. member for Sarnia-Lambton (Mr. Cullen) who, by the general consensus of all who participated in and attended the hearings, acted eminently fairly as chairman.

Some hon. Members: Hear, hear!

Mr. Macdonald (Rosedale): I wish to express particular thanks to a number of public servants who were involved; Mr. Jack Stabback of the National Energy Board, Mr. Rolland Priddle of that board staff, Mr. Jim Ryan of the Department of Justice and Mr. Molot of that department who devoted a lot of effort to preparing the background work and in presenting viewpoints on the bill to the committee.

The point taken by the hon. member for Peace River (Mr. Baldwin) is fundamentally one that, while the bill should apply and restrict the ability of certain agencies of the Crown such as the post office or others which may become wholesale customers within the definition of the bill, under no circumstances should any provincial agency, of which there are an extensive number and which have been referred to by the hon. member for Peace River, be the subject of an order of this particular board if indeed an emergency is declared.

I wish to deal quickly with something that was said by the hon. member for Peace River. I disagree with his argument about a doubtful foundation for a measure of this kind under the present law. I take it as being well settled and settled for a long time, ever since the Fort Francis case that through the peace, order and good government under the British North America Act, in an emergency, the government of Canada does have the constitutional jurisdiction to enact a measure of this kind. I would not accept the hon. member's suggestion there could be any doubt in that regard.

Mr. Baldwin: Mr. Speaker, I rise on a point of order. The minister and I are in agreement that cannot be challenged. The emergency is a question of fact, however, and an emergency as declared by the government to be a fact might be considered in a different light by the Court.

[Mr. Harding.]

Mr. Macdonald (Rosedale): That may be a question of fact to be determined in due course; however, there can be no doubt about the fact that the government of Canada has this jurisdiction and has had it confirmed since the Fort Francis Pulp and Paper case. The real question of substance involved in this amendment is whether the government of Canada was unreasonably interfering with the powers of provincial governments in this regard. I suppose the best evidence as to whether there has been any neglect to act reasonably would come from the provincial governments themselves.

● (1530)

I can say to the hon. gentleman and to the House that, while comments on the bill have been received from various provincial governments which will be most affected by it—and, indeed, we have sought their view on the proposal both before it was submitted to the House and subsequently—there has been no objection as far as I am aware to the particular clause which the hon. member now seeks to amend. I think it was well understood at the meeting of energy ministers on November 23 that if facts do materialize of such a nature as to bring about a national emergency it would not only be appropriate, from the standpoint of the provinces, but an obligation on the part of the Government of Canada to assume the emergency powers embodied in the act in order to make certain that the wider interest of the public should be protected.

The position which I took in committee, and which I take again today is, therefore, to ask the House not to accept this particular amendment. To do so would mean that an allocation intended to provide for certain individuals within the community, either because of their special circumstances or because of their priority need, would be subject to the individual judgments of provincial agencies which, as the hon. member for Peace River has said, already possess extensive jurisdiction in this regard. It is not unfair to comment that, from time to time during the course of this particular crisis of supply in the entire western world, some provincial governments have been inclined to look upon their obligations to supply users in other provinces in a very narrow sense and have been inclined to object to the suggestion that there should be any extensive application of this provision through eastern Canada. I, therefore, think it is reasonable that one agency should be responsible for looking after the over-all needs of Canadians affected by the bill and ultimately deciding on the priorities.

Further with regard to the interests of the provinces, the hon. gentleman has raised the question whether this agency under federal authority will take account of provincial claims. I would remind the House, as I said in committee and at the second reading stage, that when we described this proposal in general terms to the provincial ministers of energy on November 23, they specifically asked that not one but two provinces be represented on the committee. We accepted that proposition, which meant raising the number of board members to five, with the stipulation that one appointment was to be made from among nominees suggested by a producing province, in this case Alberta, and another from those suggested by a consuming province, Quebec. I look forward to receiving from the Province of Alberta the name of the nominee

suggested. We have already received suggestions from Quebec. In other words, the board will be representative of the experience possessed by the National Energy Board, of the experience accumulated at provincial level from the standpoint of a producing province and of the interest of the consuming public in a more general sense.

In summary, then, it seems to me to be in the interest of the nation generally that the board, acting under these emergency powers, should have the ability to protect all Canadians and that this ability should not be curtailed by prior claims made, perhaps, out of an excess of zeal, by individual provincial civil servants. It should not be curtailed by the claims of provincial agencies but the needs of all Canadians should be taken into account. This tribunal which, after all, would include representatives nominated by the provinces, should be able to determine the priority given to allocations in the event of any shortages. On this basis I invite the House to reject the hon. gentleman's amendment.

Some hon. Members: Question!

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

Is it the pleasure of the House to adopt the said motion? All those in favour will please say, yea.

Some hon. Members: Yea.

Mr. Speaker: All those against will please say, nay.

Some hon. Members: Nay.

Mr. Speaker: In my opinion the nays have it.

Some hon. Members: On division.

Motion No. 1 (Mr. Baldwin) negatived.

Mr. Speaker: The House will now move to motion No. 2 in the name of the hon. member for Peace River.

Mr. G. W. Baldwin (Peace River) moved:

Motion No. 2.

That Bill C-236, an Act to provide a means to conserve the supplies of petroleum products within Canada during periods of national emergency caused by shortages or market disturbances affecting the national security and welfare and the economic stability of Canada, and to amend the National Energy Board Act, be amended in Sub-clause 9(4) thereof by deleting the words "or purported exercise" in line 19 on page 5.

He said: Mr. Speaker, this is another amendment for the purpose of deleting three words. Unless anyone here may say this is simply a matter of semantics, I wish to assert the contrary. We are dealing in this legislation with a board which would have greater power in peacetime than was, quite possibly, delegated even in wartime to any similar group since the days of Ghengis Khan—perhaps I shall be able to find a more modern analogy later on.

My colleagues and I have already enumerated the vast powers being given to this board, powers which could be used to ride roughshod over the rights of everyone from provincial governments to individual consumers. Clause 9 deals with the authority of the board and the power of the board to delegate—in itself significant.

Finally, in subclause (4), the offensive subclause, the board and its members are exempt from liability in respect of any act or thing done or purported to be done in good faith in the exercise or purported exercise of a duty or power under the act. Mr. Speaker, if these words were subject to the amendment I am moving, if the words to which I am objecting were excluded, I would find no objection to the subclause. I think it is proper that a board of this nature should be given a measure of immunity. If the board or one of its members does something in the course of exercising the functions or powers prescribed in the act, and does it in good faith, I think they should be protected from the possibility of civil or criminal proceedings being taken.

But bearing in mind the substantial powers with which the board is vested—and I urge all hon. members to read the bill carefully to find out how extensive these powers really are—I suggest that a clause which purports to allow a member of the board to act outside the powers parliament is being asked to confer and still enjoy full immunity is altogether unacceptable. One could follow the trails left by the injuries, losses and damages sustained by thousands and thousands of people affected by the rules and regulations of similar boards which were established during the first and second world wars. One could follow the proceedings of, and read the evidence given to, boards that were established to find out how much damage was in fact inflicted on the one side, and suffered on the other side, by people or institutions who had to comply with the orders of those boards.

● (1540)

I suggest to the members of this House that it would be entirely unwarranted to give this board an invitation—because that is what the clause amounts to—to go forth as the good and faithful servant of the government and to do something that is quite outside the scope of the act and outside the scope of its duties. Then, all you would have to do would be to say that you acted in good faith and you would be free from any sanction. I cannot buy that.

I am quite willing that the board operate within the four corners of this piece of legislation. If it makes an error of judgment, it then has protection. But to allow the board or its members, or possibly even people who receive a delegation of authority under the first part of the clause, to handle a matter in their own way, entirely ignoring the act and the regulations, or its mandatory allocation program, perhaps in some cases causing irremedial damage to certain people, and then to be freed from any form of punitive action or sanction simply because they said they acted in good faith, we simply cannot accept. After all, acting in good faith can mean a lot of things. In a clause of this sort, all it means is that they can say they thought it was a good thing for the country to do what they did, and that would free them from punitive action. I would object to those powers being given to a board that has only the usual powers and authority.

It is a sad commentary on the kind of world we live in, when crises, or alleged crises, or rumours of crises abound, that we all flock forward and give this kind of power to the government. It is a shocking, shameful thing, and is one of the reasons, to a great extent, that civilized countries today find themselves sometimes incapable of han-

dling the problems that arise. In October 1970, we had a situation in which people were urging the government to act. Some of the sycophantic members of the media who were supporters of the government said that the government should go into Montreal with all the troops they needed to suppress this apprehended insurrection. Those same members of the media six months later were asking how they could have accepted the government's assessment of the situation.

This is the kind of situation we are facing today. When you read the reports and the transcript of the committee proceedings you are amazed to find that, in addition to the government and the NDP, the other group that was so much in favour of this action was the multinational oil companies. They said: "This is lovely; it gives us the authority to do under government sanction what we were probably going to do in any event". What a strange trio—the government, the NDP and the multinational oil companies all having a love in! I see the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) laughing to himself; I know he finds himself very uncomfortable in that kind of company, and I hope he will be able successfully to extricate himself.

I suppose I am wandering a little, Mr. Speaker, and I will listen to your admonition, but I would suggest that the deletion of the words "or purported exercise" do no violence to the bill or to the meaning of the bill. They would do no harm to the members of this board or to the board itself so long as the board acts within the limits of its authority under the act, and so long as it acts in good faith. As I understand it, the word "purport" means "pretend". For example, you can say to yourself that you will engage in act A or act B, but that you will not worry whether they come within the confines of the legislation because you know you will be protected; all you have to say is that you acted in the purported exercise of a duty or power and it was done in good faith. I say nuts to that, and I hope hon. members will set those words aside.

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I have listened with interest to the argument of my learned friend in his discussion of this "purported" amendment, but I must confess that I do not agree with him. It seems to me that, as it stands now, this clause affords a necessary and reasonable protection to anyone who assumes the very important responsibilities of this board.

I would remind the House that the words are "in good faith". If anyone acts in a way that is not in good faith, then they can be made responsible for what they do. But if they do act in good faith, they should not be harassed by the possibility of legal proceedings being brought against them, perhaps because they made some mistake in the exercise of their powers, or perhaps because a court declared that they should not have done what they did or that they did not have the legal authority for doing what they did. I say that if they nevertheless act in good faith, they deserve to be protected.

I doubt very much whether any person of the calibre required for this particular job would be very happy about accepting his responsibilities if he knew that he would be liable to legal harassment if he made a mistake, which in my view would be the result of this proposed, purported amendment. This language is not unfamiliar to those

[Mr. Baldwin.]

versed in legal matters. Other people, such as magistrates, sometimes perform functions of lesser importance than the members of this board will be required to perform, but they are protected so long as they act in good faith in the carrying out of their duties. From our point of view this amendment is unnecessary, and indeed might be harmful to the carrying out of the purposes of the act.

Mr. Woolliams: Mr. Speaker, I wonder whether the hon. member would answer this question. I tried to follow him closely, and I always respect his legal abilities. He emphasized that the words are "in good faith". Would he tell the House what is the difference between the words "in good faith in the exercise of a duty or power" and the words "in good faith in the exercise or purported exercise of a duty or power"?

Mr. Brewin: Mr. Speaker, there is quite a considerable difference, as I understand it. I am a little rusty in my law and my friend may be able to correct me if I give him the wrong interpretation, but my view of the matter is this. The words "in good faith" have to do with the approach, with the mental attitude, of a person. Are you trying to carry out your duty in the way you are required to do so? Are you carrying out your duty without personal malice or personal bias? If so, you would be acting in good faith.

On the other hand, supposing you were to make an order that for some reason was irregular or which the court holds is improper for some legal reason. You would then be not acting in the exercise of a duty or power but in the purported exercise of a duty or power. A person who, in perfectly good faith, makes a mistake in law or a mistake in fact is protected by the words "or purported exercise", whereas he is not protected if those words are struck out. I think the protection should be broad enough to cover anybody who is trying his best to do a job, acting without malice, without improper motives and without bias in seeking to perform his duty, even though he may happen to make some mistake in law or conceivably a mistake in fact which would deprive him of his powers under the act.

● (1550)

Mr. Macdonald (Rosedale): Mr. Speaker, I am rising to make in substance the same point already made by the hon. member for Greenwood (Mr. Brewin) whom I recall from the distant past, when I was practising law and he was practising it with more distinction, had something of a reputation as an expert on prerogative writs. During a study of this particular question of excess of powers, I would listen to that hon. member with some attention because he had occasion from time to time to act on the other side on these particular questions.

On the point which he has expressed, I would agree that the question of good faith would be a question of fact under the circumstances of a particular case, and the question as to whether it was an excess in the exercise of powers would really be a question of law depending upon the technical interpretation of this particular statute. As has already been mentioned, the statute is a highly technical one, but one under which it would not be difficult at all, from the standpoint of a legal interpretation, to arrive at a situation where there was an action which legally might be described as an action in excess of the powers.

The basic position I took in the committee, which I will repeat, is that it seems to me apt and just that action should be taken, as it can be taken against the board, under the Federal Courts Act. Under the provisions of that act, a review of the exercise of jurisdiction can be taken by prerogative writ, by declaration or perhaps by injunction. Legal action might be taken against the board in that way, or political action might be taken against the ministry which, after all, remains responsible for the board.

It seems to me to be a basic fundamental that individuals who are appointed should not be made personally liable so long as they acted in good faith, and also in the belief they were exercising a power which had been conferred upon them by the statute. It seems to me the appropriate legal method in these circumstances is not one that seeks to put individuals acting on this board into personal bankruptcy. I would remind hon. members that we will be dealing here with not just thousands of dollars but potentially hundreds of thousands of dollars in terms of orders which may have to be made from time to time.

The least useful way, and perhaps I bring bias to this as the son of a former public servant, in this bill or any bill that comes before this parliament, would be to seek to exercise the jurisdiction of the courts against an individual public servant by putting his personal assets up to the possibility of a writ for suit. It is on this basis we opposed the amendment in committee and will oppose it again today.

The hon. member for Peace River made reference to the fact that this power would give the members of the tribunal the right, and I noted his words, to ignore the act, ignore the regulations and to disregard whatever their powers might be; that is a matter of question. I would point out that that would be a matter of good faith in the circumstances, the question of the excess of jurisdiction, which is the point to which the word "purport" refers, is a question of law which would have to be determined by the courts under the circumstances. Therefore, I would hope, for the better exercise of this jurisdiction, that this can be left with the tribunal.

The point has been made, and I reiterate it, but for this protection it would be entirely possible for private interests to seek to harass members of the board by making them personally liable for actions taken not only in good faith but in the genuine belief that they were acting within their powers. Nothing could make the exercise of the important jurisdiction of this board more difficult than the threat of that kind of personal action against a public servant.

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I would ask the minister to reconsider his position. I will try to make my point clear without getting into the question of what might happen under the act, as that has already been gone into by the hon. member for Peace River (Mr. Baldwin).

The bill provides:

> The Board and its members are exempt from liability for any act or thing done or admitted by the Board in good faith in the exercise or purported exercise of a duty or power under this Act.

That certainly protects the members as far as the minister wants to go. Surely, that protects them if the board acts in good faith in the exercise of a duty or power under the act, but when you include the word "purported" I think it is contradictory. I have a dictionary here which gives a brief definition of the word "purport", and I think this is what the hon. member for Peace River was driving at. It suggests that purport in respect of a document or a subject has the meaning of conveying a state or professing to do something, or intending to seem to do it. This definition really makes the situation worse than has been described. I do not think you can purport to exercise a duty or power if you are acting in good faith because that would be totally contradictory. I do not know why this phrase is in there at all, except in the case of the board deciding to deliberately ignore the terms and conditions of the act and the regulations laid down by the Cabinet. As long as they purport to exercise a duty or power under this act they would escape liability.

Surely, all we are trying to do is make certain that the members of this all-powerful board, and it will be powerful when we implement this bill, are exempt from liability when they act in good faith in the exercise of a duty or a power. I agree with the hon. member for Greenwood (Mr. Brewin), although he differs in interpretation, that the important words are "in good faith". If you exercise a power in good faith or a duty in good faith, providing you do so to the best of your ability, honestly and without any idea of committing a fraud you should be protected. If you purport to do something, then I suggest this is totally contradictory. In fact, I think this phrase was thrown in by some civil servant who was worried that he might get into some trouble so he put in another word he found in the dictionary to make the protection broader.

The minister suggests that the courts will interpret this, but surely it is a function of this parliament to legislate clearly and precisely in order that there will not be that kind of difficulty in the courts. There has been a great complaint about lawyers not being clear and precise, and I think parliament should make the statutes very clear. We have referred to the phrase "in good faith", but when you suggest that a member purports to do something, or makes out to do it, surely that is contradictory.

It is because of this difficulty that I directed my question to the hon. member for Greenwood. If we want to legislate in this way, I suppose the amendment is not particularly important because, it does not go to the root of the bill, and there has been an agreement by the various parties that the matter of declaring an emergency will, in the final analysis, be referred to parliament. So, there is some protection. I cannot see for the life of me why the minister, who is a lawyer, wants that word "purport" left in, except perhaps because some civil servant put it in there. Like most ministers, once his officials put something in, he will not remove it. You cannot get a minister to remove anything. It seems to me that the members of this board will have all the protection they need, and by leaving out the word "purport" the clause would be better worded and would not be contradictory.

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, I should just like to reiterate some of the comments of the hon. member for Greenwood (Mr. Brewin) in respect of this subclause and the Conservative amendment thereto. This amendment falls in line with the general strategy of

that party in attempting to weaken or undermine the bill in whatever way it can.

Mr. Alexander: That's a lot of baloney.

Mr. Symes: Because of the wording of this bill there is a possibility that, as a result of an allocation, a corporation may suffer a loss. The point of the phrase is a technical one. This is an administrative clause and the phrase is included to protect public servants, that is members of the board, from personal law suits. I suggest it is as simple as that.

● (1600)

If we remove the word "purported", as the Conservatives would have us to do, then I put the question to the hon. member for Peace River (Mr. Baldwin) and the hon. member for Calgary North (Mr. Woolliams) who then would want to serve on the board? Who would take the risk if he knew there was a loophole by which he could be sued personally because of the implementation of this emergency legislation. If we face a real emergency in respect of fuel, we need very capable people on this board. If we were to in any way cast doubt on a person's security in serving on this board we would only weaken the capability of the government to make a decision concerning whether or not an emergency should be declared.

It seems to me the Conservative Party is concerned that we know the facts as to whether or not it is necessary to have a national emergency declared. Therefore, we need capable people on this board, and I cannot see them serving if this risk is involved. Indeed, who on the board would dare make a decision if, having traced down the line of responsibility, he found there could be a possibility of a personal lawsuit against him. I think members of this House will see the necessity to leave this sub-clause as it is and we will reject the Conservative amendment.

Mr. Jack Cullen (Sarnia-Lambton): Very briefly, Mr. Speaker, I will follow the admonition of the hon. member for Peace River (Mr. Baldwin) and remain impartial on this question. I want to say, with respect that this particular clause, that when I looked at it in the first instance I wondered whether in fact there was a need for the words "or purported exercise". The more I studied it the more I became convinced they were, in fact, necessary. Notwithstanding the caveat filed by the hon. member for Peace River, I think we are getting into a debate on legal semantics. It seems to me that under the clause we could have simply indicated that the difference is that if the individual acts pursuant to his authority in the exercise of his duty or power there would be no problem. I think the expression, in good faith, really applies more effectively to the purported exercise of a particular duty or power.

Perhaps I might draw this analogy to illustrate what I mean. An individual, let us say in the Canadian armed forces, has the use of a vehicle from Monday to Friday. In the interest of answering an emergency on a Saturday he uses that particular vehicle. In effect, he is acting in good faith in the purported exercise of his duty. Eventually, someone will have to decide whether he made the right decision and whether, in deciding to use that particular vehicle on the Saturday, he was purporting to exercise his duty. Clearly, he is not exercising but is purporting to exercise his duty. I think that is the analogy I would use to indicate that there is, in fact, a difference between exercising authority under the jurisdiction given and purporting to do so. So, I think there is a necessity for these three words to be incorporated.

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I think this perhaps is one of the most important clauses. It is not, as it has been painted just a moment ago by the hon. member for Sarnia-Lambton (Mr. Cullen), a matter of legal semantics. I listen with great interest to the hon. member most of the time, but I must disagree with him on this occasion. I want to point out that this is not, as the hon. member for Sault Ste. Marie (Mr. Symes) called it, a strategy to weaken the bill by the Conservative Party. This member allows his prejudice to ooze out of his mouth when he makes such a statement.

I think, Mr. Speaker, if you check the record of the committee in respect of this matter you will find that the efforts of the Progressive Conservative members of the committee were really not designed to weaken the bill in terms of the powers but to, in effect, strengthen the hand of the government in the exercise of the power with regard to the declaration of the emergency. Now, if an emergency were declared, the government would not be standing alone. If its recommendation were passed, the government would have the support of the opposition, or at least a majority of the members of this House of Commons. It seems to me, if I were sitting on the treasury benches, I would feel my hand was strengthened if the representatives of the people of Canada were behind me. I think the prejudice—I can only call it an outburst of prejudice—by the hon. member for Sault Ste. Marie is unjustified in the circumstances.

As the minister has said, we are dealing with an important bill. We are dealing with an important bill because of the powers it gives the government, sanctioned we hope by Parliament. It is important not only because it gives the government this power but because the government, in the near future, may see fit to exercise its power, ultimately with the approval of Parliament. I would be inclined to agree with the hon. member that the government would have to stand or fall on that judgment under the circumstances. Potentially it could be a dangerous statute. Everything that flows from it as a result of that right could be dangerous.

The minister says it is a highly technical statute. May I say with respect that I disagree with him. I do not think I have ever read any statute of Parliament, including the War Measures Act, which is so all-embracing or all encompassing in respect of the way it can gather under an umbrella the resources, the transportation facilities, the production facilities of the country, as related to energy. This is why I say it is a highly dangerous statute. That group of men, or women as the case may be, who will constitute the board, nominated as they may be as set forth by the minister, have upon them a great burden with regard to the operations of that board since they will be armoured by tremendous powers—some might say overloaded with powers. Having been given the broadest possible range of operation it seems unreasonable to me—I say this with the greatest of respect to the minister—that the board members ought to be given, in addition, the right in

law to be protected if they act outside those powers. That is why I think it is important that this amendment not be dismissed.

Mr. Macdonald (Rosedale): Mr. Speaker, may I ask the hon. member a question?

Mr. Baker: I will have no objection to a question at the end of my comments. I do not have a copy of the statutes in front of me with regard to the appointment of, let us say, provincial judges, federal court judges or others who exercise certain powers over citizens. However, I have read these statutes, and I do not recall seeing in them any provision whereby a person is given protection for acting outside his authority merely, as the hon. member for Calgary North (Mr. Woolliams) says, because he professed to be acting within it. To my mind this would seem to be stretching matters just a wee bit. The minister, in defending the position taken by the hon. member for Greenwood (Mr. Brewin), used the tactic that is often used when one describes judges. One will say of judges who decide cases in one's favour that they are marvellous, and of course that the others ought never to have been appointed. He embraced the argument of the hon. member for Greenwood. His argument was that this was a highly technical statute, and of course the minister agreed. I contend that it is not a highly technical statute at all. As I read it, it is a gathering of all of the powers to this board in the proper circumstances, supported by a resolution of parliament.

● (1610)

Someone says that they have the protection of the prerogative writs that are in the Federal Court Act. This is supposed to be a quick remedy. Mr. Speaker, it is some time since the minister practised law in the Federal Court of Canada, or in any court. I do not say that in any derogatory sense because he has been involved in the government of this country, but I point out to him that that is not a speedy remedy by any stretch of the imagination. I say this as one not that far distant from the practice of law.

Frankly I am somewhat dismayed that the group to my left, which on occasion in this parliament, in fact recently in this parliament, found themselves on the side of civil libertarians should now suddenly find themselves in a position where they would deny what seems to me to be an ordinary restriction on the power of any board, namely, that providing the board is acting in good faith the officials will have protection. However, if the board does not act in good faith, and officials act outside the limits of the statute, even though they profess to be acting within the statute—self-serving, of course—then they should not be protected.

I think the latter matter raised by one of the other speakers who preceded me related to the question of personal bankruptcy in the event something of this nature occurred. But surely the government of Canada is not in a different position than, let us say, the city of Toronto was on one occasion when a member of its police force acted illegally in carrying out his duties. I am sure he thought he acted legally, and the city of Toronto on that occasion decided to stand behind that person financially.

I understand what the government wants, but I really think it has gone somewhat too far in denying protection to the public who could be injured by someone taking a heavy-handed attitude, something that is not unknown in this world, using the authority, or at least thinking he is using the authority or, worse still, professing to be using the authority, when he knows in his heart that he is acting outside the statute. For those reasons, I really believe that this amending motion is important. I am rather surprised that the hon. member for Greenwood should take the attitude he has adopted. I knew him in other days before either of us came here, and as a student I observed him in Toronto arguing some cases that were completely on the other side of the principle that he is advancing in this House now.

Mr. Macdonald (Rosedale): Mr. Speaker, the question I was going to pose to the hon. gentleman is that surely the appropriate way for the courts to exercise control over public servants is under the Federal Court Act rather than by exercising damages in a personal suit of this kind, in effect an action for tort for interference with an advantageous contractual relationship. Surely, the prerogative writs are appropriate there? I would point out that with the Federal Court Act, the injunction proceedings there could apply to interim injunctions as well.

Mr. Baker: I am not suggesting that the prerogative writs are not a remedy. I am suggesting that there are undertakings, as the minister knows, with respect to prerogative writs, undertakings which must be made at the time of the interim injunction which are of such a financial penalty, at least potentially, to the person against whom that undertaking is committed that on many occasions in effect it effectively removes from the petitioner to the court the right to proceed with his injunction. I am aware of the prerogative writs and how they work, but as the minister knows there is quite often a bond that must be filed, or cash that must be put up, or an undertaking given to pay, which really takes away the right of the average individual to action. If I had to judge between who is able to bear the financial burden of this I would say that the government is much better able to bear that financial burden than the individual, and that the burden ought to be placed on the government. That is aside from the argument of slowness, and that is why I suggest that we should go along with this amendment.

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I would like to support the amendment of the hon. member for Peace River (Mr. Baldwin). As a non-legal person I feel that this addition of "purported exercise" is unnecessary. I think this board will have tremendous powers. It may well be inactive for the next number of years, based on what the future in energy seems to hold for us. However, as I understand the meaning of "purported exercise" it means that any member of the board, acting no matter how irresponsibly, would be protected under this clause.

It seems to me that there is plenty of protection for these civil servants, for these appointed members, in the words "in the exercise of a duty or power," and that "purported duty" merely widens the whole matter so that they can hide behind any action they carry out by saying it was done in the purported exercise of a duty or power

under this statute, and therefore they would not be subject to criticism or to action by anyone under this clause. I feel that the removal of "purported exercise" would make the members of the board more aware of their duties and more thoughtful in exercising their duties.

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I listened with great delight and interest to the arguments advanced from both sides of the House. I believe they are serious arguments. A question has been raised as to the necessity of including the words "purported exercise." Clause 9(4) on page 5 of the bill reads:

The Board and its members are exempt from liability for any act or thing done or omitted by the Board in good faith in the exercise . . . of a duty or power under this Act.

That just simply means that immunity is given to the person who acted or did anything, or who omitted to do anything, as long as his action or inaction was undertaken in good faith. What the minister tries to convey is that further protection is needed. This is where we get into the "purported exercise". I want to quote from the dictionary, Fowler's Modern English Usage, second edition.

● (1620)

An hon. Member: That is not a dictionary.

Mr. Alexander: It is not; it is Fowler's Modern English Usage. At page 493, referring to the word "purport" it gives the meaning:

The word is one that, whether as noun or as verb, requires cautious handling. The noun may be said to mean 'what appears to be the significance'—

I do not think we are using it in this context; I think we are going into the explanation by way of the verb. Notice how the English language usage book indicates that this is a word that you just cannot tamper with, and it requires very cautious handling. With reference to the verb aspect of it, I should like to put the definition on the record:

As to the verb, there are certain well-defined idiomatic limitations on its use, one of which, in an ugly development, is sometimes neglected. This development is the use of the passive—

Now, we start to realize that we have a problem.

An hon. Member: A filibuster!

Mr. Alexander: It is not a filibuster. Any time a person wants to make a point somebody on my left says it is a filubuster. It is all right for them to frustrate this House by their attitude on the wiretap bill and their attitude with respect to the allocation bill. They are making all sorts of statements about what they can do, but I am getting sick and tired of these 30-odd people on my left creating an atmosphere that is frustrating the work of this House of Commons.

Some hon. Members: Hear, hear!

Mr. Alexander: I stand up only now and again but I can get kind of raucous if it is required.

Mr. Jamieson: What is the meaning given to that in the book?

Mr. Alexander: I stood up in all sincerity to try to get this House to realize what we are getting into.

[Mr. Ritchie.]

Considering the verb now, as I indicated, Fowler's Modern English Usage says:

The first idiomatic limitation then, is that the verb, though not strictly intransitive only, should never be used in the passive.

What we have to be concerned about here is whether we are overstepping the bounds by which immunity has been granted. When we read the section we see that it provides:

The board and its members are exempt from liability for any act or thing done or omitted by the board in good faith in the exercise . . .

The moment you get to the word "purported" I think you are frustrating that section to such an extent that one never knows whether in fact a board member could be caught in any respect. This is the part that is frightening. Surely, some responsibility must attach to a board member. I do not care who it is. If he accepts this job, then ultimately there must be some responsibility. The moment you bring in the words "purports to exercise" the clause is open to all sorts of interpretations; interpretations that will call perhaps for more litigation than is before the courts right now. I know that judgments have come out of litigation that could give interpretations of the words "purported exercise". I think the words are superfluous.

I should like to ask the minister about this because I am a little concerned. I am not trying to hold up this bill. I have not taken part in the debate so far, but when I see something like this I want to know the answer. I should like to ask the minister whether this wording is found in the general immunity section included in legislation which imposes responsibilities on boards. Is this the usual thing? Has it been tested in the courts? Is there a definition? If it is something new, surely we should have the reasoning or the background for it.

I will conclude, Mr. Speaker, by saying that in my opinion the word "purported" is contradictory when we look at the original intent of the section. Because it is open to many and valid interpretations then, as stated, we should be very cautious in tampering with this word or including it in this legislation. I do not think we on this side have any great hangup but we are concerned. I should like to ask the minister whether there have been cases in which the interpretation of that word has been adjudicated upon or whether it is the usual type of thing that is included in legislation when dealing with the immunity of boards, or persons, as the case may be.

Mr. Macdonald (Rosedale): On a point of order, Mr. Speaker. I am not entitled to speak again, I think, and I will require the unanimous consent of the House to respond.

Mr. Deputy Speaker: Order, please. I will have to put that to the House. The only other technique would be for the minister to rise and say "Is not the hon. member aware of such and such" which might be a very cumbersome question. Does the minister have unanimous consent to respond to the question posed by the hon. member for Hamilton West (Mr. Alexander)?

Some hon. Members: Agreed.

Mr. Macdonald (Rosedale): Mr. Speaker, it would have been valuable if this question had been put to me in the standing committee because then I could have sought

advice in this regard. I must confess I have not made a review of the statutes to see to what extent members of the public service, or any other tribunal, are protected from personal suits in this regard. I hope that the leisure time I will have once this bill passes will allow me to carry on that study, but I cannot give a definitive opinion now. I would say, however, that we had the usual draftsmen draft this.

Mr. John Harney (Scarborough West): I just want to take something back, Mr. Speaker, that was interjected while the hon. member for Hamilton West (Mr. Alexander) was speaking. I think someone in this corner called out "filibuster". Really, we were not meaning to say "filibuster" but perhaps something like philological peregrination because he was taking us through the pages of Fowler. If he had gone to the Shorter Oxford English Dictionary, 1964 edition, he would have found that the sense of the word "purported" as it is used as a past participle in this particular phrase, is in the sense of "professed". I think had he gathered that sense of the phrase "professed exercise", then he would have seen the point of the phrase as it stands in the bill.

Having made that point, and I am sure that he is now convinced, Mr. Speaker, I do not think there is anything else that needs to be said on this question.

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

Some hon. Members: Yes.

Mr. Deputy Speaker: Is it the pleasure of the House to adopt the said motion? All those in favour will please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion, the nays have it.

Mr. Bell: On division.

Motion No. 2 (Mr. Baldwin) negatived.

● (1630)

Mr. Deputy Speaker: The House will now consider motion No. 3, standing in the name of the hon. member for Peace River (Mr. Baldwin). Mr. Baldwin, seconded by Mr. Bell, moves:

Motion No. 3.

That Bill C-236, An Act to provide a means to conserve the supplies of petroleum products within Canada during periods of national emergency caused by shortages or market disturbances affecting the national security and welfare and the economic stability of Canada, and to amend the National Energy Board Act, be amended in Clause 11 thereof by deleting the words "that affect or will affect" in lines 5 and 6 on page 6 and substituting the word "affecting".

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I want to make just a few comments on this motion.

Mr. Jamieson: Make sure you speak on the right side. This is your own party's amendment.

Mr. Alexander: I beg your pardon, Mr. Speaker. I have just exhausted all my comments on this particular amendment.

Mr. Baldwin: Mr. Speaker, on a point of order—

Mr. Deputy Speaker: Order, please. Perhaps we ought to regularize our proceedings by asking for unanimous consent of the House so that the hon. member for Peace River can speak on this motion.

Some hon. Members: Agreed.

Mr. Baldwin: On a point of order, may I suggest to the House that as motion No. 3 seeks to substitute one word for five words used by the government, which shows the nature of the Progressive Conservative Party since it can accomplish better with one word than the government can with five, and since this motion affects a clause which is the subject of a substantial amendment to be moved by the minister and, further, since the amendment to be moved by the minister includes in its proposed new terms Clause 1 in its original form, might I suggest that we stand motion no. 3 and deal with motion No. 4. Then, after No. 4 has passed, we could consider my amendment which would affect clause 11.

Mr. Deputy Speaker: Is it agreed that motion No. 3 be allowed to stand and considered after the House has completed consideration of motion No. 4?

Some hon. Members: Agreed.

Motion No. 3 (Mr. Baldwin) stands.

Mr. Deputy Speaker: The House will now consider motion No. 4.

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I move:

Motion No. 4.

That Bill C-236, An Act to provide a means to conserve the supplies of petroleum products within Canada during periods of national emergency caused by shortages or market disturbances affecting the national security and welfare and the economic stability of Canada, and to amend the National Energy Board Act, be amended by renumbering Clause 11 thereof as Sub-clause 11(1) and by adding thereto the following:

Motion to adopt order — "(2) A notice of motion to concur in an order made under subsection (1) shall be laid on the table of each House of Parliament by or on behalf of a Minister of the Crown within seven days after the order is made if Parliament is then sitting.

Procedure in Commons — (3) A notice of motion laid before the House of Commons pursuant to subsection (2) shall be set down as an order of the day for consideration as the first government order on the sitting day next following the sitting day on which the notice was laid on the table of that House and until it is disposed of, no other government order shall be considered.

Question put — (4) At fifteen minutes before the expiry of the time provided for government business on the third sitting day following the commencement of consideration of a motion of which notice was given under subsection (2), or at such earlier time as the House of Commons is ready for the question, the Speaker shall put the question forthwith without further debate.

Energy Supplies Emergency Act

Calling Parliament

(5) If an order under subsection (1) is made during a prorogation of Parliament or when Parliament stands adjourned, Parliament shall be called forthwith to sit within seven days after the order is made under subsection (1).

When Parliament recalled

(6) If Parliament is called to sit in the circumstances described in subsection (5),

(a) the Speaker of the House of Commons shall, at the instance of a Minister of the Crown, cause a notice of motion to adopt an order under subsection (1) to be published on a Speacial Order Paper, which shall be circulated prior to the opening of Parliament or the resumption of the session, as the case may be; and

(b) consideration of a motion of which notice has been given in the House of Commons under paragraph (a) shall be set down as the only order of business and, when that order is disposed of, Mr. Speaker shall adjourn the House and, having consulted with the government, shall fix the date for the resumption of the session, provided that the foregoing provisions for adjournment shall not apply in the event that any other business is brought forward by the government.

Consideration

(7) Consideration of a motion of which notice has been given under subsection (6) shall commence at eleven o'clock in the forenoon of the day fixed, and the House shall sit continuously until eleven o'clock in the afternoon of such day or until such earlier time as the House of Commons is ready for the question, when the Speaker shall put the question forthwith without further debate.

Procedure in the Senate and termination

(8) Where a notice of motion to concur in an order made under subsection (1) is laid on the table of the Senate,

(a) if the notice was laid on the table of the Senate in the circumstances desbribed in subsection (2), the motion shall be debated in the Senate on the next sitting day as the first order of the day and brought to a vote before the expiration of the next two sitting days if not earlier disposed of, or

(b) if the notice was laid on the table of the Senate in the circumstances described in subsection (5), the motion shall be debated in the Senate as the only order of business and brought to a vote before the expiration of the sitting day on which notice thereof was laid on the table of the Senate.

Revocation

(9) If either House of Parliament negatives the motion that an order made under subsection (1) be concurred in, the order is thereupon revoked.

Effect of revocation

(10) Where an order made under subsection (1) is revoked pursuant to this section, any mandatory allocation program instituted as a result of that order immediately terminates but without prejudice to the previous operation of that program or anything duly done or suffered thereunder or any offence committed or any punishment incurred."

He said: Mr. Speaker, this amendment embodies the arrangements that were arrived at through discussions among the representatives of the parties in December. The purpose of the amendment is to make it clear that the House shall have an opportunity, if it is sitting, to consider, under Section 11(1), as it will become, the declaration of national emergency. The government is to be under the obligation to lay the declaration on the table of the House and, at that point, to provide for debate, over the succeeding days as set out in the amendment, so that the question can be determined shortly thereafter by the House as to whether there is indeed an emergency. If the House negatives the existence of the emergency, then, of course, the declaration will cease to be in effect, and the mandatory allocation order will also cease to have effect.

[Mr. Macdonald (Rosedale).]

The problem arose as well with regard to the declaration being made under section 11(1) when the House is not sitting. A situation was comprehended in which, first, the House is standing adjourned for some period of time during the course of the session and, second, in which the House has been prorogued and is waiting for another session to be called by His Excellency. The amendment provides that, in those circumstances, the House shall be called back for the purpose of considering a motion to deal with the declaration; that debate shall be for a continuous 12-hour period; and that, in the case of the prior prorogation of Parliament, the Throne Speech will not be proceeded with but that this item shall be the first order of business to be considered and dealt with by the House. In either case, whether the House is sitting or called back, if the order is negatived either by the House of Commons or by the Senate, this being a question on which the NDP have certain views, the declaration will cease to be in force and effect. At that point the mandatory allocation order will also cease to have any efficacy, subject only to this, and, I refer to the very last words of the over-all amendment:

... but without prejudice to the previous operation of that program or anything duly done or suffered thereunder or any offence committed or any punishment incurred.

That is the basis of the amendment. Basically, it is to carry into effect certain discussions which have been held by representatives of the parties, so that Parliament, as early as possible, can review the circumstances under which a declaration is made.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, in one of his asides the Minister of Energy, Mines and Resources (Mr. Macdonald) indicated the reason for my rising at this time. Indeed, I intend at the end of my remarks to move an amendment to motion No. 4, the effect of which would be to remove the veto power given to the Senate by motion No. 4, as that motion now reads on the order paper.

An hon. Member: Why not remove the Senate at the same time?

Mr. Knowles (Winnipeg North Centre): One of my friends behind me suggests that we should remove the Senate at the same time. I have been engaged in that effort for a long time. As I pointed out in our caucus a few days ago, I have been trying to get rid of the Senate since I first came here in 1942. At the moment, there are only three Senators still in the other place who were there when I first came, so that I am not doing badly. I will soon have the place abolished.

An hon. Member: What about Eugene Forsey?

Mr. Knowles (Winnipeg North Centre): Senator Eugene Forsey has made some of the best speeches against the Senate. One of his articles is still being used in various parts of this country in support of the abolition of the other place.

Mr. Speaker, may I refer to the statement of the Minister of Energy, Mines and Resources, to the effect that motion No. 4 embodies the result of discussions among the parties. It is true that there were discussions about the

idea of an order in council declaring an emergency which would require the approval of the House of Commons. Frankly, we do not know when there was imported into the language of this motion the suggestion that the approval of both the House of Commons and of the Senate would be required. I want to make it clear that, although we did not disagree with the idea of a reference to the House of Commons, we at no time agreed to the proposition that the Senate would have a veto in this area.

Mr. Munro (Esquimalt-Saanich): It is part of Parliament.

● (1640)

Mr. Knowles (Winnipeg North Centre): The hon. member can make his speech later. I may say also that we do not share the concern, indeed we think it is an undue concern, of some members of this House, that an order in council under this legislation should be treated as though it were an order in council bringing in the War Measures Act or taking steps to interfere with civil liberties, steps that would lead to the arrest of people at four o'clock in the morning and so on. We think this is a different piece of legislation.

What we are concerned with in this legislation is the fact that an emergency could arise in this country during which Canadians might be suffering extreme cold. Canadians might be freezing. In those circumstances, the government should not only have authority to declare an emergency and act accordingly, but it should be obligated to take such steps. We do not share the view of some of my friends to the right on the proposition that the right of the government in these circumstances should be shackled. We are a bit afraid that if the right to declare an emergency and to deal with it is burdened with the necessity of calling parliament when parliament is not here, the government could err in not declaring an emergency when it ought to do so.

However, it sounds like a good idea that if there has been an order in council declaring an emergency, it ought to come before parliament. In spite of what I just said about the difference between this kind of emergency and emergencies involving infringements of civil liberties, we are prepared to go along with the main purport of this amendment which is that an order in council establishing an emergency having been passed, within a certain period of time that order must be approved by this House of Commons.

I must point out, however, that we take the strongest possible exception to the idea that it must also be approved by the other place or, in other words, that the following type of situation could develop. There could be shortages of energy and fuel in this country to the point where Canadian were suffering. The government could take the view that there was an emergency, and could express it in an order in council. This House of Commons, which contains the elected members of the people of Canada, could take the same view and say yes, there is an emergency, and we approve of what the government has done. Yet their Honours in the other place could veto the decision of the government and the decision of this House of Commons. I submit that is a shameful thing for the government to be placing before us at this time.

When I was referring to the place of the Senate a while ago, I overheard one of my friends to the right use the word "parliament". I suppose that was an attempt to remind me that parliament consists of more than the House of Commons, and that there is a constitutional obligation for everything that is decided to be decided by both Houses. May I remind the hon. member that parliament consists of three entities and not just two. It consists of the Senate, the House of Commons and the representative of the Crown. If you talk about having a resolution approved by both Houses, you are still not having it approved by parliament as a whole. It is only when you bring in a bill, have it passed by both Houses and submitted for Royal Assent that it becomes an act of parliament in its entirety.

I remind the hon. member for Esquimalt-Saanich (Mr. Munro), who has been following me with interest, that there are instances when decisions under legislation are made by this House of Commons and by this House of Commons alone. I ask my hon. friend to look at Section 91(1) of the British North America Act which, among other things, provides that there shall be no tampering with the provision that a parliament must not last longer than five years. In that same Section 91(1), approved by this House of Commons and the other place, there are words that say that that provision can be set aside, that in time of war or emergency, real or apprehended, the length of a parliament can be extended, provided it is not opposed by more than one third of the members of the House of Commons.

What decision could be more serious to our democratic way of life than the right to extend, even in wartime, the life of parliament and yet in our sacred document, the constitution, it is clearly spelled out that the decision on that matter is made solely and exclusively by the House of Commons. Do not tell me that I am ignoring parliament as a whole or suggesting something new or unique when I say there are times when decisions are made by the House of Commons alone, and there are times when it ought to be that way. I did not have the time nor the research assistance that some people have to do all the searching of records and documents that I wanted to do. I went on the assumption this might not come up until tomorrow or the next day. However, I do know from my memory of some other instances.

For example, in the Government Organization Act of 1970, there is provision for the government to establish additional ministries of state, or ministers of state, or both. That act provides that if the government passes an order in council establishing a new ministry of state, it cannot come into effect until that order in council has been tabled in this House of Commons and approved by this House of Commons, but only by this House of Commons. Incidentally, that was put in there largely at the instigation and urging of my friends in the Progressive Conservative Party. In 1970, they were quite satisfied that the establishment of an additional ministry could be put into effect if it had a favourable decision by this House of Commons and by this House of Commons alone.

In looking at a situation in which people might be freezing because of shortages of energy or fuel, why must we give a veto to the other place? Members know what

some of us think about some of the business connections and business interests of those in that other place. I submit that if ever there was a case where the elected people should speak on behalf of the people of Canada, this is it. In a cold northern country, when talking about the difficulties of fuel and energy, it is preposterous that there is placed before us a proposal that a decision of the government, concurred in by the House of Commons, could be vetoed by Their Honours in the other place.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): When we passed the Statutory Instruments Act a year or two ago—maybe it is not that long, I am relying on my memory—there was in it a part which amended the Interpretation Act and it does provide for affirmative and negative resolutions. The Interpretation Act, as hon. members are aware, is an act which provides definitions. That is really all it does; one cannot make a great out of this, but I think it is relevant to the picture. It is true there are two definitions of affirmative resolutions and two definitions of negative resolutions.

● (1650)

Mr. Bell: A message from the Senate?

An hon. Member: From Her Majesty, signed with her own hand.

Mr. Knowles (Winnipeg North Centre): Hon. members will learn in a moment what it is I have just had confirmed, thanks to the efficient messenger service in this building. I was pointing out that in the Interpretation Act, as amended by the Statutory Instruments Act, we find two kinds of affirmative resolutions and two kinds of negative resolutions. One is an affirmative resolution of parliament, that is to say of both Houses, and the other is an affirmative resolution of the House of Commons. Then, there is the same duality with respect to negative resolutions. Hon. members in other parts of the House may cite this as a precedent for having resolutions submitted in both Houses. They are free to argue that way. In fact, I have given them the reference. But I would make this point: it is not the member for Winnipeg North Centre who is pressing the idea of a resolution being passed only in the House of Commons. It is there in the Statutes of Parliament. It is there in the Interpretation Act brought up to date only a year or two ago by the Statutory Instruments Act.

I believe, Mr. Speaker, that if I were to ask hon. members what is the most serious action taken by the executive since the end of the second world war, in nine cases out of ten, if not in 99 cases out of 100, I would get the same answer,—that the most serious executive act on the part of the government was the declaration of the War Measures Act in peacetime in October 1970. I have now come to the point I wished to have confirmed, and which was confirmed, thanks to the efficient messenger service, as I said a few moments ago.

As hon. members will recall, the declaration was made by the government during the night of October 16/17, 1970, and came into effect at four o'clock in the morning of Friday, October 17, 1970. At eleven o'clock that morning the Prime Minister (Mr. Trudeau) presented a motion asking the House of Commons to approve the government's action in invoking the War Measures Act.

Mr. Alkenbrack: He had already invoked it.

Mr. Knowles (Winnipeg North Centre): That is beside the point. He asked members of this House what they thought about it. The point is that the most serious executive act undertaken by any government in Canada since the second world war was submitted to this House for approval. Was it submitted to the other place for approval? The answer is, no.

Mr. Munro (Esquimalt-Saanich): It should have been.

Mr. Knowles (Winnipeg North Centre): I do not agree at all, but even if the hon. member wants to argue that it should have been, the fact is that it was not done. As a matter of fact, the government was not obliged to submit a motion even to the House of Commons. It was an act of democracy on the part of the government of which we approved. We did not approve of what was being done but we did not hesitate to give unanimous consent to allow the government to introduce the motion, because it was doing the right thing. The Senate was not even sitting on October 17, 1970. It resumed on Monday, October 20, and it continued its debate on the address in reply to the Speech from the Throne, and it was not until a day or so later that the Hon. Paul Martin tabled in that House the Order in Council invoking the War Measures Act together with related correspondence. But there was no debate on the matter in the other House. There was no motion No decision was reached by the other House at all. The decision to approve the government's action was made here, and only here.

If it is part of our history that the most serious executive action most people can remember was made subject to the approval of the House of Commons alone, it is utterly preposterous for the government to say that if an emergency is declared because people are freezing and need power the question should be submitted not only for the approval of the House of Commons but for the approval of the business people, the magnates, the directors and so on, in the other place. It is completely wrong, and I urge the government as strongly as I can to agree to the amendment I am about to propose.

We do not object to the idea that the government should bring the matter before parliament. On balance, we say there is merit in it. We have become involved in a lot of gobbledygook in this clause because of the need to anticipate three kinds of situations, first, a declaration being made when the House is sitting, second, when the House is in recess, and, third, when the House is away during a period of prorogation. I am not saying there is anything wrong with it. I am accepting it. I am commenting on it. But our willingness to accept and support the idea that the elected people of Canada should pass on this important matter does not carry with it willingness to accept the right of veto being given to the other place, and that is what it amounts to.

Mr. Munro (Esquimalt-Saanich): You are just trying to get at the other place.

Mr. Knowles (Winnipeg North Centre): I hope the hon. member will rise and make a reasonable, sensible speech when he is through with these interruptions. I hope he will tell us—

Mr. Deputy Speaker: I am sorry to interrupt the hon. member but the time available to him has expired. He could continue, however, by unanimous consent.

Some hon. Members: Agreed.

Mr. Knowles (Winnipeg North Centre): I shall take only a few minutes more. I thank the House for its courtesy. I hope anyone speaking to this amendment will explain why it is so much more important to bring the Senate into this than it was to bring the Senate into the declaration of the War Measures Act. After all, we are dealing here with something which affects plain, ordinary Canadians who may be cold. We are their elected representatives and we should determine whether the government should proceed with the proposition it makes that there is an emergency.

● (1700)

Now, to achieve this change, this denial of the right of veto to the Senate, I am going to move an amendment to motion No. 4. As I started to say a moment ago before I was interrupted, motion No. 4 has a lot of language in it and it would be extremely difficult to draft an amendment to cut the Senate out in all the places that it appears in the motion. Therefore, I am not going to interfere at all with the obligation that the order be tabled in the other place as well as here. I am not going to interfere with the right of the other place to debate it, or with the regulations that apply to that debate, or even with their right to vote on it. But I am going to insist that this House should not give the Senate, by their vote, the right of veto. How they vote simply should not count.

My proposal is simply that we change subclause (9) in the proposed motion. That subclause now states:

If either House of Parliament negatives the motion that an order made under subsection (1) be concurred in, the order is thereupon revoked.

I propose we change that wording to read as follows:

If the House of Commons negatives the motion that an order made under subsection (1) be concurred in, the order is thereupon revoked.

I have this in proper amendment form and I shall read it in just a moment, but may I make clear what it would do. If my amendment carries—and I plead with this House in the name of democracy and in the name of the rights of the ordinary people of this country to accept my amendment—what would happen is that if there is an emergency, then parliament is either sitting or is called, the order is laid on the table in both Houses, debates take place, but it is the vote in this House that prevails. If the order place votes the same way as this House, that is fine. But if this House votes that there is an emergency and the other House votes the other way, the vote in the other place has no effect and we are not stuck with some back and forth arrangement regarding conferences in an effort to get things sorted out while Canadians suffer from the cold.

I plead this case as strongly as I can, and I urge my hon. friends in the Progressive Conservative party to support me. Let me give them this word of commendation. I will commend them for having fought to get a reference to parliament into this bill, and here it is now before us. I will even take back some of the things I said a while ago and say that this is good. But having got it in the bill, let us not spoil it by giving a veto to the other place. My hon. friends of the Conservative party know how many Liberals there are in the other place and knowing how the other place is dominated by Liberals I am surprised that they would want to give them this extra power.

To my Liberal friends on the other side of the House I say, let them look at this proposal carefully and not be bound by any agreement that the Minister of Energy, Mines and Resources (Mr. Macdonald) may have made with any spokesman for the Progressive Conservative party. Any agreement that we made for this motion requiring reference to parliament did not include veto power being given to the Senate.

Therefore, in support of this very strong plea that I urge upon this House, I move, seconded by the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas):

That Motion No. 4 be amended by deleting from the proposed subclause (9) of clause 11 of Bill C-236 the words "either House of Parliament" and by substituting therefor the words "the House of Commons".

Mr. Deputy Speaker: Is the hon. member for Peace River rising on a point of order?

Mr. Baldwin: Mr. Speaker, may I be permitted to have the same courtesy extended to the hon. member to ask him a question. I was very impressed by the hon. member's speech, and certainly in the expectation that his amendment will last until this evening I will ponder it, just as the government ponders in the motto that I quoted earlier today. In coming to his decision, can the hon. member advise me whether the two members of his party who, during the committee hearings, introduced an amendment to clause 11 that included the Senate as well as the House of Commons are also going to support him?

Mr. Knowles (Winnipeg North Centre): Well, Mr. Speaker, they can speak for themselves in this debate, and probably will do so, but I can tell my hon. friend that there is a misunderstanding about what went on in the committee. But whatever did go in the committee, my colleagues from Kootenay West (Mr. Harding) and Sault Ste. Marie (Mr. Symes), as well as all of my colleagues, will be voting for this amendment.

Mr. Symes: Mr. Speaker, I rise on a point of order. With regard to the amendment referred to by the hon. member for Peace River, it was never moved in committee or discussed formally between the minister, the hon. member for Peace River and the representatives of our party. The idea was that, just before the recess, the hon. member for Peace River would introduce his amendment, which he did. Then, he found, to his horror, that it did not include everything he thought it included. But at no time was an amendment moved in committee by this party. Indeed, the minister's amendment was not presented to the committee in written form; we only agreed to the amendment coming before the House at this stage for debate.

Mr. Baldwin: You did file one in the committee that included the Senate.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, on a point of order, I raise this point only because the Chair asked whether hon. members were speaking to a point of order. Is it clear that the amendment I have moved is in order?

The Acting Speaker (Mr. Boulanger): That is correct; the amendment is in order.

Mr. Knowles (Winnipeg North Centre): Then, would Your Honour put it?

The Acting Speaker (Mr. Boulanger): I will put the amendment. Moved by the hon. member for Winnipeg North Centre (Mr. Knowles), seconded by the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas):

That motion No. 4 be amended by deleting from the proposed subclause (9) of clause 11 of Bill C-236 the words "either House of Parliament" and by substituting therefor the words "the House of Commons".

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, in rising to speak to this amendment proposed by the hon. member for Winnipeg North Centre (Mr. Knowles), specifically to paragraph (9) of motion No. 4, I hope I will be able, in the most positive fashion, to indicate my opposition to it. Having said that, I would be the first to admit that, to the best of my knowledge, the hon. member did not have an opportunity to attend the energy committee hearings when this bill was receiving consideration.

No piece of legislation that has come before this House since I have had the honour to sit here has disturbed me more than Bill C-236. Not only has the legislation disturbed me, but the government's unforgiveable method of handling the legislation has disturbed me almost as much. I find it odd that the hon. member for Winnipeg North Centre would emphasize energy shortages in the context of this bill and totally ignore the real problem that will result from this legislation, which is not supply but rather the cost of fuel in this country.

During the committee hearings, and in answer to many questions that have been raised in this House, the government has indicated that it is nothing but a "patsy" for the international oil companies. I say that not only should we in this House of Commons review any purported state of national emergency, we should also ask the Senate to agree that there is such an emergency. I find it very difficult to understand the argument raised by the hon. member for Winnipeg North Centre when he referred to the fact that the War Measures Act was approved by this House on a motion but was not subsequently approved by the Senate. In reply to that, I would suggest that it would have been my wish had I been here that the matter be sent to the Senate for its approval.

● (1710)

Mr. Douglas: That is a democratic approach.

Mr. Stevens: I would point out that Bill C-236 disturbs me more than anything else that has been before this House since I have had the honour to represent the riding of York-Simcoe. I suggest further that no piece of legislation in this country has disturbed me more than the War Measures Act. I only hope that, had I been sitting in this House at the time it was invoked, I would have had the courage to stand up and vote against it.

Some hon. Members: Hear, hear!

Mr. Stevens: Having lived with Bill C-236 during its consideration by the committee, and having been left with the frustration of being denied the right to call witnesses before that committee and the right to hold meetings since June of last year, I feel stronger than ever that any declaration of a national emergency should also be sent to the Senate for approval. After considerable negotiation, the minister agreed that if and when he makes a declaration in respect of an emergency and causes a program to be worked out, such as is anticipated by this legislation, the declaration itself will be referred to the House of Commons and the Senate for approval. In view of that, I find it truly unbelievable that a member of that group to my left would suggest there is no reason for double security in respect of a declaration of a national emergency.

We should bear in mind that in this House we are to be given only three days to debate the matter, with no suggestion that the committee will convene to consider it. Judging from the experience we have had with this Minister of Energy, Mines and Resources (Mr. Macdonald) and the government, both in committee on this bill and in the House, we will have little opportunity to dig into the facts in order to determine why the government might feel there is a national emergency. We will have little opportunity to assess the situation in Canada or to determine what facts might lead the government to declare such an emergency. In that context, I hope we, in our wisdom, will vote in the appropriate way.

Let me emphasize the fact that I see nothing wrong in having the Senate review the situation to see whether it comes to the same conclusion at which we arrived.

An hon. Member: The amendment allows for that.

Mr. Stevens: Surely, I am justified in suggesting that, bearing in mind the fact that this government has demonstrated over the past weeks that it does not know even at this date whether there is going to be an energy crisis, as it likes to refer to it, in the coming months. In fact, there has been mounting evidence over the last four weeks to suggest that the so-called fuel supply shortage will not in fact develop. As a matter of fact, a chart provided to the energy committee at one of its last meetings demonstrated that the government anticipated less of a shortfall in December than it had anticipated six weeks previous.

Let me point out also that certain publications make it clear that the anticipated 40 per cent shortfall in the New England States is not likely to materialize, and that the estimate now is that there may be no more of a shortfall than 3 per cent. If this government is unwilling, as has been the case, to have its minister appear before the committee of this House to allow that committee to investigate the current situation in Canada in respect of supply and price, then I have very little confidence that if and when a declaration of a state of emergency is made under this legislation we in this House will have the opportunity to truly investigate the facts in order to determine why the government feels an emergency exists.

Mr. Baker: The government has not come clean with the Canadian public.

Mr. Stevens: It is in that context that I oppose the amendment proposed by the hon. member for Winnipeg North Centre. The government is proposing an extremely serious measure in Bill C-236. Tremendous powers will be given to a board, if and when a state of emergency is declared.

Contrary to what the hon. member for Winnipeg North Centre indicated, when Mr. Armstrong, the President of Imperial Oil, appeared before the committee he made it very clear that he was virtually in complete agreement with allocation Bill C-236.

Some hon. Members: Hear, hear!

Mr. Stevens: I notice that the hon. member for Nipissing (Mr. Blais) endorses that view. Surely, nothing demonstrated more clearly the fact that it was this government, working in unison with the large multinational oil corporations, which fostered this piece of legislation.

Mr. Blais: Mr. Speaker, I rise on a point of order. In view of the comment by the hon. member for York-Simcoe (Mr. Stevens), I might point out that Mr. Armstrong was a witness of the hon. member for York-Simcoe.

The Acting Speaker (Mr. Boulanger): Perhaps I should indicate that, in my opinion, that is a point of debate rather than a point of order.

Mr. Stevens: Mr. Speaker, the only witness we succeeded in calling was called to appear before the committee by the committee.

An hon. Member: At whose suggestion?

Mr. Stevens: I feel that had the committee been allowed to call those witnesses on the list we proposed, we would now have a much better informed membership in this House than we have at the present time.

Mr. Bawden: They don't want that.

Mr. Stevens: In my opinion, the more witnesses we called the more able we would have been to demonstrate that this government was simply acting as a taxi for the seven major international oil companies.

The Acting Speaker (Mr. Boulanger): Does the hon. member rise on a question of privilege?

Mr. Blais: No, Mr. Speaker, I rise on a point of order to suggest that it is completely contrary to the rules of this House, and the rules of the committees of this House, to refer to anything that took place in the steering committee except the report of that committee. I would point out that the report of the steering committee only recommended that appearance of Mr. Armstrong before the committee. My friend's reference is most irregular. We must remember that the committee has already made its report. The decision of the steering committee, as I recall it, only recommended the calling of the President of the Imperial Oil Company, whereas hon. members opposite wanted to call the presidents of Texaco, Gulf and a number of others from the large multinational corporations the hope that the position they were taking would be supported. Much to their chagrin that was not the case, but rather the government's position was supported.

The Acting Speaker (Mr. Boulanger): I suggest that is not actually a point of order. Hon. members must remember that the committee has made its report to the House, and I agree that the hon. member is entitled to refer to that committee report as well.

Mr. Baker: Of course. Go back to sleep.

Mr. Alexander: You have been here long enough to know that.

● (1720)

Mr. Stevens: Mr. Speaker, If I may continue my comments on the amendment, I might refer to the fact that the hon. member for Nipissing (Mr. Blais) raised the question of who called Mr. Armstrong. We were not at all disturbed by the testimony of Mr. Armstrong, because it demonstrated exactly what we have been saying, which is that this government is acting as a tool of the major international companies.

Some hon. Members: Oh, oh!

Mr. Stevens: Mr. Speaker, when one receives this type of flack one knows he is hitting where it hurts. With that background, as I have said, I am quite certain, had we been given the opportunity—and incidentally now that the minister has returned to his chair he cannot deny it—to call the witnesses we proposed, to call before the committee there would have been some very revealing statements to show exactly why the government is proposing this legislation at the present time.

I would emphasize it was our group which proposed that the declaration of an emergency be referred to the House of Commons and the Senate, and that it be negatived or otherwise by those two bodies, rather than be left solely to the government to decide, as had been proposed. It was not the hon. members to the left who agreed. They did agree subsequently, but it was our proposal, and I say it is a stronger proposal since it is a two-pronged proposal involving the House of Commons and the Senate.

Having said that I find it very strange that the allies of the government, the hon. members to my left, should be disturbed. After all there are some 70-odd Liberal members sitting in the Senate at the present time, and their leader sits in the cabinet. Surely, we do not think that the odds would be less than 100 to one against the Senate ever negativing a state of emergency which had been declared and approved in this House.

So, I am saying, in dealing with this type of legislation, the NDP has come up with a trumped-up argument. The members of the NDP know that the question of whether or not the Senate is included is of virtually no consequence. I am saying that it is a safeguard in the event that this House, for any reason, should not negative a motion perhaps the Senate would do so. Then, the nation should perhaps decide whether there was truly an emergency or whether the government had attempted to mislead the people of Canada.

I hope to be able to speak further on this bill, but I did feel at this time that I wanted to make clear why I, personally, am so opposed to the proposed amendment of the hon. member for Winnipeg North Centre. I believe this amendment would delete a possible safeguard in respect of the declaring of the national emergency in this country. I am sufficiently aroused by the impact, or the possible impact of this legislation, that I feel we need every safeguard we can possibly have in order to protect ourselves against this government and the multinational and international corporations.

Mr. J.-J. Blais (Nipissing): Mr. Speaker, I had not intended joining in the debate on this bill, but unfortunately some allegations have been placed on the record which require rebuttal. The amendment introduced as motion No. 4 on the order paper is a compromise between the parties. I agree that there is a subamendment presently under consideration. However, I shall concentrate on the amendment. The members of the New Democratic Party also were a party to that compromise when the minister presented it to the committee. The bill, in its present form, is a marvel of compromise, good sense and reason. I wish to point out that the compromise had absolutely nothing to do with the hon. member for York Simcoe (Mr. Stevens). There is a story behind that which is of considerable interest.

As hon. members will recall, when the bill was introduced for second reading and was debated, the hon. member for Peace River (Mr. Baldwin) indicated that it was the intention of that party to completely filibuster this bill. He said that they would talk, talk and talk. The hon. member for Peace River indicates no. I must place that nod of the head on the record. Now it is a positive nod in agreement with my negative statement.

Mr. Baldwin: Mr. Speaker, I rise on a point of order under that standing orders, with which Your Honour is familiar, which permits a member, when words are put into his mouth which are not correct, to so state and I do so state at this time. I indicated that this party, because of the great power granted by this bill, intended to examine it at reasonable length and would move suitable amendments. The word "filibuster" is a word that is most repugnant to me. I have never used it and I shall never use it. I would like the hon. member to bear that in mind.

Mr. Blais: Mr. Speaker, it is perhaps because of the fact that I have not been in this House any longer than the hon. member for York Simcoe that I have been impressed by some of my experiences with the Conservative Party, as well as some of my reading in that regard, and have been under the impression that the conduct of the Progressive Conservative Party constituted filibustering. I shall not use that term if it is repugnant to the hon. member.

However, there were public declarations that they would speak at length on this bill. They did so until there was pressure coming back from their constituencies to the effect that they should let the bill pass on second reading. The bill did pass second reading and then, in committee, there were indications that it was still the intention of the representatives of the Conservative Party to stymie the intentions of the government by adopting tactics in that committee which would delay the passage of this piece of legislation. With all due respect, may I say that the hon. member for Peace River, who is intent on interfering with my contribution to this debate, was not there. Eventually, when he did start attending the meetings of the committee his remarks were conciliatory and, indeed, his presence in the committee signalled the departure of the hon. member for York Simcoe who had not been so conciliatory before that particular event. I might indicate that there seemed to be a shift in the particular direction taken by members on the other side.

By coincidence, referring to what the hon. member for York Simcoe said, the whole change, the road of demarcation—

An hon. Member: The road to Nipissing.

Mr. Blais: Yes; it may be the road to Nipissing because my constituents are very interested in the passage of this particular piece of legislation. The hon. member for Grenville-Carleton (Mr. Baker) is attempting to make light of this bill. I suggest to him that he should refer to his constituents. I would point out to him that he and they live east of that line which is being supplied by off-shore oil. I would point out also that his constituents are very vulnerable because they find themselves at the end of the supply line. I would advise him to be very careful with his comments.

● (1730)

Now, returning to Damascus, the Tory conversion on the road to Damascus took place when, lo and behold, at the behest of the hon. member for York-Simcoe (Mr. Stevens), the President of Imperial Oil was summoned before the standing committee. Contrary to the insinuations of the hon. member for York-Simcoe, I have no connection with the President of Imperial Oil. Although I have an Imperial Oil credit card, I do not have any shares in that company. I do not know whether or not the hon. member for York-Simcoe has.

As a responsible government member of the committee, I took the attitude that what the President of Imperial Oil was going to say would not assist the consideration of the bill. I did so because of the Tory stand. They were delaying the bill, and expected the attitude of the President of Imperial Oil to support them. They were very insistent on having the President of Imperial Oil appear before the committee, and I was prepared for his appearance. But, Mr. Speaker, on that Thursday morning Mr. Armstrong appeared before the committee and provided the government with complete, unquestioned, unconditional support, except for three minor amendments that he suggested to the government's bill. Mr. Speaker, I cannot describe to you the faces of the members of the Tory party. They were a sight to behold. As a result, there was a volley of questions from them. They had not been expecting that sort of bombshell.

For a moment I felt that a rift could develop between the multinationals and the Tory party. I could not believe my eyes. Of course, that was on the spur of the moment, and I am sure the differences have since been patched up. However, almost simultaneously with the evidence given by the President of Imperial Oil the Conservatives began

to show the sweetest disposition, the like of which we have not seen since January 4, 1973, or at least during my short experience with members of the Tory party. I was so relieved to see this conciliatory attitude because I recognized the seriousness of the emergency we were facing, and the potential emergency for which the government was attempting to prepare. We had but to read the newspapers to be convinced of the fact that we were facing very serious difficulties indeed.

On top of that evidence, which showed that the crisis was one that we ought to be contemplating seriously, came support from that particular company which had no problem at all with its supplies. In fact, it gets all its supplies from Venezuela. Of course, then the Tory members wanted somebody from Texaco. It does not get all its oil from Venezuela. It gets some of its oil from the Arab countries. We were dealing with a particular witness who was not facing any shortages—

An hon. Member: Who is?

Mr. Blais: Mr. Speaker, we get that from a member from Alberta. While we are freezing in the darkness, let us consider the seriousness of that interjection from the hon. member from Alberta.

Now, we have a bill which, after the complete conversion of the Tory party, progressed through committee stage and which is the result of compromise. I still recall the Minister of Energy, Mines and Resources (Mr. Macdonald) and the hon. member for Peace River (Mr. Baldwin) sitting at a press table, smiling here and there, pointing out adjustments in the bill. They did so in a very friendly manner. They are both present. I am sure they will recall that occasion with fond memories, once they have left this honourable assembly.

I might point out that I am slightly disappointed at the amendment that was presented, because I feel we have a very potent bill indeed. There is no doubt about that. I am aware of the constitutional limitations that face the executive in the implementation of its provisions. There is no doubt in my mind that there is too much power given to the executive. I did not feel that it was necessary to bring this bill back to parliament for debate within the time stipulated because, in my opinion, the courts of the land could well determine whether a declaration of emergency was one that the government was entitled to make, having regard to all the factors relating to such an emergency.

There is no question at all that the government would not interfere with private contracts, as it has power to do under this legislation, unless there was a state of national emergency. The cases are quite clear. I do not have to cite them. I do not need Senator Forsey to assist me at this time, but I suggest the cases are legion to show that the emergency provisions of this bill could not be brought into force until there was a de facto emergency. Further, if a declaration were made of an emergency which was not justified by the facts, then any citizen of Canada directly affected by the implementation of the provisions of this bill could bring an application before the Supreme Court, in order to present to that court the facts as he saw them to enable the court to determine whether or not the government was acting soundly.

I suggest that the government would not make such a declaration without very close consultation with the provinces.

An hon. Member: For the first time.

Mr. Blais: I hear this "For the first time." For some time now, the Conservative party has been suggesting that the government has not been consulting with the provinces. I take strong issue with that, because the government has been in very close touch with the provinces on this energy question. It may be that some of the actions taken by the government have not been to the liking of one province or another. Evidently they were not in certain circumstances. We forget that we have a constitution in Canada which creates a federal government, and that government is responsible for the peace, order and good government of the whole country. At the time we were dealing with the Quebec problem there were many cries for stronger central government in order to achieve a united nation, one country. There were a number of cries that the provinces were too strong, that the central government was too weak, at the time we were facing the Quebec problem, which now evidently has been resolved.

● (1740)

The Conservatives are now saying that the central government is attempting to take too much power, too many responsibilities; that we should give more power to the provinces; that the provinces, after all, have a right to their resources. I recognize that they have a right to the resources that lie within their boundaries, but the Conservative Party would like us to believe that they also have a right over interprovincial trade. That is their view, Mr. Speaker, and I cannot interpret it as being any different. When Mr. Pearson was prime minister of the country, the Tories were saying that there was too much concentration of power in the provinces. Now, they have done a complete flip-flop, and because we are dealing with a different province, they say the federal government is attempting to take too much power unto itself. I suggest that they cannot suck and whistle at the same time.

An hon. Member: You are doing it.

Mr. Blais: These one liners slay me, Mr. Speaker. We are dealing with an emergency situation, a confrontation not between the federal government and the provincial governments, but between groups of provinces; one group identified as the consuming provinces and the other group the producing provinces. Mr. Speaker, we are attempting at this particular time to protect the people of Canada from the Tories because it is their intention to delay the bill. I might indicate as well that in this conflict between the producing and the consuming provinces, there will have to be an arbiter.

I am very anxious to see the results of the meetings on the 23rd and 24th of this month between the first ministers of the various provinces and the federal government. Two questions have to be resolved: the question of pricing and the question of supply. The question of pricing is a short term, immediate problem but the question of supply is dependent on how long it takes to build a pipeline and where it will be located. The question of pricing is going to

be of considerable interest to the provinces; indeed, the consuming provinces in eastern Canada, including Quebec, are going to be very interested in finding out how much a barrel of oil, or gas or home heating fuel or indeed the building blocks for their petrochemical industry, are going to cost. They will also be interested in finding out if they will have a petrochemical industry and how much it is going to cost. The producing provinces are interested in finding out how much they will get from the sale of oil.

If there is not a strong federal presence at that particular conference, the party which will suffer is the body politic of Canada and all the residents of this country. To my mind, it is essential that we recognize the obligation of the federal government to protect its jurisdictional responsibilities. I suggest to you, Mr. Speaker, that any attempt to erode the powers of the federal government at such an important period in our history is very serious indeed. I suggest that if the opposition is interested in tying the hands of the federal government prior to that conference, they are acting most irresponsibly and will have to bear the consequences. There is no one who can say of this government that it is not acting in the best interests of the people of Canada.

Some hon. Members: Hear, hear!

An hon. Member: This government?

Mr. Blais: We have not abandoned our responsibilities, and we have not abandoned the principle of the adversary system in our parliamentary structure or, indeed, in our federal-provincial negotiations.

[*Translation*]

The Acting Speaker (Mr. Boulanger): Order, please. I am sorry to interrupt the hon. member, but the time allotted to him is now expired.

[*English*]

Does the hon. member rise for the purpose of asking a question?

Mr. Stevens: No, Mr. Speaker; on three questions of privilege.

The Acting Speaker (Mr. Boulanger): We will listen to one at a time.

Mr. Stevens: Mr. Speaker, the hon. member for Nipissing (Mr. Blais), first of all, indicated that I had engaged in a filibuster. I want to say most emphatically that I feel that statement was completely without foundation. This debate has not even been going three hours, and I would emphasize that I was simply the first speaker on the amendment proposed by the hon. member for Winnipeg North Centre (Mr. Knowles). I did not even take my full 20 minutes as the hon. member did.

The Acting Speaker (Mr. Boulanger): I regret to say this, but the hon. member will know that this is not a question of privilege; it is a question of opinion on what was said. The hon. member rises on another question of privilege?

Mr. Stevens: Yes, Mr. Speaker. The hon. member indicated that I may have shares in Imperial Oil. I want to assure this House that I do not have shares in Imperial Oil. I wish to assure this House that my family did not have the good fortune which the Trudeau family had, and have a fortune spring from Imperial Oil.

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I was not a member of the committee to which this bill that we are reporting was referred. This is probably just as well because I must say that, while I found the revelations of what took place in the committee extremely interesting and would have liked to hear more about them, I am afraid the discussions of the internal details of the committee are obscuring an important point of principle which is raised by the amendment moved by my colleague. The important point of principle is one that I think we have to settle and that is whether the other place, a non-elected body, is the appropriate group to have the responsibility of determining whether an emergency of the type described in the measure exists in this country. I say emphatically that it is not; that a non-elected body is not an appropriate tribunal or authority for determing the existence of an emergency.

It would be absolutely unthinkable, after the government of this country, the executive, had determined that there was in fact a national emergency, and a matter which required extraordinary action and that decision had been upheld or approved by a motion of the elected members of this House of Commons, that this body which has no jurisdiction in this matter unless we choose to give it, the other place, should be given the responsibility of overriding a decision on this matter of the executive of the country and the decision of the House of Commons composed of elected members. It is no insult whatever to the other place. It is not quite correct to say that they are unrepresentative. They do represent certain interests. A number of directorships are held by members of the other place. I will not go into details, but it is well known that they represent a particular point of view. I, for one, other members of my party and, I hope, members of the House generally, do not accept the proposition that we should give to the other place the right to veto the will of the elected members of the House of Commons.

● (1750)

The principle embodied in motion No. 4—I am not talking of the amendment as a whole—is an advance. I was in the House when the War Measures Act was invoked by a decision of the executive. Their power to do that has been upheld by the courts on innumerable occasions. They are the authority which primarily determines the existence of the emergency. In that situation we, in this House, were asked to express our views as to whether an emergency existed. I was one of those who voted against the invocation of the War Measures Act, because I did not think that such an emergency existed as would justify the complete abolition of the constitution and the withdrawal of all the rights and liberties of the people. This is what was involved in any declaration that the War Measures Act had been invoked and was in force.

I submit that the elected branch of Parliament in which I am now speaking, the House of Commons, should have the right to pass judgment on whether the very strong powers—they need to be strong in an emergency—to be conferred by this statute are justified by the existence of a

real emergency. That, really, is what we are considering, and in that regard the provision before us represents a step forward. But, in giving the non-elected, unrepresentative members of the other place the power to intervene and say, "We say, from our limited point of view, that there is no emergency, and therefore the will of the people of Canada can be frustrated by our determination," we are taking not one step forward but two steps backward.

We are talking, simply, about a matter of principle. This has nothing to do with what went on in committee. I submit that the other place is not the appropriate body to determine this particular subject matter, important as it is to all the people of Canada. The Senate does not have the power under the constitution. Why should we give them that power by statute? It would be wrong of us to do so. I think we should be abandoning our responsibilities as elected representatives if we were to share our responsibility with a non-elective body and give them power to veto decisions which are the subject matter of this particular motion. We are not considering a statute. This is to be a resolution. I think it is perfectly appropriate for resolutions to be passed by the House of Commons, without reference to the other place.

For these reasons, I hope the House will determine to accept the amendment proposed by the hon. member for Winnipeg North Centre (Mr. Knowles). Let us pass the measure, and vest the ample power to check decisions in this elected House of Parliament; let us not resort to the other place which, for reasons I could elaborate on at length, is made up of the most inappropriate group possible to which this power should be given.

The Acting Speaker (Mr. Boulanger): The Chair recognizes the hon. member for Scarborough West (Mr. Harney). I beg your pardon. The Chair had recognized the hon. member for Sault Ste. Marie (Mr. Symes), but I think he had yielded to the hon. member for Greenwood (Mr. Brewin). I think, to be correct, the Chair had better recognize the hon. member for Sault Ste. Marie.

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, may I emphasize some of the points raised by the hon. member for Greenwood (Mr. Brewin) in support of the amendment moved by the hon. member for Winnipeg North Centre (Mr. Knowles). The amendment proposed by the minister, as printed on the order paper, is mostly the result of negotiation between the minister and the hon. member for Peace River (Mr. Baldwin). As the hon. member for Nipissing (Mr. Blais) pointed out in committee, they were busy working out last minute details. The amendment was never presented in written form in the committee. The committee agreed that it should be printed on the order paper for consideration at the report stage. This we are now doing and, as the hon. member for Winnipeg North Centre has said, we now see its weakness.

As the amendment proposed by the minister now stands, the Senate has the right to veto the decision of the elected members of this House. By giving that right to an appointed body we should be thwarting one of the basic principles of democracy. I am disappointed to note that members of the Conservative party so far have been supporting the amendment proposed by the minister.

If there is an emergency involving oil supplies, an emergency affecting thousands of Canadians, people in hospitals, children in schools and workers in industry, the responsibility for decision making should not rest with those who cannot speak for the people, but should rest with those who are elected in this chamber.

Mr. Paproski: Filibuster.

Mr. Symes: If the House accepts this amendment, appointed members and not representatives in this chamber will have the power to make the decision. May I call it six o'clock.

At six o'clock the House adjourned without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, January 10, 1974

The House met at 2 p.m.

[*English*]

PRIVILEGE

MR. OBERLE—CBC PROGRAM, "UP CANADA"

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, on January 8, 1974, the night before last, the government subsidized national television network aired a program called "Up Canada", a portion of which was dedicated to a soap opera called "One Honourable Member". It may be coincidental that this program was followed immediately by a program called, "Some Honourable Members". I, and I am sure most hon. members, appreciate the media's recognition of our presence here in Ottawa, but we must object to the use of the national network in creating a false impression about our activities here.

The scene in the opera showed one hon. member from the west coast, whose name and address were almost identical with those of one of my colleagues, in bed with another member's secretary. The male actor was clad only in a blanket with which he protected his vitals, and the female was devoid of any clothing apart from false eyelashes and fingernails.

An argument ensued in bed over the arrival of the member's wife from the west coast. The girl decided to "split the sheets" and she called a taxi which was to arrive in five minutes. As it happened, the taxi was on the spot almost immediately.

I would expect, Mr. Speaker, that the minister responsible for financing the corporation would make every effort to stop the continuation of this exhilarating cultural experience so that we do not create the impression in Canada that any member or his secretary can call a taxi in Ottawa and expect to have it arrive in less than half an hour.

Some hon. Members: Hear, hear!

WAYS AND MEANS

TABLING OF MOTION TO CONTINUE CERTAIN TARIFF REDUCTIONS UNTIL JUNE 30, 1974

Hon. John N. Turner (Minister of Finance): Mr. Speaker, pursuant to Standing Order 60(1) I wish to table notice of a ways and means motion proposing the continuation until June 30, 1974, of most of the tariff reductions introduced in the budget of February 19, 1973.

* * *

CANADA-GREAT BRITAIN-TURKS AND CAICOS ISLANDS ASSOCIATION STUDY ACT

PROVISION FOR COMMITTEE TO STUDY ASSOCIATION WITH CANADA

Mr. Max Saltsman (Waterloo-Cambridge) moved for leave to introduce Bill C-249, respecting a proposed association between Canada and the Caribbean Turks and Caicos Islands.

Some hon. Members: Explain.

● (1410)

Mr. Saltsman: Mr. Speaker, the purpose of this bill is to establish a study committee to examine the feasibility of a political or economic union with the Crown colony of the Caribbean Turks and Caicos Islands following upon a visit of Canadian parliamentarians to the islands as a result of an invitation by the state council of the islands.

The elected members of the state council consider that one solution to the needs of the islands is Canadian association. They would like to investigate seriously the possibility of these islands becoming an overseas maritime province or territory of Canada.

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

ROUTINE PROCEEDINGS

[*English*]

INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

Ninth report of Standing Committee on Indian Affairs and Northern Development—Mr. Buchanan.

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

ORAL QUESTION PERIOD

[*English*]

THE CANADIAN ECONOMY

INFLATION—GOVERNMENT'S POSITION ON RATE OF PRICE INCREASES NECESSARY TO JUSTIFY INTRODUCTION OF CONTINGENCY PLAN

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Prime Minister who on a number of occasions has told us that the government has some comprehensive contingency plan which it could

introduce in the case of an emergency concerning inflation. In view of the fact prices increased by over 9 per cent during 1973 and no contingency plan was activated, will the Prime Minister inform the House what rate of price increase constitutes an emergency by the government's definition so that people will have a better idea whether or not they should turf out the government?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, when the consequences of bringing in the emergency plan are less serious than the consequences of the inflation, that will be the turning point.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Stanfield: Speaking about serious consequences, is it the view of the government that, with the erosion of the value of small savings in this country of nearly 10 per cent in one year, this is not an emergency, omitting altogether any reference to the fact there has been 20 per cent inflation or one-fifth erosion since the Prime Minister said that inflation in this country was licked?

Mr. Trudeau: Mr. Speaker, obviously it is a serious situation. That is why the government has done so many things to combat inflation.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Trudeau: I would merely point out that those countries which attempted formal wage and price controls, such as the United States and the United Kingdom, have a worse rate of inflation and, therefore, more serious consequences with regard to the value of the savings of the little people than has been the case in Canada.

Some hon. Members: Oh, oh!

Mr. Stanfield: If the Prime Minister is suggesting that his incomes policy has not been a failure, he had better consult people like the secretariat of OECD.

Mr. Trudeau: I am sorry, whom did you say I should consult?

Mr. Stanfield: People like the secretariat of OECD and others better informed apparently than the people who are advising him.

Mr. Hees: You are doing a lousy job.

Mr. Stanfield: Let me put to the Prime Minister a very simple question that he ought to be able to understand and appreciate. In view of the claimed success and some apparent success of the elimination of the sales tax on children's clothing in having a beneficial effect on prices, would the Prime Minister do something to help the little guy in this country by taking off the federal sales taxes on all clothing?

Mr. Trudeau: Mr. Speaker, this specific suggestion is certainly one that will be considered, and if an announcement is to be made it will be made in plenty of time. But I certainly would not agree with the Leader of the Opposition when he implores us to do something, as though what we have done not only to help the elderly people but to take people off the income tax rolls and by indexing the income tax rolls in a way which he himself has applauded is not good, and that this is not doing something.

* * *

FOOD PRICES

INCREASE IN PRICE OF EGGS—REQUEST FOR PROHIBITION OF DUMPING IN UNITED STATES—JUSTIFIABLE PRICE LEVEL

Mrs. Grace MacInnis (Vancouver Kingsway): Mr. Speaker, I should like to direct a question to the Minister of Consumer and Corporate Affairs. In view of the fact the price of eggs in Canada has gone up substantially during the last year, and in view of the fact eggs are being dumped in the United States at a lower price than that charged Canadians, would the minister inform the House whether the government is prepared to prohibit this practice of dumping?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, we have taken note of this information and are studying the matter on an active and urgent basis. We hope to be able to state our position shortly.

Mrs. MacInnis (Vancouver Kingsway): Mr. Speaker, I have a supplementary question for the Minister of Agriculture. Can the minister inform the House what price level for eggs is justifiable at the present time and would be fair to both consumer and producer?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, the price that would be fair to the egg producers of Canada is one that would give them a decent standard of living for their economic input. That is what the board is trying to accomplish.

Mrs. MacInnis (Vancouver Kingsway): Mr. Speaker, I wonder whether the minister would like to take a gamble and name that price?

Mr. Whelan: Mr. Speaker, the input costs have to be measured. The producers have to have a decent margin over their input costs. This is what the Canadian Egg Marketing Board is trying to give them at the present time.

INCREASE IN EGG PRICES—GOVERNMENT POSITION ON MARKETING SYSTEM—SUGGESTED INVESTIGATION BY FOOD PRICES REVIEW BOARD

Mr. James A. McGrath (St. John's East): Mr. Speaker, I have a supplementary question for the Minister of Consumer and Corporate Affairs. In view of the fact the Canadian Egg Marketing Board receives its licence and authority from the government of Canada, and in view of the fact the report of the Food Prices Review Board indicates that the Egg Marketing Board has been a substantial factor in contributing to inflation by an unrealistic increase in the price of eggs, is the minister satisfied with the system of egg marketing in Canada and, if not, does he

intend to revoke the licence of the Canadian Egg Marketing Board?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, the Canadian Egg Marketing Board receives its authority through the governor in council under the farm products marketing legislation. I said in answer to a previous question that because of the type of findings that have been mentioned we are looking into this matter on an urgent basis. I might also add that the Food Prices Review Board findings also refer to the activities of the provincial marketing boards, agencies of the provincial governments.

Mr. McGrath: Mr. Speaker, in view of the major recommendation of the Food Prices Review Board in its fifth report that the government set up a royal commission to look into this matter, and as this is the very reason for the existence of the Food Prices Review Board, may I ask the minister whether he intends to direct the Food Prices Review Board to carry on such an investigation on its own and not impose any additional charges on the taxpayers of Canada?

Mr. Gray: Mr. Speaker, this is one of the matters we are considering. I am also glad to note that the hon. member has had a personal conversion and now supports the activities of the Food Prices Review Board.

● (1420)

Mr. McGrath: Mr. Speaker, it so happens that the Food Prices Review Board has been the only answer this government has had and so far it has been an unsatisfactory answer.

* * *

[*Translation*]

EXTERNAL AFFAIRS

INVESTIGATION BY CANADA BEFORE SENDING FOOD TO ETHIOPIA TO RELIEVE ALLEGED SHORTAGE

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I wish to direct a question to the hon. Secretary of State for External Affairs.

It has been revealed recently that there was no food shortage in a certain African country to which Canada, through the Department of External Affairs, has granted funds. Can the Secretary of State inform us if an investigation had been held before granting this aid and if so why was it not serious?

[*English*]

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I regret that I did not understand the purport of the question. I did not catch the name of the country to which the hon. member was referring.

[*Translation*]

Mr. Laprise: The country referred to, Mr. Speaker, is Ethiopia. An emotional climate has been created in Canada by saying that that country was starving when it is exporting food surpluses. Moreover, it has been provided financial help by Canada.

Can the minister say if a serious study of the matter was made before granting money to that country?

[*English*]

Mr. Sharp: Mr. Speaker, I can assure the House that before any food is provided to Ethiopia or any other country we investigate the need, and we do not provide food where it is not needed.

[*Translation*]

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

Can the Secretary of State say whether, in those circumstances, the supplies having not yet reached Ethiopia will nonetheless be unloaded or sent elsewhere?

[*English*]

Mr. Sharp: Mr. Speaker, if it is found, contrary to the reports that have been received, that Ethiopia is not in need of food, I can assure the hon. member that there are many other places where food is needed and it will be directed there.

* * *

FOOD PRICES

INCREASE IN EGG PRICES—POSITION OF MINISTER OF AGRICULTURE ON REVIEW BOARD REPORT

Mr. William C. Frank (Middlesex): Mr. Speaker, I should like to direct my question to the Minister of Agriculture. Having regard to the fact that the Food Prices Review Board in its latest report indicated that retail egg prices cannot be justified, I would ask whether the minister agrees with the board's view that Canadian egg producers through their own marketing board's pricing policies are gouging the consumers?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I have not had time to study the report yet.

Some hon. Members: Oh, oh!

Mr. Whelan: Mr. Speaker, I want to say that is true. Mrs. Plumptre saw fit to give the report to the press but not to the Minister of Agriculture—

Some hon. Members: Oh, oh!

Mr. Whelan: —so I have not had an opportunity to study it. I have not received it yet. It has not come across my desk. But I want to say that I have the utmost confidence in the Canadian Egg Marketing Board.

Mr. Frank: Assuming that the minister, after having had a chance to peruse this report, agrees that the consumers are not being gouged by the egg producers' pricing system, will he then consult with his colleague, the Minister of Consumer and Corporate Afairs, in order to correct the erroneous impression created by the Food Prices Review Board report, which can do nothing but jeopardize the future of Canadian egg producers?

Mr. Whelan: Mr. Speaker, the minister and I have already had one discussion today and our officials are studying this matter.

An hon. Member: That was after you saw the report.

Some hon. Members: Oh, oh!

An hon. Member: Oh, you dog.

Mr. Hees: Start again and let's have the true story.

Mr. Whelan: Mr. Speaker, I would indicate that after I have had time to review the report and our officials have had time to study it we will then make a decision and a statement as to what we are going to do, if anything.

Mr. McGrath: Mr. Speaker, I wonder whether you would permit me, under the provisions of Standing Order 41, to table the report of the Food Prices Review Board in order to make it available to the minister? I have had it since four o'clock yesterday from distribution.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. The hon. member knows that Standing Order 41(2) does not make it possible for an hon. member to table a document. The Standing Order refers to ministers. If the hon. member wants to bring the report to the attention of the minister, I am sure he can send it to him and give him an opportunity to look at it.

Mr. McGrath: On the same point of order, Mr. Speaker, I would be glad to make the document available to the minister so that he can table it under Standing Order 41.

Mr. Speaker: The right hon. member for Prince Albert.

Mr. Diefenbaker: Mr. Speaker, I would ask the Secretary of State for External Affairs—

Mr. Frank: On a question of privilege—

Mr. Speaker: Order, please. I apologize to the right hon. gentleman. The hon. member for Middlesex rises on a question of privilege.

Mr. Frank: Thank you, Mr. Speaker. The answer the minister gave to my first question indicated that he had not seen the report—period. In answer to the second question he indicated he had seen it because he discussed it with the Minister of Consumer and Corporate Affairs. What did he discuss if he had not seen the report?

Mr. Whelan: Mr. Speaker, I have seen it just now since the member's question.

Some hon. Members: Oh, oh!

Mr. Whelan: I have seen a document that looks like the rising sun, but I have not had time to look at it and study it and it had not come across my desk as at twelve o'clock. Speaking to the point of privilege, I think I have some right to explain my position. I was at meetings last night until after eleven o'clock.

Some hon. Members: Oh, oh!

Mr. Bell: Wait until Mrs. Plumptre hears about it.

Some hon. Members: Hear, hear!

[Mr. Whelan.]

Mr. Whelan: Mr. Speaker, I have been at meetings right until walking into the House at two o'clock, Ottawa time.

Some hon. Members: Oh, oh!

Mr. Whelan: I want to explain that I have meetings with the Canadian Livestock Feed Board and other bodies during the rest of the day and will not have time to look at this report even if it is on my desk when I get back.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. These procedural points are fascinating, I am sure, but we might attempt for a few minutes to return to the question period. The right hon. gentleman has been recognized and has the floor.

* * *

NATIONAL SECURITY

ALLEGATIONS ON CBC TELEVISION PROGRAM CONCERNING ACTIVITIES OF NATIONAL RESEARCH COUNCIL AND OTHER CANADIANS

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I would ask the Secretary of State for External Affairs whether he saw the CBC show last evening put on by Mr. W. I. Macadam which was a tremendously potent one, so far as the alleged facts therein are concerned, most disruptive of relations between our country and the United States. I would ask him whether or not there was any submission of this program to the government department in charge of security, how long the oath of secrecy applies and, in general, what he has to say about the alleged revelation that the National Research Council of Canada has been used as a secret intercepting and bugging agency working directly with United States national security agencies and also the other allegations concerning the use of Canadians in North Viet Nam, Hanoi, and in Cuba to engage in espionage work for the benefit of our allies?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I did not see the program last night. I was with my colleagues discussing other matters.

Mr. Hees: Egg prices.

Mr. Sharp: I should say to the hon. gentleman that of course the material that appeared in this program was not submitted to the government for approval. As to security I would also like to say to him that there has been no change in the arrangements regarding the activities talked abcut on this program since he was Prime Minister of this country.

Mr. Diefenbaker: Any suggestion that anything of that kind was done when I was Prime Minister is false. That is not answering the question. That will please the Prime Minister because this kind of smart-aleck stuff is regarded by him as statesmanship. I ask a simple question. The minister said he did not see this program and was busy last night as was the Minister of Agriculture, I hope in different fields. I ask him: Will he have this looked into

because the statements made cannot but be dangerous to our relationship with the United States?

Mr. Sharp: Mr. Speaker, I want to say in all seriousness to the right hon. gentleman that I did not say that in order to be facetious. I thought he would be interested to know that there has been no change in the activities carried on in the field of intelligence and of security information since he was Prime Minister of this country. I thought this would reassure him. I have had a report and so have my colleagues on the program last night.

An hon. Member: Oh, oh!

Mr. Sharp: Yes, we have, and we have looked at these allegations. I agree with the right hon. gentleman that they are most mischievous and misleading.

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, my supplementary question deals with the answer just given by the Secretary of State for External Affairs. I should like him to advise the House whether he feels, in view of the release of this information, that the scientific credibility of the National Research Council has been impaired as a result of this revelation that it may be engaged in this kind of activity?

Mr. Sharp: The answer, Mr. Speaker, is no.

● (1430)

ALLEGED ACTIVITIES OF DEFENCE DEPARTMENT AND NATIONAL RESEARCH COUNCIL IN ELECTRONIC SURVEILLANCE

Mr. Erik Nielsen (Yukon): Mr. Speaker, I have a supplementary question for the Prime Minister. I remind him of the series of some 30 questions I placed on the order paper earlier this year, which were purported to have been answered last July and one of which specifically dealt with the activities of the Department of National Defence and the National Research Council in electronic surveillance by their establishment at Shirley's Bay, since removed. Will the Prime Minister, who on that occasion answered the question by saying that it would not be in the interests of national security to release the information, now reconsider that matter in the light of the revelations that have been made over the public media?

Right Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker, not at all. The Canadian government, as indicated by the Secretary of State for External Affairs, has always collected what information was available to it in its territory. We have never, to my knowledge, certainly not under my government, engaged in any espionage abroad in the sense that we have not been looking for information in an undercover way in any other country. But with regard to what comes into our territory we do take what cognizance of it we can, and certainly it would be recognized, even by the hon. member, not to be in the public interest to indicate by what means and where this information is gathered.

Mr. Nielsen: The Prime Minister couched his reply just now in terms of activities with respect to actions abroad. The question I advanced to the government last spring, which was answered last July, had to do with the use of equipment by the Department of National Defence and the National Research Council for the purpose of maintaining surveillance on the whole of the telephone system in the Ottawa area. It is this aspect of the question that I am directing to the Prime Minister since he chose last July to say in his answer that it would not be in the public interest to reveal that kind of information. In light of the revelation on last night's program, perhaps he would like to reconsider that answer and inform the people of Canada whether such machinery does exist?

Mr. Trudeau: The hon. member might be wiser to talk about allegations rather than revelations if he is referring to last night's program. Certainly there have been several allegations made, some of which I know to be false, but on the general principle of assembling information which might help Canada in preserving the security of its territory or, indeed, even in exchanging information with some of our friends and allies, there is clear admission by the government that this is done. The hon. member is asking how it is done, by what means and in what areas. He is referring specifically to some system around Ottawa. My answer is that we do not answer that kind of question and we do not intend to.

INQUIRY AS TO CANADIAN PARTICIPATION IN INTELLIGENCE TREATY OR ARRANGEMENT WITH UNITED STATES, GREAT BRITAIN, FRANCE AND AUSTRALIA

Mr. Joe Clark (Rocky Mountain): Mr. Speaker, I should like to ask the Prime Minister, in light of his answer to the previous question, if he would explain to the House, either now or on motions, the nature and extent of Canadian participation in the four-party intelligence treaty operative between the United States, Great Britain, France and Australia?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, if the hon. member is referring to the specific treaty called UKUSA, the answer is that we are not a party to such a treaty.

[*Later:*]

Mr. Clark (Rocky Mountain): The Prime Minister cited a specific treaty in response to my original question. I should like to know whether there is any Canadian participation in any four-party intelligence treaty or arrangement operative between the United States, Great Britain, France and Australia and, if so, will he indicate to the House either now or on motions the nature of that Canadian participation?

Mr. Trudeau: Mr. Speaker, I understand that the treaty question was one which was raised on the program last night, and that is why I replied in specific terms. In general terms, there is, as I said in reply to the first question, an exchange of information with our friends and allies on intelligence and security matters. We hope that we are the beneficiaries of such an exchange when it does take place.

Oral Questions

REQUEST FOR ASSURANCE OF CONFIDENTIALITY AND SECRECY OF GOVERNMENT CLASSIFIED COMMUNICATIONS

Mr. Ron Atkey (St. Paul's): Mr. Speaker, would the Prime Minister consider making a statement to the House as soon as possible to assure the House that the confidentiality and secrecy of Canadian government classified communications to our embassies abroad, to the leaders of other states, and between Canadian government departments are adequately protected from various communication detection devices that might be employed by other nations in this country?

Right Hon. P. E. Trudeau (Prime Minister): Yes, Mr. Speaker. Obviously we attempt to ensure the security of our communication systems as best we can. We have various devices and codes in order to ensure that. As to whether other countries are succeeding in breaking these codes, the answer is that we hope not, but I cannot make a statement of fact as to what may be done by other countries and what knowledge they may be gathering.

ALLEGATIONS ON CBC PROGRAM CONCERNING ACTIVITIES OF NATIONAL RESEARCH COUNCIL AND OTHER CANADIANS

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I ask a supplementary question of the Secretary of State for External Affairs arising out of his statement that he and his colleagues have in their possession a document answering in some detail the very serious allegations contained in the CBC television program last night. Would the minister be prepared to ask the House either to revert to motions at this time or undertake tomorrow on motions to make that information available to the House in view of the fact the Canadian people must be understandably disturbed by some of the allegations which were made last night and have not been satisfactorily answered today?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, there is no such document. What I said was that my colleagues and I have been informed of the contents of the program which none of us had seen because we were engaged in discussion of public business in cabinet committee—

Some hon. Members: Public?

Mr. Turner (Ottawa-Carleton): Public matters.

Mr. Sharp: It is on the basis of the study that we have given that we have been answering questions today, and we would be happy to answer any other questions that may be put to us.

* * *

GRAIN

RESULTS OF PLEBISCITE ON RAPESEED MARKETING—PROVISION FOR GRAIN EXCHANGE SUPERVISOR AND VOLUNTARY POOLING

Mr. Jack Murta (Lisgar): Mr. Speaker, I should like to direct my question to the minister responsible for the Canadian Wheat Board. Since approximately 1,500 votes remain to be counted in the just concluded rapeseed plebiscite in western Canada, would the minister at this time either confirm or deny that the results of that vote indicate that approximately 45 per cent to 50 per cent of the people who have voted for retaining the present marketing system, with some 35 per cent to 40 per cent having voted in favour of the Canadian Wheat Board marketing system, and with a small undecided vote cast up to this point?

[Mr. Trudeau.]

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, the hon. member is correct in saying that a fairly small number of votes remain to be counted. The votes counted so far by the supervisor of the poll, Mr. George Turner, in the presence of scrutineers for the interested parties, indicate in fact that the majority are in favour of the present system of marketing rapeseed by a margin that is relatively small but yet large enough to make it appear that the remaining votes cannot affect that result, even in terms of a majority. The hon. member is also right in saying that a very small percentage of the ballots, under 2 per cent of the votes, were marked undecided.

● (1440)

Mr. Murta: Since it now appears that rapeseed will continue to be marketed under the present system, is the minister going to keep his pledge to the farmers, made during the rapeseed plebiscite, that as soon as possible a supervisor for the grain exchange will be appointed and that there will be voluntary pooling as far as rapeseed marketing is concerned?

Mr. Lang: Mr. Speaker, both of those items require legislative changes and I will be seeking to bring those before the House as soon as possible.

* * *

TAXATION

REQUEST THAT SALES TAX ON BUILDING MATERIALS BE ELIMINATED AND MORTGAGE INTEREST BE ALLOWED AS DEDUCTION FOR INCOME TAX PURPOSES

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, I have a question for the Minister of Finance. In view of the fact housing is now 31 per cent of the consumer price index, and in view of the fact that the government is making quite a profit from the sales tax on building materials, can the minister tell the House whether he will recommend to his cabinet colleagues that the government immediately eliminate the sales tax on building materials to help the old people and the old age pensioners that the Prime Minister was talking about either to buy or rent housing at a reasonable rate?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I will take that as a representation to be considered before the budget is presented.

Mr. Reynolds: In view of the fact the government has been blaming Canada's inflation on world pressures, will the minister adopt a policy in Canada in his new budget that will allow Canadians to deduct mortgage interest from their taxes in order to help people in the lower income brackets to get into housing?

[*Translation*]

MANPOWER

LOCAL INITIATIVES PROGRAM—ALLEGED DELAY IN APPROVING CERTAIN PROJECTS IN QUEBEC

Mr. André Fortin (Lotbinière): Mr. Speaker, I should like to put a question to the hon. Minister of Manpower and Immigration.

A large number of local initiative projects in Quebec have not yet been approved. The average is two or three in some constituencies. Could the minister tell the House on what grounds are those projects delayed, why members of parliament are not told of the real reasons and whether, as initially agreed, he intends to inform members of parliament about the study of the projects?

[*English*]

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, to my knowledge there are only two constituencies in which there is a delay in giving approval to applications for local initiatives projects. They happen to be Liberal constituencies, although there are some few others projects in other constituencies that remain as matters of discussion between the sponsors and the advisers. They would not amount to more than 40 or 50 out of the several thousand submitted. Otherwise, all projects that are going to be approved have been announced.

Mr. Marshall: Mr. Speaker, my question is for the Minister of Consumer and Corporate Affairs. In view of the fact that increases in the cost of clothing and personal and health care products—

[*Translation*]

Mr. Fortin: Mr. Speaker, I rise on a point of order.

[*English*]

Mr. Speaker: Order, please. I apologize to the hon. member but the hon. member for Lotbinière is rising on a point of order. Perhaps he might be recognized, after which I will come to the hon. member.

[*Translation*]

Mr. Fortin: Mr. Speaker, the people in here who speak French must have realized that our excellent interpreter did not catch anything of what the hon. minister replied. Therefore, I am completely in the dark as to the minister's reply. With the consent of the House, therefore, would the minister kindly repeat what he said in order that, this time, I may have a chance to hear it?

[*English*]

Mr. Speaker: Perhaps that might be allowed. The minister could respond to the question a second time, after which the Chair will recognize the hon. member for Humber-St. George's-St. Barbe. The minister might like to repeat the reply he gave to the hon. member a moment ago.

Mr. Andras: Mr. Speaker, I indicated that only in two constituencies to my knowledge have the project applications not been dealt with, although there are individual projects in some other constituencies that are still in negotiation because some details have to be straightened out. The number would not amount to more than 40 or 50 projects among the many thousands that have been submitted. In other words, all the projects that are going to be approved have been so indicated and the sponsors have been so notified.

* * *

FOOD PRICES REVIEW BOARD

REQUEST THAT TERMS OF REFERENCE BE EXPANDED TO ENABLE INVESTIGATION OF INCREASES IN COST OF CLOTHING AND PERSONAL AND HEALTH CARE PRODUCTS

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, my question is for the Minister of Consumer and Corporate Affairs. In view of the fact that increases in the cost of clothing and personal and health care products have doubled this year and since support of these increases is subject to doubt, would the minister expand the terms of reference of the Food Prices Review Board to give it authority to investigate the reasons for these increases which create a hardship on Canadians in meeting the inflationary cost of living?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, this would be a matter for decision by the government since the terms of reference were established by order in council under the Inquiries Act. I am certainly willing to have this considered by my colleagues.

Mr. Marshall: Would the minister investigate the practice of some clothing manufacturers of refusing to sell to retail outlets that are willing to sell to consumers below the suggested retail price? This action is causing hardship and is against the act.

Mr. Gray: Mr. Speaker, I will be pleased to draw my hon. friend's question to the attention of the director of the combines branch so that he may consider whether this action amounts to an offence under the present combines law. There are certainly adequate provisions dealing with that practice in the bill that I presented before Christmas, and I hope we will be able to consider it early in the new year.

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ADMINISTRATION OF JUSTICE

REQUEST THAT ALL PHOTOGRAPHS AND FINGERPRINTS BE RETURNED WHEN ACCUSED FOUND NOT GUILTY OR CHARGES DROPPED

Mr. Derek Blackburn (Brant): Mr. Speaker, my question is for the Minister of Justice. In cases where criminal charges have been dropped against an accused person or where an accused person has been found not guilty of any crime in a court of law, is the minister considering forcing all law enforcement agencies to return all copies of fingerprints and photographs to the accused?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, that question goes well beyond the jurisdiction of the Minister of Justice. Much of criminal law enforcement and administration is in the hands of the provincial Attorneys General. It is a question that might create some serious

difficulties but perhaps it might be discussed by the uniformity commissioners.

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AGRICULTURE

FERTILIZER—REQUEST FOR ASSURANCE OF ADEQUATE SUPPLIES AND INFORMATION ON PRICE

Mr. H. W. Danforth (Kent-Essex): Mr. Speaker, my question is for the Minister of Agriculture on a matter of serious concern to the farmers of this nation. In view of the official estimate in the United States of over a one million ton shortfall in nitrogen fertilizer and a 700,000 ton shortfall in phosphorus, both of which are necessary elements in most fertilizers, can the minister indicate whether the government is still confident of adequate supplies in Canada, and what effect this shortfall in the United States will have in forcing prices upwards in Canada?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I am still confident and optimistic that we are going to meet the demand for fertilizer for Canadian farmers. We are meeting the manufacturers again shortly and we have been in constant contact with them. I have just received a telegram from one of the largest manufacturers of fertilizer in western Canada pointing out that transportation is one of the big problems in getting supplies, the availability of cars, because there has never been such a demand for railway cars for all commodities as at the present time in Canada.

Mr. Danforth: In view of the fact the statement the minister filed on fertilizer in the House dealing with the price of fertilizer to Canadian farmers said that prices would not be as high as in the United States but would be higher in Canada this year, can the minister give the House an undertaking that after his meeting he will make a statement in the House dealing specifically with the price of fertilizer so that farmers will know what they have to be concerned about?

Mr. Whelan: Mr. Speaker, whether the House is in session or not it is our intention, after we have our meeting with the fertilizer firms, to make a statement so that the public can know what we feel the position on fertilizers is so far as supply and price are concerned.

Mr. Speaker: Order, please. I see some 30 members on my left rising at the same time and there are only three or four minutes left before the end of the question period. I appeal to hon. members. Obviously, many will have to be disappointed because there is no time for more than three or four more questions. The hon. member for Malpeque rises on a supplementary question.

● (1450)

Mr. Neale (Vancouver East): Mr. Speaker, I rise on a point of order. Yesterday I put two questions to the hon. member for St. Boniface, the parliamentary secretary to the Minister of Transport. Toward the end of the question period the hon. member for Prince George-Peace River rose on a point of order to ask if my questions could be answered because the minister had then entered the

House. Your Honour said that you would give priority to those two questions in today's question period.

Mr. Speaker: Order, please. I did not say whether I would give priority at the start or the end of the question period. The hon. member is still entitled to his priority. I have not forgotten the undertaking. For the moment the Chair recognizes the hon. member for Malpeque.

FERTILIZER—ASSURANCE OF ADEQUATE SUPPLY TO PRINCE EDWARD ISLAND FARMERS

Hon. J. A. MacLean (Malpeque): Mr. Speaker, may I direct a supplementary question to the Minister of Agriculture. During his visit to Prince Edward Island a few days ago, which we welcomed, was he able to assure the provincial government and the agricultural associations he met that every action is being taken to assure a reasonable supply of fertilizer for the heavy users of fertilizer there at reasonable prices?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I think we all understand that input costs are now higher for fertilizer. If the hon. member means that these prices have to be taken into account with regard to the final cost of fertilizer, yes, that is what I said. I think he will also understand that one plant in Prince Edward Island is running at full blast at this time of the year, something it never did before, I understand. The other plants intend to start blending fertilizer and they will do everything they can to supply fertilizer. We will be taking this into further consideration when we meet.

Mr. Speaker: Order, please. The hon. member for Elgin.

REQUEST FOR INCREASE IN SUPPORT PRICES FOR BUTTER, SKIM MILK POWDER AND FARM-SEPARATED CREAM

Mr. John Wise (Elgin): Mr. Speaker, my question is directed to the Minister of Agriculture. In view of the recent requests and representations made to the Minister of Agriculture by the dairy farmers of Canada, supported by the Ontario Federation of Agriculture, for an increase in support prices of two cents per pound on butter, six cents a pound on skim milk powder and 30 cents on farm-separated cream, would the minister indicate what immediate steps he is taking to fulfil these very necessary requests? Can the minister indicate whether or not he is presently discussing this situation with the Dairy Commission?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I met with the dairy farmers of Canada yesterday. I have also instructed the Canadian Dairy Commission to make a full report on dairy production input costs, etc., available by the end of January for the government.

SPORTS

INQUIRY AS TO ANNOUNCEMENT OF FEDERAL GRANT FOR COMMONWEALTH GAMES TO BE HELD IN EDMONTON

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, my question is for the Minister of National Health and Welfare. Does the minister plan to be in Edmonton next week to make the announcement about the federal government contribution to the Commonwealth games? If not, why not?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I shall have the pleasure to attend a welfare ministers' conference in Edmonton around mid-February, but I do not feel that this would be a proper occasion for such an announcement. Moreover, following an investigation I have made, I have ascertained that the allegation the hon. member made recently in the House concerning a statement attributed to a former federal minister from Alberta appears to be totally unfounded.

[*Later:*]

[*English*]

Mr. Paproski: On a point of order, Mr. Speaker, I do not usually do this, but my earphone was not working when the minister answered. I could not understand the minister because he was speaking a little too fast and my French is not that good.

Mr. Lalonde: Mr. Speaker, do I understand that I should repeat the answer?

Mr. Speaker: Order, please. If the hon. member did not hear the reply, I am not sure whether it is in order to invite the minister to repeat the answer. However, perhaps he might do so quickly.

[*Translation*]

Mr. Lalonde: Mr. Speaker, I said that I would be present in Edmonton around mid-February to attend a conference of welfare ministers, but that this conference would not be the proper occasion for a statement concerning a possible financial contribution from the federal government to the Commonwealth Games and that, at the same time, I had inquired into the allegation the hon. member had made concerning a statement attributed to a former minister of the government in respect of this assistance. As far as I could ascertain, his allegation was groundless.

* * *

[*English*]

TRANSPORT

REQUEST FOR ACTION TO PREVENT RAILWAY FREIGHT RATE INCREASE ON STEEL SHIPPED TO WESTERN CANADA

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, may I today ask the question I asked yesterday of the hon. member for St. Boniface, the Parliamentary Secretary to the Minister of Transport. It relates to the increase in freight rates for steel shipped from eastern Canada to the port of Vancouver. Is the minister aware that both of the large Canadian railways have expressed the intention to increase freight rates on steel by up to 33 per cent between Hamilton and Vancouver? What action does he contemplate to stop this increase?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I have been informed that the two railways filed new rates for the transportation of steel between different points in Canada, between Hamilton and Vancouver, between Hamilton and Yorkton, Calgary, and Winnipeg. The increase in most cases is three, four or five per cent. There are only a few cases in British Columbia where it is 30 per cent.

[*Later:*]

Mr. Oberle: Mr. Speaker, I should like to ask the Minister of Transport if he has abandoned the commitment he gave at the Western Economic Opportunities Conference regarding freight rate freeze to western Canada? I would also ask him if he is aware that there have been five increases in the price of steel and that industry in British Columbia will just not be able to cope with a 33 per cent increase?

Mr. Marchand (Langelier): Mr. Speaker, I mentioned 30 per cent as the top rate, and it touches only a few points. I have not changed the commitment I gave at the Western Economic Opportunities Conference. If the hon. member would like to read again the statement which was made in the House, he will see that it does not cover the rate to which he has referred.

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SHIPPING

LEGALITY OF USE OF TANKERS OF ITALIAN AND LIBERIAN REGISTRY TO TRANSPORT OIL FROM VANCOUVER TO EASTERN CANADA

Mr. Paddy Neale (Vancouver East): Mr. Speaker, yesterday I directed to the Minister of Transport through his parliamentary secretary, the hon. member for St. Boniface, two questions. Later I gave the questions to him in typewritten form. I do not know whether the minister wants me to repeat the questions or whether he is prepared to answer the two questions I put to him yesterday.

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I take it those questions concern the two ships. It appears at the moment that those two ships were chartered, the first one, the *Barbagia,* on November 18, and the other one, the *Akritas,* on December 20. No other ship was available and suitable at the same time.

Mr. Speaker: Orders of the day.

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BUSINESS OF THE HOUSE

Mr. Bell: On a point of order, Mr. Speaker, I have a question for the House leader regarding the business of the House. Realizing that we are living in very precarious times, may I ask him if can show some optimism with regard to House business for the next day or so which

would indicate that, with the pledged co-operation of the official opposition and the hoped for co-operation of the NDP, we can demonstrate once and for all that this minority government may still work?

Mr. MacEachen: Mr. Speaker, I wish to tell my hon. friend that today we will be considering the wiretap motion in the name of the Minister of Justice. If we make good progress today and complete that motion, I would call the oil bill tomorrow. I would be prepared to put a motion to adjourn in these circumstances the moment we finish the oil allocation bill. If that could be done Friday or Saturday, it certainly would receive my approval.

Mr. Bell: Mr. Speaker, would the minister also like to consider in a last minute way Bill S-4 with regard to establishing national parks, which came out of committee last night? It would be given quick passage by this party and is very desirable so far as all members are concerned.

Mr. MacEachen: Mr. Speaker, I would consider that proposal. There are one or two other bills I should like to see passed, notably the CNR bill and the Canada Pension Plan bill. However, not wanting to be overly optimistic, I thought that if we could get the motion on the wiretapping bill dealt with today and then deal with the oil allocation bill we would be ready to adjourn. However, with that mood of co-operation, possibly we might deal with all the others.

● (1500)

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, will the minister consider altering the proposal with regard to the wiretap bill so that this House can send it back to the other place the way we sent it the first time in the hope this can be done in about five minutes?

Mr. Paproski: Send Stanley to the other place.

Some hon. Members: Hear, hear!

Mr. MacEachen: Mr. Speaker, I understand my hon. friend's suggestion. I have no reason to believe that tactic would solve the problem. As an alternative for the consideration of my hon. friend, I suggest that he allow the issue to come to a decision today so that we will know before the end of the day what solution would be appropriate.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, before asking my supplementary question, may I express my forgiveness to the hon. member for Edmonton Centre (Mr. Paproski) for the insulting suggestion he made a moment ago. I know he did not mean to be insulting, for he knows I would not go there under any condition. As a matter of fact, he would be a much weightier addition to the other place.

Some hon. Members: Agreed.

Mr. Knowles (Winnipeg North Centre): My supplementary question relates to the last response made by the minister. If there is not an agreement or conclusion with regard to the wiretap issue today, will we be proceeding with it tomorrow or will we revert to the oil bill?

[Mr. Bell.]

Mr. MacEachen: Mr. Speaker, I should really say that I will answer the hon. member after he answers me, but I will live in expectation that he will answer later in the day. I cannot be certain. There are five hours between now and ten o'clock. We will decide then what we will call tomorrow. If there is some chance of disposing of all items tomorrow and Saturday, I will not mind in which order they are called.

Mr. Speaker: Orders of the day.

GOVERNMENT ORDERS

[*English*]

PROTECTION OF PRIVACY BILL

CREATION OF OFFENCES RELATED TO INTERCEPTION OF PRIVATE COMMUNICATIONS BY CERTAIN DEVICES

Hon. Otto E. Lang (Minister of Justice) moved:

That this House does not concur in the amendment made by the Senate to Bill C-176, An act to amend the Criminal Code, the Crown Liability Act and the Official Secrets Act, but that instead of the said amendment the said Bill be amended by striking out lines 16 to 44 on page 18 and substituting the following:

"Report to judge — 178.23(1) Subject to subsection (4), within ninety days next following the period for which an authorisation or any renewal thereof was given, a person specially designated in writing for the purposes of this section by the Attorney General of the province in which the application for the authorization was made or the Solicitor General of Canada, as the case may be, shall make a report, in writing, to the judge who gave the authorization or any revewal thereof or, if such judge is unable to act, a judge of the same jurisdiction, specifying the progress of the investigation in relation to which the authorization or any renewal thereof was given.

Judge to consider notification — (2) Upon receipt of the report referred to in subsection (1), the judge to whom the report was made shall consider if it is in the interests of justice and the protection of privacy that any person whose private communications have been intercepted be notified of such interception.

Notify Attorney General or Solicitor General — (3) Where the judge to whom a report referred in subsection (1) was made is of the opinion that it is in the interests of justice and the protection of privacy that any person referred to in subsection (2) be notified that his private communications have been intercepted, he shall inform the Attorney General of the province or the Solicitor General of Canada, as the case may be, who shall thereupon notify such person, in writing, of the interception, and deliver to him a copy of the authorization.

Exception — (4) Subsection (1) does not apply where the authorization was obtained for the purpose of an interception in relation to the prevention or detection of subversive activity as defined by subsection 16(3) of the *Official Secrets Act*.

No access — (5) Nothing in this section shall be construed as giving a person who has received a notice referred to in subsection (3) a right of access to the application for the authorization or any renewal thereof or to the report described in subsection (1) or to any material in support of or in relation to such applications or report.

Manner in which report to be kept secret — (6) The report referred to in subsection (1) and any documents related thereto are confidential and shall be dealt with in the manner provided in section 178.14 in respect of documents relating to an application made

pursuant to section 178.12 or subsection 178.13(3) with such modifications as the circumstances require.".

He said: Hon. members will appreciate that I rise once again to speak on this bill with some regret, even though I repeat how important a measure it is. Like many hon. members, I had hoped this House had disposed of the matter and that it would be on its way to becoming the law of the land. This is an important bill. There are many clauses in it which should not be lost sight of, even though we are dealing with some rather different and special areas. It is important because it makes it an offence to intrude upon individuals in this country or to possess electronic intrusion devices.

When we disposed of this bill last, we had a debate in this House on the particular clause which is now in issue, the clause which was deleted in the other place. Rather than allow it to be deleted, I propose in my motion to substitute therefor a different form of words. When this specific notice provision was before the House last, I indicated my doubt about the real importance or desirability of having that provision, having regard to the fact that we are dealing here only in the area of wiretaps which are legal in their nature and which are authorized. It is only in that case the notice provision comes into play and requires some further examination from time to time by a judge as well as notice concerning those authorizations which have been given.

I also indicated to the House something which concerned me about the clause, and which in later discussion also concerned members in the other place. I refer to the fact that the clause, as originally proposed by the hon. member for St. Paul's (Mr. Atkey), seemed to be rigid in the sense that it required, in certain circumstances, notice to be given of criminal investigations when those investigations were not complete which might, therefore, seriously interrupt and interfere with those investigations.

There has been some discussion of this subject in the press. I read it again in this morning's *Globe and Mail*. It is to the effect that one can go back to a judge again and again under the clause as proposed by the hon. member for St. Paul's. That is not so. That is not how the clause reads. The clause basically requires notice of an intrusion by the police under a lawful authorization, that notice to be given within a 90 day period following the authorization. There is an exception to that which would allow the going back to a judge, but really only within the 90 days. The words of the clause require the attorney general to certify within the said 90 days that the investigation was continuing. In that case, an exception could have been granted by a judge.

When speaking before the Senate committee, the police indicated that in one particular famous example, the Zizzo case, they were sure this would have interfered with the investigation to completion of a very serious offence. The Zizzo case was the subject of court proceedings in Toronto in 1973. Heroin importation of a very serious nature was involved. The conviction of the persons who were involved led to certain life sentences being imposed. Therefore, we are dealing with no light matter: the importation of heroin into Canada which led to life sentences. In that case the police investigation included the use of certain electronic intrusion devices spread over a period beginning in May 1971 and not completed until 1973. If in that period of time the police had had to give notice after 90 days, they are sure that would have been the end of their opportunity to apprehend these criminals. This is a very serious matter, indeed.

It also appeared to the committee looking at this question that a judge might have granted a certain extension. However, there is some real question whether he would grant an extension of one or two years on the one occasion he could grant an extension under the clause in question. It was this point which troubled me originally, which troubled the members in the other place, and which led them to delete the section. In the other place, appearing before members there, I did attempt to urge them to pass the bill as it stood rather than see this important piece of legislation fail to become law. I urged upon them the possibility of our watching the section and introducing amendments in short order, if necessary, to cover any deficiencies rather than hold up the bill. I did this recognizing the procedural difficulties in which we could get ourselves if we did not find a compromise.

● (1510)

I think the hon. members in the other place were somewhat impressed by the fact that the decision on this issue in the House had been very close—that we had decided by a vote of only 118 to 113. This, too, may have influenced their course of conduct. As a result, we were presented with the choice of either concurring in what the Senate had done, which, as hon. members will realise is what I had originally suggested, or sending the bill back to them in its original form. Another option would be to continue some of the work upon which we had been engaged, that is to say, endeavour to reach a compromise which could rescue us from a difficulty and produce a reasonable solution. Such a compromise would be one which met the wishes, to a large extent, of members like the hon. member for St. Paul's (Mr. Atkey) who felt that notice was desirable and even though I could not see the particular merit of that position, I was willing to put such a compromise before the House in the motion we are now considering.

Discussions have been held with members opposite, and I acknowledge the contribution of some words in the motion itself by the hon. member for St. Paul's, particularly the reference in subsection (1) and elsewhere to the interests of privacy. In subsection (2) the hon. member requested that the words "and in the interests of privacy" be added to the words I had proposed, "in the interests of justice". I was willing to go along with that suggestion, although I felt the existing wording was sufficient. It was clear there was agreement to attempt to pass a motion of that sort, putting a new notice-provision in the bill, and to return it to the Senate in that form in the hope that it would overcome the objection raised by their Honours and thus allow this important piece of legislation to become law.

What I now urge upon hon. members is that above all we should allow this matter to be decided quickly in the House; that we not be carried away by subsidiary or other points. I make this plea particularly to those hon. members who are interested in opportunities to speak about the other place in a variety of ways. In my view, this is not the time to do so. This is an important piece of legislation and

it seems to me the point which is before us is a narrow one, one which has been debated fully in its substance on earlier occasions. For this reason, we believe hon. members should say quickly and briefly what needs to be said about the issue before us and allow the matter to be brought to a vote so that members may express their opinions upon it in the hope that a bill which would protect privacy in this country by making illegal the possession and use of private electronic devices can become law. In this spirit I close my remarks by expressing the hope that members will join in seeing this measure to a successful conclusion so that Bill C-176 to protect privacy in this land may become law.

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I take part in the debate on this bill for the first time since the measure came before the House. I should like to begin where the minister ended by expressing the hope, as he did, that we can bring this matter to a successful conclusion—although perhaps not in the sense he meant it, as I shall make clear as we go along. The bill on the protection of privacy is before us again because the government and, more precisely, the Minister of Justice (Mr. Lang) failed to support a decision of the standing committee on Justice and Legal Affairs, and the decision of the House itself on the issue of notice.

Some hon. Members: Hear, hear!

Mr. Stanfield: I have no intention at all of getting involved in a non-productive and futile debate on the rights and responsibilities of the Senate to amend legislation sent to it by this House. What does concern me, and what concerns my party, is that because of the obvious stubbornness of the government this legislation may die on the order paper.

Some hon. Members: Hear, hear!

Mr. Stanfield: Should this happen, it would mean a tragic waste of effort covering several years to protect Canadians from unauthorized electronic intrusion upon their privacy, and it would constitute a serious indictment of the inability of the minority Liberal government to manage the business of parliament effectively. It would mean that the Minister of Justice, having failed to get his way, is prepared to see the bill scuttled rather than take the steps necessary to salvage the work of several years.

Some hon. Members: Hear, hear!

Mr. Stanfield: My party considers the passage of this bill to be so important that we are not only prepared to sit here until this objective is accomplished, but we believe other members of parliament have a duty to sit here until this is done. It is not good enough for the government in these circumstances to sit back and let nature take its course by putting the bill before the House for one day.

Mr. Lang: At a time.

Mr. Stanfield: One day. We are discussing this now on the basis that the bill is before the House for one day. There is no sense in the Minister of Justice sitting in his seat muttering. The only thing we know is that the bill is before the House today. We have absolutely no undertaking that the bill will be brought back if the matter cannot be brought to a successful conclusion today, and there is no sense in the minister trying to pretend anything else.

Mr. Lang: On a question of privilege, Mr. Speaker. It is bad enough that the Leader of the Opposition should impugn my conduct in relation to this bill when what we have before us is a motion which represents a genuine attempt on my part to be flexible in reaching a solution, but it is worse of him, when starting a debate, to treat it as though the debate was ending. The debate has started today.

● (1520)

Mr. Stanfield: If that is the Minister of Justice's idea of a question of privilege, it is no wonder that this bill is in trouble. I am sorry that the Prime Minister (Mr. Trudeau) is not here, but I want to say that it is not good enough for the Prime Minister to shrug off his responsibilities with the remark that some bills are always left on the order paper at the end of a session.

This bill is not just another bill. It can in no way be dismissed under the general category of "some bills which die at the end of a session". The protection of privacy bill is at least the fourth piece of such legislation to be considered by parliament. A bill on the same subject was given first reading on June 28, 1971; it died at the end of that session in February, 1972. Another effort was made on February 21, 1972; this bill was considered by the same committee and reported back to the House on June 14 of that year with amendments. Once again events intervened and the bill died on the order paper.

That does not end the chronology, for a private member's bill was introduced by the hon. member for Winnipeg North (Mr. Orlikow) back in 1969 or thereabouts. The Standing Committee on Justice and Legal Affairs reported that bill on March 11, 1970, but no further action was taken by the government and the bill died when the session ended in October of that year. In light of all that time and effort expended by parliament and its committees, surely it would be irresponsible for the government to let it all go by default. This is why we in this party are prepared to stay here to see this bill through its final stages.

The Standing Committee on Justice and Legal Affairs, in its unanimous report of March 1970, recommended that a provision respecting notification be included in any legislation to protect privacy. When the hon. member for St. Paul's (Mr. Atkey) spoke on this bill on second reading on March 7, 1973 he urged the minister to include a mechanism for notifying a citizen that his privacy had been invaded. During the consideration of the bill by the standing committee, the hon. member for Fundy-Royal (Mr. Fairweather) again urged the minister to have his officials prepare an amendment covering notification. When the minister failed to respond to these urgings, the hon. member for St. Paul's moved an amendment which was adopted by the standing committee and subsequently by the House. I thought that this sequence of events, this little chronological story, was important since some have claimed that the action of the standing committee and the House regarding notification was hasty and ill-considered. Nothing could be further from the truth.

In an effort to ensure that Bill C-176 did not suffer the same fate as the other bills on this subject, the hon. member for Fundy-Royal and the hon. member for St. Paul's undertook to get the approval of our caucus to a possible rewording of a clause of the bill. These members felt a sense of obligation to try to help the survival and eventual passage of the bill. They approached this as part of a package of legislation. They approached it in a spirit of consideration involving passage of the bill. To date the government has not lived up to this undertaking. The government has given no undertaking to proceed with the passage of this bill. What is so sacred about the House rising on Saturday, or next Monday or Tuesday, compared with the importance of these considerations?

Some hon. Members: Hear, hear!

Mr. Stanfield: We strongly prefer the bill as it was adopted and passed by this House.

Some hon. Members: Hear, hear!

Mr. Stanfield: But the minister seeks a compromise with a view to its passage. He got one on the basis of proceeding with the passage of the bill, but he has not lived up to it and neither have his colleagues. I ask the minister to tell the House at this time, before I conclude my remarks, whether if we agree to support the amendment that he has put forward the government will give us the assurance that it will stay here until the bill is passed.

The minister is remarkably silent, Mr. Speaker. It is one thing to ask us to compromise and depart from a position in which we believe for the purpose of getting through in imperfect condition a bill that we consider a vast improvement over the existing situation. But it is something else, sir, to ask us to give such a commitment without giving us in return the assurance that such a compromise on our part will mean the adoption of the bill.

The ball is clearly in the government's court. It is not really a question of the views of the Senate; the trouble is that the government will not accept the view of this House as already adopted. The Minister of Justice is not prepared to adopt the view that this House has already expressed through a formal vote. If the minister wants to talk about a compromise in order to get the bill passed, let him give us the assurance that the bill will in fact be kept before the House until it is passed.

Mr. Hees: Come on, on your feet.

Mr. Fairweather: He does not dare get up.

Mr. Lang: What we thought was an agreement is now a broken word, apparently.

Mr. Stanfield: I suggest the minister had better keep his seat and not expose himself any more than he has. However, I do want to say this, and I shall soon conclude, Mr. Speaker. This House has already passed this bill. If the government will not accept the bill as passed, it has the responsibility to put forward a measure commanding majority support and staying here until the House either reconfirms the bill as it was passed previously or passes the bill with changes in it. That is the duty of this government, particularly since the House has already taken a position on this bill.

● (1530)

You can talk about how a minority parliament works, but let us see it work.

Mr. Hees: It works on the welch principle.

Some hon. Members: Hear, hear!

An hon. Member: You just want to go home, Steve.

Mr. Paproski: Mr. Speaker, I am sorry to rise on a point of order, but an hon. gentleman over there says that I want to go home. I did not say I wanted to go home.

Some hon. Members: Hear, hear!

An hon. Member: We will sic Stanley after you.

Mr. Stanfield: Mr. Speaker, hon. members over there talk about how they can make a minority parliament work, but let us see it work.

Mr. Lang: And you talk about word of honour.

Mr. Stanfield: You are talking about word of honour?

Mr. Lang: May I ask the Leader of the Opposition (Mr. Stanfield) a question?

Mr. Stanfield: Certainly, you can ask me a question.

Mr. Speaker: Order, please. Is the minister rising on a point of order? The hon. Leader of the Opposition has the floor and the minister cannot rise unless he claims the floor on a point of order or on a question of privilege.

Mr. Lang: Mr. Speaker, I asked whether the Leader of the Opposition would permit me to ask a question and I thought he indicated his willingness to answer.

Mr. Hees: Certainly. Get on your feet and let us have a commitment.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. The hon. Leader of the Opposition has the floor and the minister has already spoken. If he wishes to eventually reply in the course of the debate he will be recognized for that purpose. Questions by the minister can be asked when he has the floor, otherwise they are rhetorical.

An hon. Member: All talk without much action.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. If the minister wants to rise to ask a question and there is agreement, that is a different matter.

Mr. Bell: He is always trying to learn.

Mr. Lang: Mr. Speaker, I wanted to ask the Leader of the Opposition whether, in view of the words he has just

spoken, he has replaced the hon. member for St. Paul's (Mr. Atkey) as the spokesman on this bill, and whether—

Some hon. Members: Oh, oh!

Mr. Lang: —in view of the Leader of the Opposition now departing from the expressed agreement of the hon. member for St. Paul's, that hon. member has resigned from the Conservative caucus?

Some hon. Members: Oh, oh!

An hon. Member: That's pretty weak, Otto.

Mr. Stanfield: Mr. Speaker, what sort of nonsense is this? I am speaking on this bill as the leader of my party.

Some hon. Members: Hear, hear!

Mr. Fairweather: He has more guts than you, Lang.

Mr. Lang: Well, you have a lot of something.

Mr. Fairweather: Yes, I have a lot of something.

Mr. Lang: Then, I am surprised.

Mr. Fairweather: You should be.

Mr. Stanfield: Mr. Speaker, I think the highest duty to my party, to this parliament and to my country is to attempt to obtain a commitment from this, and I will leave out the adjective, government at this time that it will keep this bill before parliament.

Mr. Fairweather: That is the point.

Mr. Stanfield: When he gives me that commitment, I will tell him where we stand on his proposal.

Some hon. Members: Hear, hear!

Mr. Stanfield: We will only agree to that compromise on the basis that it will, in fact, result in bringing this bill to a conclusion.

Mr. Sharp: Haven't you any principles?

Mr. Stanfield: Yes, I have principles and I stand for those principles. It is because I have principles that I insist on an undertaking from this government that it will keep this bill before the House until we have dealt with it. I suggest it is cynical and irresponsible to lump this bill into that forlorn category of leftover legislation scrambling for priority, especially after this House has already taken a position. There is no question as to what we prefer in principle. If he wants an accommodation, and wants us to indicate what our stand will be in that respect, let him give us the assurance that if we agree to that accommodation this government will see this bill through the House.

Some hon. Members: Hear, hear!

Mr. Atkey: Mr. Speaker, I rise on a question of privilege. The Minister of Justice (Mr. Lang) has unfortunately seen fit to imply a certain position to me and to impugn my character and my honesty in my dealings with him. I should tell you and hon. members of this House that the minister, in my dealings with him, made certain representations on December 17 on the assumption that the government would proceed expeditiously to bring forward this legislation. Until 3.15 today there was no certainty that the government would proceed, and I think it is clear that any agreement made on December 17 has long since been breached by this government's inaction.

Some hon. Members: Hear, hear!

Mr. Sharp: Where is the principle?

Mr. Atkey: I should also point out that the Minister of Justice attributed to me the position of spokesman for the Conservative party on this issue. I was interested in that comment in light of the fact that the original wording of the so-called compromise was sent across the floor of the House to the justice critic for the Conservative party, the hon. member for Fundy-Royal (Mr. Fairweather). The minister and his party know full well that he is the spokesman for this party on this issue. It was through the member for Fundy-Royal, in consultation with me and many other members on this side of the House, that negotiations were carried on. The minister knows that and he is quite wrong in imputing to me that particular position.

Some hon. Members: Hear, hear!

An hon. Member: That's a dirty trick.

Some hon. Members: Hear, hear!

An hon. Member: Back to law school for you, Otto.

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, I listened with some interest to the remarks of the Minister of Justice (Mr. Lang) during his lecture to those of us on this side of the House.

An hon. Member: He has gone.

Mr. Leggatt: I am sorry that the minister is acting rather consistently during the course of this bill, and I note that he has just left the House. I hope he is not sulking. In any event, I will proceed in his absence as I do want to respond to those remarks. He lectured members on this side of the House as though they were school children. As long as we remain in our places, we will not get the strap and, who knows, we might even get the bill through. That is my summation of the minister's remarks. I suggest it is not worthy of the Minister of Justice to take that kind of a position in this House, not worthy at all.

Some hon. Members: Hear, hear!

Mr. Leggatt: Mr. Speaker, if there is any question about this bill being killed and who may have killed it, I suggest it will be the Minister of Justice who must shoulder the responsibility.

Some hon. Members: Where is he?

Mr. Leggatt: I was delighted to hear the remarks of the Leader of the Opposition (Mr. Stanfield) to the effect that members of his party are willing to sit in the House until this bill is passed by this House. I want to assure hon.

members that we in this party are willing to do so, too. We intend to see that the bill is passed before there is any further adjournment, prorogation or anything else. Before that bill passes we want to make sure it is the kind of bill of which we in this House can be proud, and the kind of bill that members in this House have already approved. It seems to me the attitude of the Minister of Justice is that he is ready to settle this question out of sheer pique and arrogance in order to get his way.

● (1540)

Mr. Lang: Nonsense.

Mr. Leggatt: If you trace the history of this bill you will find that the only clause the minister wants to bring before this House—and we considered all of them—is the one the Senate altered. Perhaps it is a strange coincidence, but that is the one that was changed. As the Minister of Justice pointed out, they had to look very closely at this particular clause because the vote was close. It was 118 to 113. What kind of consideration did they give to the clause the hon. member for St. Paul's (Mr. Atkey) was instrumental in having put in this bill concerning the inadmissibility of illegally obtained evidence. How much consideration did the minister give to that in the other place and how much consideration did the other place give to it, because there was a one vote difference in respect of that. I am not impressed at all with that kind of argument. He said we can decide this quickly because it is a narrow point.

The Chairman of the committee on Justice and Legal Affairs considered it one of the most important points with which the committee dealt. Everyone who has had anything to do with this bill considers the question of notification and the question of illegality of inadmissible evidence to be important. These are vital and important points, but what is really significant is that the minister has throughout the history of this bill attempted to have the best of both worlds. He has attempted to stand on the side of the civil libertarians and say that he is protecting their rights, but when the crunch comes we know on which side he is. He cannot take both sides. He is not entitled to do that. Clearly, he does not believe that privacy is a substantive right. He cannot believe that and take the position he has throughout on the question of notification.

Some hon. Members: Hear, hear!

Mr. Leggatt: My party is willing to sit here until hell freezes over in order to get a bill.

An hon. Member: You likely will, too.

Mr. Leggatt: Mr. Speaker, I think it is important to review briefly the history of this bill. There is no doubt about who is in a hurry to get out of here. It is the government. Perhaps they have had an uncomfortable session and we hope we may make it more uncomfortable. This bill has been considered by this House over a period of four years. It has been considered in great detail by two House committees. Those House committees called in a total of 32 witnesses. The recent committee called in 15 witnesses when it considered the bill.

The question of notification, the issue we are talking about here, was considered in great detail not only by the committee of this House on this occasion but also by the committee of this House in 1970. At that time the committee made a very specific recommendation about the particular notification provision. The hon. member for St. Paul's attempted to incorporate that recommendation, a recommendation by way of a Liberal-dominated committee, into the bill and did so successfully. I withdrew a similar amendment because, quite frankly, I felt the hon. member for St. Paul's had done a much better job of drafting this particular clause.

Over a period of four years 32 witnesses were called. There were 15 debating days in this House. The other place spent—I am trying to be generous—a total of about three hours on the whole bill. There were two witnesses. Both were incredibly prejudiced. However, there were two witnesses. One was the Minister and the other was Chief Adamson of Toronto. I accused the minister in this House of flouting the will of Parliament in his performance before the Senate committee in considering this bill and I apologized in the House. I apologize to him again. There was no overt flouting of the will of Parliament. He did not come in and say, "Please do not remove the notification section because I can live with it either way". But, if he was representing this House before the Senate I want another lawyer, Mr. Speaker.

Some hon. Members: Hear, hear!

Mr. Leggatt: If that is representation, I think we should get in touch with the Bar Association. The hon. member for St. Paul's asks what he did in caucus. I do not know what he did in caucus. I cannot tell, but we all have great imaginations. There is a long list of coincidences involved in this whole procedure. I am a great believer in coincidence but this is like something out of Charles Dickens. It is like "Great Expectations".

We started off with a bill in the committee and against the wishes of the Minister of Justice a notification clause was inserted. Then, in the House, again against the wishes of the Minister of Justice, that notification clause was confirmed. Suddenly, the bill goes to the other place in which 74 out of 95 senators are Liberal appointees. Then, what happens? By coincidence they find that there is one section with which they cannot live. All the rest of the bill is all right, but this one clause bothers them greatly. They did not spend much time on it. They seemed to be able to pick that clause out of the bill immediately. Out of the many, many clauses in the bill, they seemed to know it was this clause that would bother them. They listened to two witnesses and I am not certain of the objectivity of either.

An hon. Member: I am.

Mr. Leggatt: In any event, the result was that the other place accepted all these horrible examples that were given to them by Chief Adamson—there were seven very extreme examples—to show that notification would have destroyed the capability of the police to investigate some very serious crimes. Not once did the Minister of Justice point out to the Senate committee, that none of those examples applied to the clauses we sent to the Senate.

Everyone of those cases was clearly covered under the provisions of the bill as drafted by the hon. member for St. Paul's to provide for a reasonable determinate delay, and I have no doubt that in every case a judge would have ordered that kind of delay so that those notifications would not have had to go out. That is close to a misrepresentation by silence. Surely, the minister could have spoken up during the deliberations and could have pointed out that the examples given honestly by the chief from Toronto did not apply to the House bill, but I cannot find a comment like that in the record of the proceedings.

● (1550)

As I said, we have heard 32 witnesses, such as Mr. Jacques Dagenais and Detective Sergeant Masse of the Montreal urban community police service. We had M. J. Nadon, deputy commissioner of the RCMP and H. C. Draper, assistant commissioner of the RCMP. We also had Ramsey Clark, ex attorney general of the U.S. Unfortunately, we did not have Mr. Adamson. I wish he had come. We also had Dr. Whiteside and Alan Borovoy as well as people from the civil liberties side of the particular question. We tried to weigh the evidence. There was no one representing the point of view of the House before the Senate, no one explaining the position that the House took. I urge this House, not as an act of defiance but as an act of good judgment, to return the bill in its present form to the Senate.

Some hon. Members: Hear, hear!

Mr. Leggatt: Let us give the Senate a chance to consider the bill. They have spent a very short period of time on it. Let us hear evidence from the other side. I will be proposing an amendment which would return the bill in its present form. If the House wishes to get on with other business, it can get on with that other business right away. Let us send the bill back in the form in which we sent it the first time and confirm the four years of work that went into creating the bill. I am concerned about these sections which were studied in great detail. Without any question or doubt, the clause which was sent to the Senate by the House is preferable to the one the minister is now proposing and which I am concerned may be accepted by other members on this side of the House. The distinction is clear and uncomplicated.

Under the House amendment to the bill, there is provision for a reasonable, determinate delay of the notice to permit the investigation to continue. The words were "while the investigation is continuing", and I submit to the House that nothing more is needed for a judge to delay that notification procedure other than to say, we still have strong suspicions; we have not developed evidence; we ask for a determinate delay. It does not say how many years.

The Minister of Justice is fond of pointing out his famous heroin case which lasted for over a two year period. There is nothing in the section which the House sent to the Senate which would prevent the extension of the notification provision in that case. It is very clear that the example which the minister cites is not a proper example. Under the House provision that would have clearly been covered. The investigation could go on for 10 years under this provision; there is no limit to the delay which may be considered necessary. The investigation may relate to organized crime, in which case the police might wish to take a great deal of time, and in such a situation I do not see why a 10 year delay could not be given. But then, the minister wants his own little way. I submit that, in order to achieve it, he is sacrificing the work of this House over a four year period and risking this bill.

Before putting the amendment, I should like to mention this matter of whether or not we should be going home. People keep suggesting that if we want to go home we may lose the bill. I have an option. We can go home if you will vote for this subamendment because it will bring an end to this matter. The subamendment will have the effect of saying, first, to the Minister of Justice that there is to be no game playing in the House, and second, it will have the effect of returning this matter to the Senate. Then, the Senate can have ample opportunity to consider all the evidence, not just some of the evidence, when they tinker around with a bill sent by the House.

Therefore, I move, seconded by the hon. member for Vancouver East (Mr. Neale):

That the motion be amended by striking out all the words after the words "an Act to amend the Criminal Code, the Crown Liability Act and the Official Secrets Act", and by substituting therefor the following words:

"and that a message to that effect be sent to Their Honours".

I now wish to read the entire motion as amended, so that it will make a little more sense. If this amendment is adopted, the motion would read:

That this House does not occur in the amendment made by the Senate to Bill C-176, an Act to amend the Criminal Code, the Crown Liability Act and the Officials Secrets Act, and that a message to that effect be sent to Their Honours.

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

Some hon. Members: Agreed.

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

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Deputy Speaker: All those in favour of the proposed amendment will please say, yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Deputy Speaker: Call in the members.

The House divided on the amendment (Mr. Leggatt) which was agreed to on the following division:

● (1600)

Division No. 71

YEAS

Messrs.

Alexander
Alkenbrack
Andre
Arrol
Atkey
Baker
Baldwin
Balfour
Barnett
Beattie
(Hamilton Mountain)
Bell
Benjamin
Blackburn
Blenkarn
Boisvert
Brewin
Carter
Clark
(Rocky Mountain)
Clarke
(Vancouver Quadra)
Coates
Danforth
Darling
Dick
Diefenbaker
Douglas
Ellis
Epp
Fairweather
Firth
Forrestall
Fortin
Frank
Fraser
Gilbert
Gillies
Gleave
Hales
Haliburton
Hamilton
(Qu'Appelle-Moose Mountain)
Hamilton
(Swift Current-Maple Creek)
Harding
Hargrave
Harney
Hees
Hellyer
Higson
Hollands
Holmes
Horner
(Crowfoot)
Horner
(Battleford-Kindersley)
Howie
Jarvis
Jelinek
Kempling
Knight
Knowles
(Winnipeg North Centre)
Knowles
(Norfolk-Haldimand)
Korchinski
Lambert
(Bellechasse)
Laprise
Latulippe
Lawrence
Leggatt
Lewis
Lundrigan
MacDonald
(Egmont)
MacDonald (Miss)
(Kingston and the Islands)
MacInnis (Mrs.)
(Vancouver-Kingsway)
MacKay
MacLean
Madill
Marshall
Masniuk
Mather
Mazankowski
McCain
McGrath
McKenzie
McKinley
McKinnon
Morgan
Muir
Munro
(Esquimalt-Saanich)
Murta
Neale
(Vancouver East)
Neil
(Moose Jaw)
Nelson
Nesdoly
Nielsen
Nystrom
Oberle
Olaussen
O'Sullivan
Paproski
Patterson
Peters
Reilly
Reynolds
Ritchie
Rondeau
Rose
Saltsman
Schellenberger
Stanfield
Stevens
Stewart
(Marquette)
Symes
Taylor
Tétrault
Thomas
(Moncton)
Wagner
Whittaker
Wise
Woolliams—114.

NAYS

Messrs.

Allmand
Andras
Basford
Béchard
Bégin (Miss)
Blais
Blouin
Boulanger
Breau
Buchanan
Caccia
Cafik
Campbell
Caron
Chrétien
Clermont
Comtois
Corbin
Cullen
Cyr
Davis
Demers
Drury
Dubé
Dupont
Dupras
Duquet
Ethier
Faulkner
Fleming
Foster
Fox
Gauthier
(Ottawa-Vanier)
Gendron
Gillespie
Goyer
Guay
(St. Boniface)
Guay (Lévis)
Guilbault
Haidasz
Herbert
Isabelle
Jamieson
Lajoie
Lalonde
Lang
Langlois
Laniel
Leblanc
(Laurier)
LeBlanc
(Westmorland-Kent)
Lefebvre
Lessard
L'Heureux
Loiselle
MacDonald
(Cardigan)
Macdonald
(Rosedale)
MacEachen
MacGuigan
Mackasey
Marceau
Marchand
(Langelier)
Marchand
(Kamloops-Cariboo)
McRae
Morin (Mrs.)
Munro
(Hamilton East)
Olivier
Ouellet
Pelletier
(Hochelaga)
Pelletier
(Sherbrooke)
Penner
Portelance
Poulin
Prud'homme
Reid
Richardson
Rompkey
Rooney
Roy
(Laval)
Sauvé (Mrs.)
Sharp
Smith
(Northumberland-Miramichi)
Smith
(Saint-Jean)
Stanbury
Stewart
(Okanagan-Kootenay)
Stollery
Thomas
(Maisonneuve-Rosemont)
Trudeau
Turner
(London East)
Turner
(Ottawa-Carleton)
Walker
Watson
Whelan
Whicher
Yanakis—94.

● (1630)

Mr. Speaker: I declare the motion carried.

Some hon. Members: Hear, hear!

Some hon. Members: Resign!

Mr. Speaker: Is the House ready for the question on the motion as amended?

Some hon. Members: Question!

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

Some hon. Members: Yea!

Mr. Speaker: I declare the motion carried.

Motion (Mr. Lang) agreed to.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: Auld Lang Syne.

* * *

ENERGY SUPPLIES EMERGENCY ACT

MEASURE TO PROVIDE FOR ALLOCATION BOARD, MANDATORY ALLOCATION OF SUPPLIES AND RATIONING OF CONTROLLED PRODUCTS

The House resumed, from Wednesday, January 9, consideration of Bill C-236, to provide a means to conserve the supplies of petroleum products within Canada during periods of national emergency caused by shortages or market disturbances affecting the national security and welfare and the economic stability of Canada and to amend the National Energy Board Act, as reported (with amendments) from the Standing Committee on National

Resources and Public Works, and motion No. 4, and the amendment thereto of Mr. Knowles (Winnipeg North Centre) (P.9215).

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, when I called it six o'clock yesterday we were considering an amendment put forward by the Minister of Energy, Mines and Resources (Mr. Macdonald) which would, in effect, give the Senate the power of veto over a decision of this House. Might we have order, Mr. Speaker?

[*Translation*]

Mr. Speaker: Order, please. May I call to order the hon. members, including the hon. member for Lévis (Mr. Guay), as well as some of his colleagues who wish to continue their discussions from both sides of the floor of the House. May I remind them that I have recognized the hon. member for Sault Ste. Marie (Mr. Symes). He should be given the chance to speak.

[*English*]

Mr. Symes: Thank you, Mr. Speaker. The amendment proposed by the minister once again involves an important principle, a principle similar to that on which the House has just divided. It concerns the power of the Senate to thwart the bill of the elected representatives of this parliament. I urge the House to reaffirm the position it took a few minutes ago by rejecting the amendment put forward by the Minister of Energy, Mines and Resources.

The emergency allocation bill is designed to deal with the situation in the event of a shortage of oil products in this country. A board will examine the situation and the government will declare a national emergency if it is thought that is necessary. This House would then debate the issue and could, by a negative vote, rescind the declaration of emergency. However, if this House were to affirm that there was indeed an emergency, and that government allocation of fuel supplies was necessary to protect Canadians, then if this amendment were passed the Senate could negative the motion and thwart the will of this House. I say that such a situation is completely intolerable. If Canadians anywhere in Canada are short of fuel, are cold in their homes, if schools cannot open, if hospitals must go without fuel and if workers must be laid off from their factories because the Senate has reversed a decision of this House, then what has happened to our parliamentary democracy?

● (1640)

As we all know, members of the Senate are not elected by the people whom this bill is designed to protect, they are appointed. It is often the case that the other place is a repository for political has-beens. We should remember also that many members of the Senate are on the boards of directors of multinational oil companies, and other companies connected with energy supply in this country. How can we expect them to have an unbiased view of the energy situation? I can see no way that the members of this House can tolerate a privileged, appointed group being given the power of veto over this very important piece of legislation.

The hon. member for Winnipeg North Centre (Mr. Knowles) pointed out yesterday that when we in this country had an emergency of another sort and we invoked

[Mr. Diefenbaker.]

the War Measures Act, the other place was not invited to pass on the resolution. It was the House of Commons, the elected representatives of the people, who made that decision. I submit that a national emergency which affects the lifeblood of this nation economically, as well as the wellbeing of all Canadians, should also be dealt with in this House and not in the other place.

I urge the members of the Conservative party, who today voted with the NDP in a sense to reject a Senate veto, the negativing of a motion passed by this House, also to vote against the government's amendment. If we reject the amendment we are not taking power away from the Senate, because the Senate does not have this power to begin with. But if we pass the amendment we will be giving the Senate the power of veto, which in my opinion would create a very dangerous precedent.

There are many precedents in the British North America Act for not requiring the Senate to make a decision on legislation or motions that are passed by this House. Under section 91, I believe it is, if war breaks out this House can make a decision to sit beyond the normal five-year tenure of parliament without reference to the other place. We are the elected representatives of the people and are concerned to protect those we represent. This is why we must retain the long honoured principle that it is the elected representatives of parliament who make the crucial decisions on national matters, and that such decision should not be placed in the hands of the appointed, non-responsible members whom we find in the other place. I am sure that, upon reflection, members of the Conservative party will agree that this is a dangerous power to give to the Senate. As I say, in light of our political duties and our duties to our constituents, the House of Commons should be the place where the decision is made. I urge members of the Conservative party to reject the minister's amendment which would give this power to the other place.

Mr. Macdonald (Rosedale): Mr. Speaker, may I ask the hon. member a question?

Mr. Deputy Speaker: The Minister of Energy, Mines and Resources is rising for the purpose of asking a question.

Mr. Macdonald (Rosedale): May I pose this question to the hon. gentleman. He advised the House to reject my amendment, which would mean rejecting the right of parliamentary scrutiny, which otherwise would not appear in the bill. Does he rather not mean that he is asking the House to vote for the amendment moved by the hon. member for Winnipeg North Centre?

Mr. Symes: Yes, Mr. Speaker, I should clarify that. I am asking the House to vote for the amendment moved by the hon. member for Winnipeg North Centre deleting reference to the other place. The rest of the minister's amendment would therefore stand.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I shall not detain the House long. We have already gone through one traumatic experience today, and perhaps in doing so we have accelerated the time when we can proceed to other matters.

First of all, may I deal with the comments made yesterday by the hon. member for Nipissing (Mr. Blais), who has a very good, trained voice, such a trained voice that he sat in his place in the committee, and when the Minister of Energy, Mines and Resources (Mr. Macdonald) just raised his eyebrows, the hon. member for Nipissing was on his feet to move amendments. It was a great example of ESP. Indeed, I thought the hon. member was in training to be a parliamentary secretary; on his performance in the standing committee he certainly earned it.

The hon. member made a comment about the multinational oil corporations, and how this party might have changed its position. We will give the hon. member a chance to test his relationships with the multinational corporations, as well as my hon. friends to my left, in a little while with another amendment. But let me tell the hon. member that when the members of this party in committee saw, as a result of honest, hard-working negotiations that took place prior to the Christmas recess, that the government was prepared to accept an amendment to the bill that would make parliamentary approval a condition precedent to the government's declaration of an emergency, and that the minister indicated there would be a parliamentary right to review, and if necessary to revoke, that declaration of emergency, then and only then did this party make a change in its position.

It was our opinion, as we so stated during the course of second reading, that without that safeguard this was not the kind of power that should be placed in the hands of the government. This has nothing to do with the multinationals. As a matter fact, we disapproved of the position taken by the multinational corporations, as expressed by the official from Exxon or Imperial Oil who appeared before the committee. He said that he loved the bill, that he was delighted with it. Of course he would be, because one of the effects of the bill would be to give the multinational oil companies legal sanction to do what they have been doing all along, that is to arrange a form of allocation of supplies which has suited them not only domestically but externally. Indeed, I read that there is now being carried on in the United States a close examination and scrutiny of precisely the position taken by some of the multinational oil corporations regarding exaggerating the energy crisis.

I was not privy to what went on in the discussions of the technical advisory committee, but I would consider it very likely that this bill has its genesis in the technical advisory committee. The representatives of the large oil companies said they loved it and welcomed it. As the president of Imperial Oil said before the committee, they would like it a little better if they were given blanket exemption from the provisions of the combines legislation. They would like a measure whereby they could get a better form of compensation, but they said outside of that the bill was fine. Of course it is fine, because it is just giving them legal approval to continue doing what they have been doing and wanted to do. I am amazed that my friends to my left continue to adopt this position. However, I will not go into that any further at this time.

● (1650)

It was at the time the minister gave an indication that our position had changed, after working with members of this party, members on the government side and members of the NDP in an attempt to make a very bad and repugnant bill more attractive, or at least less repugnant, that we saw a more co-operative spirit, as the member suggested. Had that not been the case, and someone talked a little while ago about hell freezing over, that might well have been the situation. Without that safeguard, and the protection which this House must have, we would not have been prepared to allow the bill to pass in its present form without putting up a valiant struggle.

With regard to the amendment moved by the hon. member for Winnipeg North Centre (Mr. Knowles), our position throughout has been that we wanted an opportunity for parliamentary approval of any declaration of emergency. While at no time did anyone define what parliament meant, in our opinion and I think obviously in the opinion of members of the NDP and of the government, when that expression was used it involved both Houses of parliament.

Mr. Lewis: And Her Majesty.

Mr. Baldwin: Yes, and Her Majesty and her representative. When you look at clause 35 you will find a provision for parliamentary review in respect of a mandatory allocation from time to time, and we note it has reference to both this House and the other place. My hon. friends to the left in the NDP did not put a motion, but, as the hon. member for Kootenay West (Mr. Harding) quite properly said, they circulated a list of the amendments they proposed to move. They gave that list to the Chair and to us, and one of the amendments was an amendment to Clause 11 which provided for a parliamentary review that included both this House and the Senate. As a result of the language in which the amendment of the NDP was couched, and the language used by the government in respect of Clause 35, we found ourselves in total disagreement. That is where I part company with my friend the hon. member for Winnipeg North Centre.

It is, and has always been, our view that if the government declared an emergency and this House agreed there was an emergency, it would be 99.99 per cent unlikely that the heavily Liberal-dominated other place would dare to interfere with that declaration. However, I admit that the possibility does exist, but I do suggest it is most unlikely that it would happen, as a matter of practical fact. We indicated that we were not going to accept, under any circumstances, a situation that would have developed had the type of amendment the government offered and the type of amendment offered by the NDP been accepted, namely that if the government declared an emergency and this House decided there was no emergency following a debate, the Senate could say there was no emergency with the result there would be no existing declaration of an emergency. Under no circumstances would this party accept that type of parliamentary review, and it was in that context that we pressed for the amendment.

In our view parliament includes the two Houses, and if both Houses are included in respect of the type of amendment I put forward, which was later accepted, to the effect that under no circumstances would the Senate be allowed to veto a declaration by this House that an emergency exists, we would have no objection. We would have no

objection to the government going along with that, and on the other hand we have no objection to the amendment proposed by the hon. member for Winnipeg North Centre.

To that extent, we do not find ourselves insisting that the Senate be a necessary party to the process of parliamentary review, so long as this House has the right to examine the facts on which the government sees fit to declare that an emergency exists, and, if necessary, to reject it. If we have that power we are quite content. We would have been content with the amendment brought in by the minister. He and I collaborated in the drafting of this amendment. There were discussions between us from time to time in an effort to meet certain technical objections that were apparent in other drafts. So far as we are concerned, if the government is prepared to go along with the amendment we have no objection, but we want to make it abundantly clear that before the discussion of this clause is concluded, perhaps at third reading, we will insist that either the amendment placed before us by the minister or the amendment to the minister's motion proposed by the hon. member for Winnipeg North Centre, is accepted. In either case this House will have the ultimate right to make the decision as to whether in fact there is an emergency. That is what we think is important. I notice it is almost five o'clock.

Mr. Macdonald (Rosedale): Mr. Speaker, as the hon. member has stated, the draft of the amendment I put forward was really worked out in close coordination with members from all corners of the House. So that I will not be accused of departing from that in any sense by accepting another amendment, do I understand it is the position of the official opposition that members are agreeable to the incorporation of the amendment of the hon. member for Winnipeg North Centre (Mr. Knowles)? If the hon. member for Peace River (Mr. Baldwin) indicates that is the case then I would say, on the government's behalf, we, too, will go along with that change. Since this motion was arrived at by a consensus, I think the change can be arrived at by a consensus.

Mr. Baldwin: That is right, Mr. Speaker. I wanted that declaration from the minister, as I did not want the motion to be voted on when there was the possibility that the minister's amendment might be lost and the amendment of the hon. member for Winnipeg North Centre (Mr. Knowles) might be lost, placing us in a position that would be totally obnoxious to us. The minister has suggested that if we agree, then under those conditions the government has no objection. With that in mind, we have no objection.

Mr. Bell: That is very statesmanlike.

Mr. Deputy Speaker: If the House is ready for the question I will put it now. Is it the pleasure of the House to adopt the amendment of the hon. member for Winnipeg North Centre (Mr. Knowles) to motion No. 4?

Some hon. Members: Agreed.

Amendment (Mr. Knowles (Winnipeg North Centre)) agreed to.

[Mr. Baldwin.]

Mr. Deputy Speaker: The question is now on Motion No. 4 as amended. Is it the pleasure of the House to adopt the said motion as amended?

Some hon. Members: Agreed.

Motion No. 4 (Mr. Macdonald (Rosedale)), as amended, agreed to.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: Order, please. It being five o'clock, it is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The hon. member for Esquimalt-Saanich (Mr. Munro)—Air transport—Proposed passenger head tax—Suggested percentage charge on short flights; the hon. member for Fraser Valley West (Mr. Rose)—Youth—Alleged abandonment of programs—Request for statement; the hon. member for Okanagan Boundary (Mr. Whittaker)—Social security—alleged failure to include overseas service with armed forces in qualifying for old age pension.

It being five o'clock, the House will now proceed to the consideration of private members' business as listed on today's order paper, namely private bills, notices of motions (papers) and public bills. As there is no item under the heading of private bills, the House will proceed to notices of motions (papers). I understand that there is an agreement that notice of motion No. 130 in the name of the hon. member for Kootenay West (Mr. Harding) is to be taken, is that correct?

Some hon. Members: Agreed.

PRIVATE MEMBERS' MOTIONS FOR PAPERS

[*English*]

ENERGY

PROPOSED MACKENZIE VALLEY PIPELINE—REQUEST FOR COPY OF TRAINING AND EMPLOYMENT AGREEMENTS PREPARED BY INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

Mr. Randolph Harding (Kootenay West) moved:

That an Order of the House do issue for a copy of training and employment agreements prepared for the proposed Mackenzie Valley pipeline as referred to at page 61 of the Annual Report of the Department of Indian Affairs and Northern Development.

● (1700)

He said: Mr. Speaker, some months ago I placed a motion on the order paper. I had hoped that it could have been debated before this time, but I realize a large number of motions precede it and that other members of the House have problems which they feel they would like to have debated in this assembly. The following is my motion:

That an Order of the House do issue for a copy of training and employment agreements prepared for the proposed Mackenzie Valley pipeline as referred to at page 61 of the Annual Report of the Department of Indian Affairs and Northern Development.

We have had difficulty in obtaining studies and information from the government on programs related to a potential Mackenzie Valley pipeline. We are told action is being taken in this field by the Department of Indian Affairs and Northern Development, but to date very little information has been made public by the department. This House has a right to know what specific steps have been taken, and what reports have been made regarding the training and employment plans for northern people once the Mackenzie Valley pipeline gets underway.

I should like to refer the House to the 1971-72 Annual Report of the Department of Indian Affairs and Northern Development. It deals with this matter at page 61 and states:

A special staff group in the Department has been charged with the task of seeking effective means to increase employment and provide greater economic opportunity for northern people.

The pipeline industry and associated trade unions have contributed material and information to enable the Department to prepare a training and employment agreement for the proposed Mackenzie Valley pipeline. Industry and other government departments have suggested areas of training having potential for permanent employment.

My motion is designed to obtain specific information from the government concerning the progress made in its plans, as announced almost two years ago, to prepare a training and employment agreement for the proposed Mackenzie Valley pipeline to ensure greater economic opportunity for the northern people. I have several questions which I hope will be answered this afternoon.

First, has a training and employment agreement to assist northern people been formulated by the department, and if so what is it? If no plan has been prepared to date, is one in the making and when will it be ready? If no training and employment agreement will be produced by the Department of Indian Affairs and Northern Development, then what is being done to carry out the policy announced in the 1971-72 annual report?

I feel there is some urgency to this matter. There have been frequent statements from various cabinet ministers suggesting an early start on the Mackenzie Valley gas line. We have heard from the potential pipeline builders that an application could be made at an early date, perhaps within the next few months. There is no doubt that it would take at least a year before any application could be approved. Nevertheless, any effective type of training and employment agreement must be in effect at an early date if we are to have a genuine effort to provide greater economic opportunity for our northern people when these projects are underway.

Personally, I see no reason for the early building of a Mackenzie Valley gas line. It should be built to provide energy cheaply for the Canadian market and not overwhelmingly for export, as the present plans of the gas and oil companies indicate. We have had enough sell-outs of our non-renewable oil and gas resources. I hope a new approach to the development and use of these energy resources will develop in time to conserve much of these valuable resources for future Canadian use. Despite this position, we feel that the training programs and employment agreements to assist in improved economic opportunity for the northern people must go forward. They must deal not only with pipeline construction but with a number of potential economic and other developments in the north.

There are other reports on pipeline development which should be made public as soon as possible. All this information is essential if we are to be able to make those decisions which are in the best interest of Canada. It is not my intention to prolong my remarks on this matter, but I again point out that there are a host of problems facing us in the north. They deal with native rights, environmental protection, the wise use of resources and so on. Our NDP group insists that it have all the information for discussion on these matters so that they can be resolved in a proper manner and at an early date.

Mr. Len Marchand (Kamloops-Cariboo): Mr. Speaker, I am pleased that the hon. member for Kootenay West (Mr. Harding) has brought this matter to the attention of the House at this time. Regrettably, we do not have the particular information to provide the hon. member at this time. Also, he asks some specific questions. I want to tell him that the department is still in the process of preparing such an agreement. It is still in draft form, and is continually being revised to reflect technological change related to both the construction and operation of gas transmission lines. It will take into account also the social and economic impact of such a major project in the Mackenzie Valley.

In this regard, the agreement is being prepared to ensure the maximum employment of northern residents during the construction and operation of the pipeline, should it go ahead. Also, the agreement will stress permanent positions for northern residents in the employment which the pipeline will create, such as in the operation of the pipeline, increased exploration activity, gas field development and operations related to petroleum activity. This is consistent with the government policy for northern development for the 70's which stated that the native people should derive early and tangible benefits from the economic development, and be seen to benefit. It will be remembered that in August, 1970 the government announced the initial guidelines for the construction and operation of northern pipelines.

Mr. Speaker, in order to let the House and the hon. member for Kootenay West know how serious we are that the best possible situation be created in respect of employment for the native people, and for the general residents of northern Canada, I should like to go over some of the guidelines, the expanded guidelines, made public on June 28, 1973 by the minister. We are very keen about this. We want to make sure that the native people and all northerners benefit to the maximum from the creation of the pipeline which perhaps will eventually go through the north. I shall go over some of these guidelines briefly in

order to indicate the kind of things we are very concerned about.

● (1710)

I will read some of these guidelines:

1. The Applicant must undertake specific programs leading to the employment, at all occupational levels, of residents of the territories—and in particular native people, during the construction and operation of the pipeline. Such programs or projects shall include but not be limited to: advance information on all jobs in a manner that ensures that the information reaches potential workers; skills required for various occupations and anticipated duration of employment; upgrading and skill training; other forms of integrated training that include on-the-job work experience; and counselling for those unfamiliar with industrial jobs or wage style living—

2. Priority placement in jobs shall be accorded native people of the territories in keeping with the tenor of Article 5 of the International Labour Organization Convention, 111, 1958, ratified by Canada, and the government's intent to increase employment opportunities for members of disadvantaged minority groups. During the consultation between government, unions and employers as outlined in the Convention, ways and means will be found to ensure access for these employees into the appropriate union locals and hiring halls where there is a requirement. In addition, in accordance with the principle of employment of local workers which is accepted by organized labour, the applicant will employ labour from the locality where work is being executed to the extent it is available. The applicant shall comply with the above Convention and employment principles, and co-operate with government's effort to operate an effective recruitment, placement and counselling service.

3. The collective agreements signed by the applicant and organized labour shall not distinguish between residents of the territories and others respecting special benefits and allowances, including housing for operational staff, and the nature of these benefits shall be in no way inferior for employees from the territories.

These are just some of the brief indications in the guidelines. Guideline no. 4 reads:

4. Contracts and subcontracts shall be so designed and publicised as to invite and encourage bids from native organizations, settlement councils and local contractors. In addition, the businesses and commercial organizations of the territories shall be invited and encouraged to supply goods and services required for the pipeline development and operation.

5. A substantial number of native people depend on trapping and hunting as a principal means of livelihood, and many derive a real satisfaction from being on the land and being master of a familiar environment. Therefore, the pipeline will be constructed, operated and abandoned with minimal interference to traditional trapping, hunting and fishing areas. In addition, where the pipeline construction is planned to be located in proximity to a settlement—particularly a native settlement or localized area subject to intensive use, then the location of construction camps, associated activities and the detailed siting of the pipeline will be decided by government after consultation with the applicant, and the settlement council, or local government body, or the native organization.

I do not want to read further from these guidelines, but I would be happy to provide a copy of them to the hon. member if he wishes.

As I said before, the minister has already made these public. I want to assure the hon. member that once the agreements are signed, it is our intention to make them public so that everyone will know what our intentions are. We are looking at this matter of possible pipeline construction in the north—there has been no application so far—with the greatest of seriousness, and we want to make very sure that the mode of life of the people in the north will not be disrupted in any major way. We want to ensure that the native people and the northern residents will gain the maximum benefit from any pipeline, both during the construction stage and later in the operational stage.

[Mr. Marchand (Kamloops-Cariboo).]

I know that there are other hon. members who wish to participate in this debate, and therefore I will end my remarks at this point.

Mr. Mark MacGuigan (Windsor-Wakerville): Mr. Speaker, I want to say a few words about employment for northerners from the viewpoint of the Department of Manpower and Immigration. I do not think it is necessary to outline to the House what the responsibilities of the department in general are. I think they are sufficiently well known, but the extent to which these services are being provided in the Northwest Territories may not be realized. The services of the department in that area are extended not only to the major population centres but also to people in more remote areas, especially through provision of itinerant services.

The department determines the manpower needs of employers in the north and arranges for suitable training courses for northern residents so that their job qualifications might be acceptable to these employers, and in assessing this and all other questions involving manpower in the north it follows the advice of the manpower needs committees. As the House is probably aware, these committees have been set up in all provinces and are composed of representatives of provincial governments and the federal government. In the territories, it is the territorial government which is represented along with the department. It is this committee that is able to bring both national and local expertise to bear on analysing manpower needs. Its advice is followed with respect to the particular problems which arise.

Full time offices of the department exist in Yellowknife and Inuvik, in the western Arctic region, and there are two branch offices at Hay River and Fort Simpson. In addition, there is the main training centre at Fort Smith. During 1973, a full time centre was opened at Frobisher Bay to provide regular service to Baffin Island and the high Arctic area, and itinerant services are also provided from this centre so that there is complete coverage, as complete as possible, of this vast area.

The branch office in Fort Simpson opened in June of 1972 to provide services for the construction of the Mackenzie highway, and from this centre itinerant service has been provided by the department to the larger settlements, the frequency of visits depending on the need for services. With the slowdown if not the cessation of work on the highway in the course of 1972, since that time there has not been the same need for the department's services with respect to highway construction, but the department has remained close to the situation, and I can give the House the assurance that as needs develop, either with respect to the highway building program or to any other employment need or manpower training need in the Arctic, they will be met.

During 1972 a total of 17,337 workers and employer clients requested assistance. Of the clients seeking employment, 5,316 were placed. Workers were assisted under the Canada Manpower Mobility Program to travel to training institutions and to either explore or accept jobs away from their normal place of residence. Increased oil

exploration in the Mackenzie Delta and Arctic islands and the construction of the Mackenzie and Dempster highways provided employment for people who had limited previous exposure to a wage economy. Counselling services continue to be of prime importance because of the major development taking place and the special problems encountered by people from isolated areas who are on the threshold of a changing life style.

There have been substantial increases in the number of courses offered and greater participation in training for both the Yukon territory and the Northwest Territories. Courses geared to present and future economic needs of the developing economy are producing graduates trained as heavy equipment operators, pipeline equipment operators, underground miners, and clerk typists to name a few. Other special courses provided by the department include game guide, fire suppression, prospecting, arts and crafts, rod and chainmen and business management. An expanded Manpower Industrial Training Program resulted in significant use of the program, particularly in the mining and service industries. Courses and basic training for skill development and basic industrial skills were offered in more than 16 settlements during 1972. Basic literacy and life skills were added to basic education courses. First and second year apprenticeship courses in carpentry and heavy duty mechanics were offered for the first time in the Northwest Territories.

● (1720)

With respect to direct employment programs, we have of course made available to people in the north departmental programs through LIP, and now also through LEAP. For the 1973-74 year there have been 28 projects approved under the Local Initiatives Program for a total of $506,892. I expect that these programs are now in operation.

Vocational rehabilitation of disabled persons agreements are held between the department and the government of the Territories. The agreement's main function is to provide comprehensive rehabilitation services to disabled persons. Services include medical and manpower assessment, training and placement, and are achieved through co-operation with other agencies. I may mention that there is a small amount of immigration from other countries to the Northwest Territories and this also comes under the aegis of the department.

In conclusion, Mr. Speaker, I should like to say that the department is just as conscious of its responsibilities toward the people of the Northwest Territories as it is toward those in other parts of the country. As I stated earlier it is remaining in close touch with developments and will be prepared to meet any needs which may develop with all the resources it has available.

Mr. Watson: Mr. Speaker, I have talked to members in the various parties and I understand there is general agreement to call it six o'clock when I complete what I hope will be a few brief remarks. I think this is an accurate assessment of the sentiment of the House.

The Acting Speaker (Mr. Laniel): Order, please. We might inquire if there is unanimous consent. Hon. members have heard what the hon. member for Laprairie (Mr. Watson) has just said, that there might be a disposition to call it six o'clock after the completion of his remarks.

Mr. Baker: Mr. Speaker, subject to the caveat that the member whose notice of motion for production we are discussing concurs, and that his rights are not denied by this procedure, I do not think there would be any objection from this side. Perhaps we should hear from the person who is involved.

Mr. Harding: Mr. Speaker, the topic is very important but we have received much of the information we required. I would be very happy, at the conclusion of the next speaker's remarks, to call it six o'clock.

The Acting Speaker (Mr. Laniel): Is it agreed that we call it six o'clock after the hon. member has completed his remarks?

Some hon. Members: Agreed.

Mr. Ian Watson (Laprairie): Mr. Speaker, since this topic has been the subject of two reports of the Standing Committee on Indian Affairs and Northern Development, I should like to remind the House of the gist of those reports and to reiterate what I consider to be an unsatisfactory situation as far as the employment of Indian people in Canada is concerned.

The rate of unemployment among Indian people in Canada remains in excess of 50 per cent. That is totally unacceptable. There are a number of solutions, but there is one in particular which I have pushed with ministers who have occupied that portfolio since 1964-65. I think the first time I made this representation was in 1964, when Jack Nicholson was minister. We have not tried the simple, obvious thing, and sometimes it seems to me that obvious steps are ignored by civil servants who appear to feel that more complicated steps are necessary to achieve a solution.

The obvious way to help the employment situation for Indian people in Canada is to bring together regionally, provincially or nationally—and I think regionally would make the most sense—the people who are most concerned with the problem. I mean the representatives of the companies involved in northern resource exploitation, the representatives of labour unions that might be involved, the representatives of course, of the Indian people involved as well as representatives of the federal and provincial governments. These people should be exposed to the success stories that have occurred across the north as far as the employment of Indian people is concerned. Some specific companies have shown a special understanding of the Indian people because they have had sympathetic foremen or personnel managers. These people appreciated the difficulties of individuals transferred from one form of making a living to another; they understood that sometimes there was need for an adjustment to rigid time schedules or rigid working hours which were not always acceptable or easily tolerated by the native people of the north. As a result, there have been what the companies consider failures of adjustment among Indian workers and this results in a lack of enthusiasm for hiring them.

I am convinced that this situation could be overcome to a large extent if the people most concerned with employment in the north were exposed to the success stories that do exist. The suggestion was made to various ministers by letter and, finally, in 1969 the Standing Committee on Indian Affairs and Northern Development made certain recommendations. The committee report outlined the Indian job situation and made the following recommendations:

The committee urges that regional conferences be held, bringing together all the elements capable of solving the unemployment problem. These include representatives of federal and provincial departments and agencies directly concerned, organized labour, industries located in the general areas of high Indian and Eskimo unemployment and of the Indian and Eskimo people.

Such conferences would permit:

(a) the establishment of better lines of communication and co-ordination among all the parties involved;

(b) the exchange and sharing of information concerning successful employment programs involving Indian and Eskimo people and northern employers;

(c) underlining the crisis proportions of the Indian and Eskimo unemployment and under-employment problem.

● (1730)

The committee also urges the government to exercise more authority in the application of conditions relating to the hiring of northern residents contained in the Northern Minerals Assistance Program.

And so on. This committee report dated May 29, 1969, which is 4½ years ago, was followed by another report, the report on education of the Standing Committee on Indian Affairs and Northern Development. Incidentally, both these committees' reports enjoyed the unanimous support of all parties in the House. This second report dated June 22, 1971, refers to the earlier report and says:

In its report to the House dated May 29, 1969, this committee urged the convocation of regional conferences including representatives of federal and provincial departments directly concerned, organized labour, industries located in the general areas of Indian and Eskimo unemployment, and of representatives of the Indian and Eskimo people, to permit, among other things, the exchange and sharing of information concerning successful employment programs involving Indian and Eskimo people and northern employers. The committee is very disappointed that the government failed to act upon this recommendation and notes as the committee predicted in 1969 that the unemployment problem among Canada's Indian and Eskimo peoples has, if anything, grown worse. Industrial attitudes, although improving, are improving too slowly. Since the government appears unwilling to act to convoke such regional conferences, the committee now suggests that the task of organizing and convening such regional conferences should be handed over to the appropriate regional Indian organizations and that the Government of Canada, through either the Department of Indian Affairs and Northern Development or the Department of Manpower, provide the necessary funding.

The committee is convinced that much greater use should be made by the Department of Indian Affairs and Northern Development in particular, and other government departments as well, of the willingness of provincial regional, and national Indian organizations, to collaborate with government in evolving vocational programs and employment programs attuned to the needs and skills of our Indian people and to the needs of industries located in the regions where our Indian people live and are available for work.

The report continues:

Vocational programs for Indian youth must not only be integrated with local industrial needs but should include on-job training as a major part of any vocational training course. In addition to the obvious benefits of improved practical training and increased employment opportunities which would flow from such an approach there would also be a useful pressure on vocational school programs to develop the types of training and courses needed by industry.

[Mr. Watson.]

I do not intend to labour the point further. Two reports by standing committees of this House have urged action. The second report urges that if the government does not intend to do something, at least it should support Indian organizations which might be willing to act. I urge the National Indian Brotherhood to act on this recommendation. I also urge the government to support with funding any such initiative which the National Indian Brotherhood or any provincial Indian organization might take in this regard.

May I call it six o'clock?

The Acting Speaker (Mr. Laniel): As previously agreed and ordered, I do now leave the chair. We have agreed to call it six o'clock and I do now leave the chair until eight o'clock.

At 5.35 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

ENERGY SUPPLIES EMERGENCY ACT

MEASURE TO PROVIDE FOR ALLOCATION BOARD, MANDATORY ALLOCATION OF SUPPLIES AND RATIONING OF CONTROLLED PRODUCTS

The House resumed consideration of Bill C-236, to provide a means to conserve the supplies of petroleum products within Canada during periods of national emergency caused by shortages or market disturbances affecting the national security and welfare and the economic stability of Canada and to amend the National Energy Board Act, as reported (with amendments) from the Standing Committee on National Resources and Public Works.

Mr. Speaker: The hon. member for Peace River (Mr. Baldwin) moves motion No. 5 as follows:

That Bill C-236, an act to provide a means to conserve the supplies of petroleum products within Canada during periods of national emergency caused by shortages or market disturbances affecting the national security and welfare and the economic stability of Canada, and to amend the National Energy Board Act, be amended by deleting subclause 12(5), lines 17 to 23 on page 7, and renumbering the subsequent subclause accordingly.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, this is another issue which may seem small as far as the amendment is concerned. We certainly will not detain the House on it. However, in pursuance of our duty to make this bill better and to take care of what we think are errors in drafting which could have serious consequences, I have moved the amendment.

I ask hon. members to look at clause 11. Even as it has now been amended by the Minister of Energy, Mines and Resources (Mr. Macdonald) and by the amendment of the hon. member for Winnipeg North Centre (Mr. Knowles), it still reads as follows; and this is the heart, the kernel, the pith and substance of the whole field:

When the governor in council is of the opinion that a national emergency exists by reason of actual or anticipated shortages of petroleum—

I stop there and ask hon. members to bear in mind the word "anticipated". Up to that point the governor in council can be of the opinion that a national emergency exists because it believes that some time in the future there will be shortages of petroleum. It further reads:

—or disturbances in the petroleum markets that affect or will affect—

I ask hon. members to use plain common sense and put those two thoughts together. Put together, they give to the governor in council the right to say that a national emergency exists in this country because there is an anticipated shortage; in other words, that some time in the future there is likely to be a shortage of petroleum products and that possibly may affect the national security. In the name of heaven, are we going to permit the governor in council, with those two vague possibilities, to declare that a national emergency exists? It is all very well to say that the governor in council is composed of reasonable men. That is true enough, they may be reasonable men; but even reasonable men panic. There may be other reasons for this provision in the bill, but I suggest to Your Honour that if the governor in council is to decide, we are likely to be entering upon a period of shortage—

● (2010)

Mr. Lewis: Mr. Speaker, I rise on a point of order. The hon. member will forgive me, but I understand the Chair called motion No. 5. It seems to me the hon. member is speaking to motion No. 3.

Mr. Baldwin: I beg your pardon. I thought we stood No. 3 because until No. 4 was dealt with No. 3 was possibly irrelevant.

An hon. Member: Why not start all over again?

Mr. Speaker: I was looking at the record to ascertain what the hon. member might be speaking to. I think I called No. 5. Of course, if it is the wish of the House, we could return to No. 3. Is this the wish of the House?

Mr. Knowles (Winnipeg North Centre): I would just like the speech and the motion to coincide.

Mr. Speaker: Perhaps the hon. member's remarks could be taken as introductory to observations on motion No. 3. We will assume that his remarks are relevant in some distant way to that motion.

Mr. G. W. Baldwin (Peace River) moved:

Motion No. 3.

That Bill C-236, an act to provide a means to conserve the supplies of petroleum products within Canada during periods of national emergency caused by shortages or market disturbances affecting the national security and welfare and the economic stability of Canada, and to amend the National Energy Board Act, be amended in clause 11 thereof by deleting the words "that affect of will affect" in lines 5 and 6 on page 6 and substituting the word "affecting".

He said: Mr. Speaker, I am glad to hear from the hon. member for York South (Mr. Lewis). I am reminded of an occasion when one of his former colleagues, Mr. Douglas Fisher, was dealing with a private member's public bill. He started on a long speech but found out two-thirds of the way through that he was dealing with another bill entirely, and we on these benches pointed it out to him. The hon. member for York South is just repaying the courtesy which was extended. If there are hon. members who have not been following me and who wish me to repeat what I have said, I shall be glad to do so, but if they remain silent I will proceed to draw their attention to motion No. 3 which deals with clause 11 as amended.

I think I can sum up by submission by saying it is asking too much of this House to give the governor in council the power to declare a national emergency where it is dependent upon the two events taking place, the possibility of which might be present but which in actuality do not exist. Let us interpret what might happen, in a common sense way. The governor in council could say, "We think that some time next month, because the international situation suggests to us that the war in the Middle East may be resumed, there is likely to be a shortage of fuel supplies leading to a national emergency." That is one element. The other element is the decision that this situation would affect the national security. I think it is too much to ask us to accept the right of the governor-in-council to put these two contingent events together.

I am reinforced in my view because the wording which I am striving for in my amendment is that which appears in the long title. It is the same wording that appears in the recommendation. The long title of Bill C-236 is as follows:

An act to provide a means to conserve the supplies of petroleum products within Canada during periods of national emergency caused by shortages or market disturbances affecting the national security—

It does not use the words which the draftsman has used in this case as a result of the instructions he has received, and I am asking that we go back to what the title says. Similarly, in the recommendation the same language appears. It is:

His Excellency the Governor General has recommended to the House of Commons the present measure to provide a means to conserve the supplies of petroleum products in Canada during periods of national emergency caused by shortages or market disturbances affecting the national security—

And so on. All I am asking is that the House restore the wording in clause 11 to what was obviously in the minds of those who first conceived this act and was in the mind of the Governor General when he made the recommendation upon which the bill is founded.

I shall conclude on this note. As I mentioned yesterday afternoon when dealing with the first amendment, our party has no intention of challenging the passage of this bill because of its doubtful constitutional character. I might point out, though, that others might wish to do so at a later date should a national emergency be proclaimed.

The minister and I took part in an exchange of views the other day with regard to the position of the federal government under the federal system and the circumstances in which it may interfere with the rights enjoyed by the

provinces. We agree that such cases as the Fort Francis case have determined this issue for a great many years. The fact remains that irrespective of what the government may say—the government may say that there is an emergency every day of the week for two months—and even though this House, following acceptance of the amendment by the hon. member for Winnipeg North Centre, might agree with the government in declaring there is an emergency which warrants the governor in council proclaiming one, this does not necessarily make it so. It remains a matter of fact to be determined by the circumstances.

If you apply the case I have cited to the situation with regard to petroleum products, I suggest strongly, as a member of the bar for a great many years, that any court would throw out a declaration of a national emergency based on the ground that there might be a shortage of petroleum products which could affect the national security at some time in the future. It is for this reason, and in an effort to be helpful to the minister, to try to improve the language of the bill which was in all likelihood put together hastily at the instance of the technical advisory committee, that I make these observations. I think the minister would be in a much better position if he would go back to the wording which appears in the long title and in the recommendation and make the slight substitution which I am proposing.

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Mr. Symes: May I ask the hon. member a question?

Mr. Baldwin: Surely.

Mr. Symes: As I read clause 11, I think the phrase "or will affect" is one of proper grammar to follow a parallelism in the preceding sentence. If the hon. member reads line 3 it says "by reason of actual or anticipated shortages". Therefore, it seems to me logical that if the hon. member wants to remove the words "will affect" he will also have to remove the phrase "anticipated shortages".

Mr. Baldwin: That is where I disagree. I am willing to go with the minister and the government this far, that the government should have to wait until an actual shortage occurs. I agree that if conditions are such that it comes within the government's competence and knowledge that very shortly there will be an anticipated shortage, then that might well permit them to use means to prevent its coming about. But an anticipated shortage, coupled with something that may affect in the future the national security, is in my mind going too far. I go along with the anticipated shortage, but not with any potential effect in the future.

Hon. D. S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, the question of the hon. member for Sault Ste. Marie (Mr. Symes) is useful to the House because it has converted the mistake of the hon. member for Peace River (Mr. Baldwin) from one of merely bad judgment to a somewhat lesser mistake of just bad grammar. Basically, as the hon. member for Sault Ste. Marie pointed out, you cannot have an anticipated shortage which "now affects" the national security. To anticipate something has the quality of attaching futurity to it and therefore must be followed by a verb in the future tense. I do not want to lecture the hon. member, who is many years older than I am and comes from a very good educational system in New Zealand.

Mr. Baldwin: Do not forget Alberta, either.

Mr. Macdonald (Rosedale): Well, I think of New Zealand when I think of the hon. member. It is really a question of good grammar which the draftsman has followed here, and I only regret that the hon. member for Peace River has not adhered to basic principles in this regard.

The really critical question is that we are talking about an industry that supplies petroleum, in many cases from a long distance away, for which over a period of time there is substantial provision made both in terms of storage of up to 45 days in Canada and 30 days or even longer periods for shipment from more remote sources to Canada.

Mr. Reilly: Your syntax is almost Eisenhower-like.

Mr. Macdonald (Rosedale): I must say that if my syntax is almost Eisenhower-like, then that of the hon. member for Ottawa West (Mr. Reilly) is now, and always has been, banal.

Mr. Baker: Always what?

Mr. Macdonald (Rosedale): Banal.

Mr. Nielsen: What has that to do with petroleum?

Mr. Macdonald (Rosedale): The hon. member for Grenville-Carleton (Mr. Baker) has a lot to learn here, and perhaps he will.

Mr. Baker: Thank you very much.

Mr. Macdonald (Rosedale): The hon. member for Northumberland-Durham (Mr. Lawrence) fits that very well, and I shall have occasion in the future to comment about him though not in the context of this particular bill. He was a former local resident who fled to the security of eastern Ontario to get elected to this House.

Mr. Fairweather: Tell us about your rednecks.

Mr. Macdonald (Rosedale): I would be glad to, but I must say they fit your party beautifully. I would have some interesting things to say, too, to the hon. member for Hamilton West (Mr. Alexander) when the subject of rednecks comes up. In any event, we are talking—

Mr. Alexander: Mr. Speaker, I rise on a point of order.

Mr. Nielsen: He is a long way from a redneck.

Mr. Alexander: Mr. Speaker, I raise just a small point of order. I was sitting in my seat minding my business and listening to the exchange going on between the minister and several of our very excellent members on this side, when all of a sudden I heard my name, or at least my constituency being mentioned. The minister said that when he gets to the area of rednecks he will have something to say to, or perhaps about—

Mr. Macdonald (Rosedale): No, "to."

Mr. Alexander: —to the hon. member for Hamilton West. I should like him to clarify his remarks and let me know just what he has in mind. I await his words of wisdom with great anticipation.

Mr. Macdonald (Rosedale): Mr. Speaker, I think I can set the hon. member's mind at rest. Perhaps I could not say this about the rest of his colleagues, but the one thing I will not accuse the hon. gentleman of is being a redneck.

If I can now address myself to the bill, what the hon. member for Peace River is really saying is that if you know there is going to be a shortage in eastern Canada—and, of course, he is an Alberta Tory—the government should not be entitled to act. You can anticipate that there will be a shortage, but the government should not be entitled to act and do something about that shortage. That, quite simply, is just not good enough and it is why we on this side of the House cannot accept his amendment.

The hon. member was not entrusted with any responsibilities when his party was in power but the hon. member from Prince Edward Island sitting in the front row was, and he will know that the important thing is to try to anticipate problems and to deal with them. It could well be that in the process of supplying oil to eastern Canada there will be an anticipated problem of delivery when you are talking about a period of time extending from 30 to 45 days. The hon. member for Calgary Centre (Mr. Andre) is a Calgarian who has certain views about what we easterners should do in cold weather and in the dark.

Mr. Baker: You don't like anybody, do you?

Mr. Macdonald (Rosedale): The hon. member from Calgary has a problem. But basically the question is whether the government of Canada should ignore the parochial views of a member like the hon. member for Calgary Centre and try to look after citizens in all of Canada—people in British Columbia and people in eastern Canada—who are threatened by this kind of interruption in supply. Should we take action, should we anticipate action, or should we wait—as the hon. member for Peace River says—until we are in short supply? That is the position he takes, but I do not think a responsible government should take that position. For that reason I reject his suggestion that we should suffer a little bit, as the hon. member has put it, before we take action. We should anticipate a shortage, and this is why I am asking the House to vote against his amendment.

Mr. Baldwin: Mr. Speaker, on a question of privilege, I did not say anything about suffering a little. My question of privilege is that the minister has, by implication, done the unpardonable thing and in effect has attacked His Excellency just at the time of his departure. In accusing me of bad grammar, by implication he is attacking His Excellency, since His Excellency and I used the same word. We both used the word "affecting". When the hon. gentleman says that my grammar is bad he is saying that so is the Governor General's, who has now left Ottawa to become one of the minister's own constituents. I suggest that is one vote he is not going to get.

Mr. Macdonald (Rosedale): On the question of privilege, I do not think we should attribute that—

Mr. Speaker: Order, please. The Chair rules that neither hon. member has a question of privilege.

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I say a few words in an endeavour to prevent the minister obstructing the passage of his own legislation? There are times when the Minister of Energy, Mines and Resources (Mr. Macdonald) has the diplomatic finesse of a hippopotamus tripping through a field of tulips.

● (2030)

Some hon. Members: Hear, hear!

Mr. Nielsen: And that's a lot for him.

Mr. Douglas: I should like to get back to the amendment proposed by the hon. member for Peace River (Mr. Baldwin). This is really the kernel of the whole legislation, as clause 11 provides:

> When the governor in council is of the opinion that a national emergency exists by reason of actual or anticipated shortages of petroleum or disturbances in the petroleum markets that affect or will affect the national security and welfare and the economic stability of Canada, and that it is necessary in the national interest to conserve the supplies of petroleum products within Canada, the governor in council may, by order, so declare—

This is a very important clause because it is the whole reason for introducing the legislation. I am somewhat disturbed by the remarks I heard from some members during the course of the discussion yesterday and today, to the effect that there is a phony sort of an emergency oil crisis in Canada. I noticed an article in tonight's Ottawa *Citizen* by Mr. Charles Lynch under the heading "The crisis that isn't". He quotes the hon. member for Calgary South (Mr. Bawden), who said that 5 per cent more crude oil has been distributed to eastern Canada this year than last year and therefore there is not any shortage. The hon. member also made some interjections yesterday to that effect.

Let me say, first of all, that I would be surprised if the supplies of crude oil delivered to refineries this year were not greater than last year, because for months every effort has been made to get western crude to eastern Canada, through the Seaway, around by the Panama Canal, by rail and by truck. Undoubtedly, much of this oil is being stockpiled in anticipation of the fact that it may not be possible to deliver adequate supplies in the winter months. Undoubtedly, the people in eastern Canada have been fortunate in that we have had a mild winter so far: the St. Lawrence Seaway stayed open much longer than usual and some 100,000 barrels a day were able to be shipped well into December. We are fortunate that the weather has been mild and there has not been the same demand for heating oil—but we are not out yet of the woods by any manner or means.

Let me point out that members in all parts of the House, particularly those who sit in the opposition parties, were pressing the government a few months ago to recognize the fact that there could be an oil shortage in eastern Canada, urging them to take the steps necessary to meet

that anticipated oil shortage. If the shortage does not materialize, no one is going to suffer. But I can imagine what we would be saying on this side of the House if the government had not anticipated an oil shortage and had not taken some of the steps necessary to cope with it. Only time will tell whether the steps they have taken are adequate. Certainly steps had to be taken, and I am glad some steps have been taken. I hope they will obviate any hardship on the part of the people who live in eastern Canada.

It is a mistake to think that clause 11 is only going to be required for this winter. If the pipeline to Montreal is not completed until 1976—and I certainly feel, after the statement by the minister, that it will probably be mid-summer of this year before construction starts; it is more likely to be 1976 than 1975—then we have two more winters during which the people of eastern Canada will be largely dependent upon offshore oil. That oil may be very difficult to procure because there are still the problems of restrictions, embargoes and diversions.

It is rather significant that the Secretary of State for External Affairs (Mr. Sharp) said that the government of Saudi Arabia has indicated that we can have the oil we want, but we are not getting any. The very evident reason for that is that the oil which the government of Saudi Arabia is willing to send to Canada is being diverted elsewhere somewhere along the line by the companies which purchase that oil. It is comparatively easy to divert oil in mid-ocean and send it to some destination other than the one put on the bill of lading.

So the possibility—and all of us hope it will not materialize—of serious oil shortages in eastern Canada until such time as the pipeline is built is a fact which this House of Commons has to consider seriously and we have to give the government the necessary powers to deal with such an emergency should it arise. I commend my friends in the Conservative Party for having proposed an amendment in order to give the House of Commons the right to declare whether or not they agree with the government that there is an emergency. We now have the provision in the bill by which the government must come back to parliament to get the House of Commons to declare that there is such an emergency.

The amendment moved by the hon. member for Peace River (Mr. Baldwin) would change clause 11 so that it would read:

> When the governor in council is of the opinion that a national emergency exists by reason of actual or anticipated shortages of petroleum or disturbances in the petroleum markets affecting the national security—

As my colleague, the hon. member for Sault Ste. Marie (Mr. Symes) pointed out, if you strike out "will affect" you ought also to strike out "anticipated". It is not possible to talk about an anticipated shortage which affects you now; it can only be an anticipated shortage which will affect you when the shortage takes place. Since the art of governing is the art of foreseeing, it may be necessary for the government to set up an energy allocation board to allocate certain supplies of oil and to provide for storage of oil in certain areas of Canada in anticipation of something which does not affect Canada at the time but which will affect it in the future.

[Mr. Douglas.]

Therefore, it seems to me that not only from a grammatical standpoint but in terms of logic and, although I am not a lawyer, I would think in terms of law, if you are going to deal with an actual shortage then you deal with a shortage which affects us now; and if you are also going to give the government power to deal with an anticipated shortage, you must give it power to deal with something which will affect Canada at some future time but which does not affect Canada at the present time. For that reason, it seems to me that the amendment is unwise and that the present provisions in clause 11 ought to stand.

The Acting Speaker (Mr. Boulanger): Is the House ready for the question?

Some hon. Members: Question.

The Acting Speaker (Mr. Boulanger): Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Some hon. Members: No.

The Acting Speaker (Mr. Boulanger): All those in favour will please say yea.

Some hon. Members: Yea.

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

Some hon. Members: Nay.

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

Mr. Baldwin: On division.

The Acting Speaker (Mr. Boulanger): I declare the motion negatived on division.

Motion No. 3 (Mr. Baldwin) negatived.

[*Translation*]

Mr. G. W. Baldwin (Peace River) moved:

Motion No. 5

> That Bill C-236, An Act to provide a means to conserve the supplies of petroleum products within Canada during periods of national emergency caused by shortages or market disturbances affecting the national security and welfare and the economic stability of Canada, and to amend the National Energy Board Act, be amended by deleting subclause 12(5), lines 17 to 23 on page 7, and renumbering the subsequent sub-clause accordingly.

[*English*]

The Acting Speaker (Mr. Boulanger): Is it the pleasure of the House to adopt the said motion?

Mr. Baldwin: I rise on a point of order, Mr. Speaker. The motion appears in my name, but I think perhaps the House has heard enough from me. I wonder, therefore, if I might obtain unanimous consent—without losing the opportunity to speak if it appears there is not willingness to accept the motion—to have the hon. member for Calgary Centre (Mr. Andre) open the debate on this motion for our party. I think we will probably receive unanimous consent

and perhaps it could be given in the festive mood of the House.

● (2040)

Mr. Lewis: With regret, we agree.

The Acting Speaker (Mr. Boulanger): Is it agreed?

Some hon. Members: Agreed.

Mr. Harvie Andre (Calgary Centre): Mr. Speaker, the reason for moving this amendment is that it is just one more small attempt on our part to improve what is really a terrible bill and a very poor way in which to attempt to solve a potential problem about which the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) spoke about a moment ago. The mentality of the Liberal and NDP members in their approach to the question of a potential shortfall in energy and their approach to this bill could be exemplied, I think, by the remarks the hon. member for Nipissing (Mr. Blais) made yesterday afternoon, as recorded at page 9219 of *Hansard*, when he criticized our party by saying we were attempting to delay this bill. He stated:

—I recognized the seriousness of the emergency we were facing, and the potential emergency for which the government was attempting to prepare. We had but to read the newspapers to be convinced of the fact that we were facing very serious difficulties indeed.

What a ludicrous statement! The minister comes into this House one day and says we could be short 75,000 barrels of oil, and a few days later that we could be short 200,000 barrels of oil a day. The hon. member for Nipissing reads the newspapers reporting the minister's statement and decides we must be facing an oil crisis. They panic just like Chicken Little in the children's story: The sky is falling in! The turkey-lurkeys in the NDP say, "Yes, it is; we must do something". So the government produces this bill which asks for enormous powers. Basically, it asks that the minister be able unilaterally to declare a national emergency and take over the distribution of almost everything in this country.

In this party we recognize that indeed there is a potential short supply of oil in the eastern part of this country. We recognized this possibility many years ago and recommended then that a pipeline be built to Montreal. Mr. Speaker, if you read the same newspapers as the hon. member for Nipissing, you will recall that there was a Middle East war in 1967 and that a lasting peace did not develop. It should have been realized that a disruption in respect of petroleum existed from 1967, and at least some preparation at that time would have been the act of a prudent government.

It is obvious that no such precautions were taken and that no contingency plan existed. It is obvious, also, that very quickly draftsmen sat down and produced this bill. One example of the excessive power demanded by this bill is clause 12 (5) which this amendment would seek to delete. This clause provides:

The governor in council may, by order, add any product that is manufactured wholly or in part from petroleum to the mandatory allocation program and thereupon that product becomes a controlled product for the purpose of the allocation of the supplies thereof in Canada.

That clause would give this board the power to allocate, and ultimately ration, almost every product related in any way, shape or form to petroleum which is an important feedstock and base for so many things. The hon. member for Kootenay West (Mr. Harding) talked about nylon stockings. Indeed the government could allocate these—and garbage bags, toothbrushes, roofing tile, telephones, rubber tires, rubber balloons and other rubber products. This is the granting of far too much power to any board, let alone a board under the direction of this particular minister whose credibility is at least to be questioned.

I would think that every member of this House, when he read this clause, must have raised his eyebrows. Certainly we did. However, we permitted the bill to go to the committee in the hope that in committee we would be able to call sufficient witnesses to determine whether in fact there is a potential crisis, how much the shortfall might be this winter and how much other products might be affected by the shortfall. We wanted to examine this legislation carefully, but we were obstructed at every opportunity. My colleague the hon. member for York-Simcoe (Mr. Stevens) yesterday alluded to this fact.

The hon. member for Nipissing indicated by his behaviour in the committee that it was the government's intention not to allow us to call the necessary witnesses and obtain some facts and information in order to judge this bill in the proper context, with proper information and not just on the emotional situations which the minister, I suggest, has possibly created deliberately to indicate that there is an atmosphere of crisis ahead. However, we did obtain some information; we did hear some witnesses. Mr. Stabback, who was not allowed to appear alone, appeared as the minister's adviser. He did answer some questions directly, however. In answer to a question put to him by the hon. member for Kootenay West, he said:

I think the difficulties that are facing the plastic industry, Mr. Harding, are related to the shortfall in ethylene supplies that became apparent before the present emergency in North America. As you know, the Canadian industry is endeavouring to establish new ethylene plants in Canada as their response towards meeting the shortfall. We have been made aware by some companies of their difficulty in obtaining raw material for their processing.

The point is that this shortfall in ethylene was apparent to the National Energy Board before there was any concern about crude oil. The hon. member for York North (Mr. Danson) asked a question of Mr. Stabback in the committee. He said:

If I understand Mr. Stabback correctly, the interpretation is that the current shortage of, perhaps, crude and gas is not the reason for the shortfall in petrochemical products in so far as the plastics industry is concerned. It is one of downstream capacity in refining. Is that not correct?

This is from a Liberal member. Mr. Stabback replied:

It is not the primary reason. Of course, it exacerbates it, but it was really related to a shortfall in the supply of ethylene emanating from United States plants and resulting from, amongst other things, a reduction in supplies of natural gas that are now available in the southern part of the United States.

In other words, the shortfall in respect of plastics alluded to by the hon. member for Kootenay West and the hon. member for York North were not related to any shortfall of crude oil from the Middle East area but were related to shortfalls in plant capacity which were in existence long before this bill was presented. It would seem very reason-

able, if shortages of this type were not caused by energy allocation problems, that we should not use the energy allocation board to try to solve these problems.

My colleague, the hon. member for Peace River (Mr. Baldwin) asked the minister some questions in the committee. He recognized that some petrochemicals could be in short supply as a result of this energy crisis, but suggested these are fairly limited in scope. He asked the minister if he would be willing to tighten up the wording of this clause, and the minister replied no: He said:

● (2050)

I think it is conceivable that if there was a grievous shortage of these things in Canada it might be desirable to take this jurisdiction.

I pursued this question along similar lines, and the minister replied in respect of agricultural chemicals, which are in short supply, as you may be aware, Mr. Speaker, not as a result of the crude oil shortage but, rather, as a result of lack of plant capacity. He said:

—you take an agricultural chemical that may be dependent upon a petroleum derivative and saying that the government should not be in a position to allocate short supplies there, even though that may be as much of a detriment at increasing food production as not having tractor fuel available . . . It seems to me that it is reasonable to extend the jurisdiction here to protect the public as much in that situation as in the case of fuel.

Again I explained in committee what is common knowledge to people cognizant of the industry, that the problem of the shortfall in agricultural chemicals and petrochemicals is the result of lack of plant capacity. If you want to put the blame, go back to federal fiscal and financial policies, to the policies of the predecessor of the present Minister of Finance—the man of the year, the Hon. Edgar Benson. These problems were caused by the fiscal and financial policies of this government, and it would seem to me quite reasonable to think that is the way in which a solution should be sought. I raised this point with the Minister of Energy, Mines and Resources (Mr. Macdonald), who said:

Well, it seems to me in principle it is the same problem.

That explains the reason for moving this amendment. Had, in fact, the government taken the position that the points raised by Mr. Stabback were valid, namely, that this allocation board should be in a position to tell refiners what to do with the effluent from refineries, ethylene, benzene and other aromatics, which might go into petrochemical production, I would have agreed. But when the Minister of Energy, Mines and Resources states that this energy allocation board might allocate any product that is in short supply and is related to petroleum for no matter what reason, that is overstepping the bounds.

The second reason for moving our motion is that this bill is an excuse for inaction. There are grievous problems in this country with respect to agricultural chemicals. Some farmers are not able to get fertilizer, and this could have serious consequences on their production and on food prices in Canada. Many manufacturing concerns are having difficulty in finding plastic feedstock which they need to manufacture toothbrushes and a number of other products. These are very important problems to which this government has not addressed itself in any noticeable way. They are the responsibility of the Minister of Consumer and Corporate Affairs (Mr. Gray), the Minister of Industry, Trade and Commerce (Mr. Gillespie) and the Minister of Finance (Mr. Turner) since it is the fiscal and financial policies of this government in the past which have caused these grievous shortages at this time. So there are two reasons. The first is that the powers asked by the minister in this clause go far beyond anything which one would call reasonable.

[Mr. Andre.]

At this point it might be worth mentioning the make-up of the Energy Board. It will consist of a chairman drawn from the public service who is knowledgeable in this area, a nominee from the province of Quebec as a consuming province, a nominee from the province of Alberta as a producing province, a nominee from industry or somebody seconded from industry who is knowledgeable in marketing, and someone who is knowledgeable in the consumption end of fuels, as suggested by the minister. None of these people has any expertise in the area of plastics, the area of consumer products related to plastics, and it would be most inappropriate to give these powers to the board because I am sure they will cause ten times the number of problems as they will attempt to cure.

The second reason is as follows. We have seen what this government has done with the Food Prices Review Board. They have used it as an excuse for doing nothing about the price of food in Canada. To give this energy resources board potential responsibility for all the shortages in plastics, agricultural and other chemicals, would give them just another excuse for continued inaction in the areas of fiscal, financial policy and trade.

However, the main and the third reason for moving this motion is that the government already has the power under this bill to control all the products which are the base or the feedstock of the petrochemical industry, because in clause 2 under the definition of "petroleum products" we find the following:

"petroleum" or "petroleum product" means crude oil or other hydrocarbon or mixture of hydrocarbons recovered in liquid or solid state from a natural reservoir, any hydrocarbon or mixture thereof, in liquid or solid state, that results from the processing or refining of crude oil or other hydrocarbon,

It goes on to include natural gasoline and natural gas. That includes all the chemical feedstocks. It includes ethylene, which Mr. Stabback, vice-chairman of the National Energy Board, talked about being potentially in short supply. It is a refinery product, or is manufactured from ethane which is a product of a gas processing plant. Benzene, phenol and other aromatic compounds which are products of refineries and are important chemical-building stocks, according to this definition fall within the realm of petroleum and petroleum products. Therefore, this board is perfectly capable of looking after the allocation of these products.

Under other parts of this bill, in view of the generous definition of petroleum and petroleum products—and I have no argument about that; it is an appropriate definition—the minister can look after any shortfalls in plastics or petroleum-related products, agricultural chemicals, and so on, which have anything to do with a crude oil shortage. This bill would allow him to get into the business of allocating fertilizers, toothbrushes, and so on, even though they may have nothing to do with the shortage of crude oil but may be related to shortfalls in plant capacity or, presumably, a strike if there were a strike in a plastics

plant that would create shortfalls of plastics. The government could get into the act, according to the bill.

The scope is far too wide. Also, judging from the record of this minister, in particular in handling the energy situation, and the totally inaccurate information he has given the House repeatedly and in statements made to people outside the House, it would be inappropriate to trust him with that sort of authority. It would be dangerous to the people affected to give the government an excuse for inaction in these areas where there are very serious problems. I wonder why the government has not sought to take some action to clear up these problems which are causing people to lose their jobs.

Under the act as it exists, under the definition of petroleum and petroleum products in clause 2, this board would have the authority to look after the allocation of all petrochemical feedstocks to all petrochemical processing plants within Canada. Therefore, I would hope that the other members of this House would agree with me that in the interests of improving the bill we should strike out this clause.

● (2100)

Mr. Randolph Harding (Kootenay West): Mr. Speaker, one of my colleagues has suggested that we would have done better with the hon. member for Peace River (Mr. Baldwin). I am looking at the amendment suggested by the hon. member for Peace River which we opposed in committee. We see no reason to change our minds this evening. The amendment offered by the Conservative Party will make the allocation program much less effective than we feel it should be. I should like to point out that the allocation board is going to be made up of responsible citizens. Different viewpoints will certainly be represented on the board, and when a decision is made by the board it must come to the governor in council—the cabinet—and it will be responsible for any controls that are imposed. I think it will be careful of the type of allocation program that goes into effect.

Let us look at the section which the hon. member wants to wipe out entirely. This is how clause 12(5) reads:

> The governor in council may, by order, add any product that is manufactured wholly or in part from petroleum to the mandatory allocation program and thereupon that product becomes a controlled product for the purpose of the allocation of the supplies thereof in Canada.

I can think of a number of products that might be added to a program such as this. One of them is rosin. In British Columbia, several industries have already indicated that because of the shortage of rosin they will either have to close down or curtail employment. If the allocation of supplies is needed to keep up the supply of rosin, or if rosin is in short supply, then it seems logical to me that this product should be brought under the control of the allocation board which can see to it that these industries keep working. There are a host of other circumstances where similar logic could apply, and that is why I believe this clause must be retained. The board will not be hard on any specific industry and I am quite certain that it will not abuse the allocation of supplies.

It seems to me, for example, that there might be a need to stop some of the crude oil going to the petrochemical industry, or in some cases to allocate additional supplies of crude oil to that industry if certain products are needed. That is the value of having this provision, but the Tories are out to weaken the bill as much as possible so the program will not work.

We have heard about plastic cups and other plastic materials, Mr. Speaker. If we get into an emergency situation, the allocation board may have to decide where the priority lies. The whole field of oil products comes into this picture. If we have an extreme situation where we need a great deal of heating oil, for example, we will have to divert more crude petroleum into the refineries which are going to produce it. This might force us to stop supplies of crude oil going to some other branches of the petrochemical industry where plastics and other products are made. It is as simple as that. In an emergency, I think the board must have control and be able to tell the oil companies and the people of Canada where the crude oil should go and where oil products should go if they have to be rationed.

We in this party feel that this clause will help in a crisis and we have no hesitation in asking the House to turn down the amendment.

Mr. Baldwin: Mr. Speaker, may I ask the hon. member a question?

Mr. Deputy Speaker: The hon. member for Peace River (Mr. Baldwin) with a question.

Mr. Baldwin: Mr. Speaker, the hon. member is hard-working and industrious and I know he thinks things through. Therefore I want to put a question to him fairly and squarely. When appointed, this board will be dedicated to its purpose, supposedly experienced in and qualified to allocate petroleum supplies. If what the hon. member contends is correct, does he think that a board with these qualifications, dedicated to and directed at the purpose of dealing with petroleum supplies, would be the right kind of board to control, set prices on and allocate such products as disposable diapers and rubber diapers?

Mr. Knowles (Winnipeg North Centre): You are all wet.

Mr. Harding: Mr. Speaker, if any petroleum product is essential, including the ones mentioned by my hon. friend, then we might come to the point where they are controlled. However, I do not anticipate that we will run into that problem.

Mr. Paproski: With Macdonald you can anticipate all kinds of problems.

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, the hon. member for Calgary Centre (Mr. Andre) spoke about this question. In the depth of his compassion he has now left the House, which I regret. There are three points to be made with regard to his particular observation. The first is his reference to fiscal provisions in the past which had inhibited the Canadian petrochemical industry. As anyone would know who has reflected for any particular period of time on the Canadian petrochemical industry, the problem has been one of scale and particularly of access to the United States

market by Canadian firms. Of course, this has not been a question of Canadian fiscal policy, but a question of international negotiations within the ambit of the General Agreement on Tariffs and Trade. Basically, the question is whether the Canadian industry has been able to gain favourable access to the United States market, which in fact they have not been able to do over a period of time.

Secondly, if this is so, then who is to provide, on an economic scale, for the needs of Canadian industry and the Canadian consumer community in this particular area of product? There has been a whole range of products; some have come from Canadian sources but the great majority come from overseas. We talk at length with regard to the importation of butadiene from Polysar which, because of sources in Canada, necessarily had to come from abroad. There is a whole range of Canadian products, some of which are dependent upon United States sources. If there is a general shortening of international supply in these particular products, inevitably it is going to affect Canada. Whether one allocates it or not, if there is a shortage of supply in the feedstocks of these particular commodities in their chemical derivations, the fact is that the Canadian community will have to run short.

The hon. member spoke in rather disparaging fashion about a whole range of consumer products which are of importance to Canadians. He suggested that they will run short of these things. Basically, his position and that of his party is: Well, let them run short.

● (2110)

Mr. Andre: Mr. Speaker, I rise on a question or privilege. If I may speak under the Standing Order which the hon. member for Peace River (Mr. Baldwin) cited last night, to do with members opposite putting words into one's mouth, I wish to state that at no time did I or anybody in this party suggest that these potential and existing shortages of rosin, butadiene, ethylene and other chemicals are not serious. They are very serious. Indeed, I made the point of wondering out loud why the Minister of Industry, Trade and Commerce (Mr. Gillespie), who has responsibility in this area, has not done anything to date. People are suffering in British Columbia, Ontario, Alberta, and indeed in every part of the country.

If the Minister of Energy, Mines and Resources (Mr. Macdonald) would turn around one day and talk to his colleague, the Minister of Industry, Trade and Commerce, and ask why he does not get on with the job, he would be doing much more for the country than he is in proposing this clause in this bill at this time.

Mr. Macdonald (Rosedale): Mr. Speaker, it seems to me that although the hon. member quoted at length from the evidence taken before the committee, there may be nothing more effective in support of my argument than what he just said. The difference between the approach of the hon. member for Calgary Centre and my approach to consumers in Canada who are threatened by this shortcoming is this: I wonder whether we should not express some concern and do something about the shortcoming, and he wants to brush it aside on a legality.

This bill would permit the government of Canada and the energy allocation board to take action and try to protect Canadian consumers against this kind of shortfall. But the hon. member for Calgary Centre is not asking the House to do anything. He opposes, basically, this one power that we can adopt under this statute which is necessary for protecting Canadian consumers with regard to the whole range of products which he has mentioned and which I regard as being important. He and his colleagues referred in disparaging fashion to a whole group of consumer products as though people are not important.

Mr. Andre: That is not true.

Mr. Macdonald (Rosedale): I would ask the House to decide whether we are to look after the interests of individual people in Canada, or not. The hon. member for Calgary Centre is the living apotheosis of that famous Calgary bumper-sticker and he is now applying it to all Canadians, even those of his own city.

Mr. Paproski: Shame! You should be ashamed of yourself, Macdonald.

Mr. Erik Nielsen (Yukon): Mr. Speaker, I can only echo the words of the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas). The minister's performance, his efforts generally to get this legislation through, and his manner of responding to remarks made on my side of the House, certainly are no indication that he is overly eager for the measure to pass.

Mr. Macdonald (Rosedale): Coming from the hon. member, that is a compliment.

Mr. Nielsen: He is the last person to hold himself out as some kind of Ajax knight, as the only protection the consumer has. Consider what the peerless plumptre posse, the peripatetic, perambulating price prodders have been able to accomplish! We are getting more of the same now.

Mr. Macdonald (Rosedale): Get a new speech-writer, Erik.

An hon. Member: And a new shirt, while you are at it.

Mr. Nielsen: I am as much an expert on petroleum as the minister is, and that does not say much for my expertise in this field. I am concerned about the broad, sweeping powers being called for under this subclause. To an increasing extent we have seen attempts by this government, now personified in the minister, to assert increasingly the power of the state over all facets of life in Canada. This is another example of that.

Some hon. Members: Oh, oh!

Mr. Nielsen: I hear members groaning on the other side. They are interested only in more power and in holding on to more power. I would suggest that many of them have not even read the bill. If one examines the definition section and then looks at the powers the government wants, one can see that almost every product and byproduct of petroleum is covered and would come under the control of the board. They want to control materials which go into nylon stockings, pantyhose, hundreds of everyday items ranging from throw-away cartons to cleaning solvents, rubber goods and photographic film. They

want to control the production of articles such as tires, floor and wall tiles, anti-freeze, pipe coatings, insulation, upholstery, food containers, furniture, paint, records, drugs, automobile protective-foam dashboards and a full range of plastic products.

Some hon. Members: Hear, hear!

Mr. Nielsen: I hear the hon. member for Waterloo-Cambridge (Mr. Saltsman) applauding. I can understand his party wanting to enter the capitalistic field of nylon manufacturing. They want more control; they want to control everything. If they could, they would control the manufacture of toothpicks in the country. That is exactly what the government is trying to do under this subclause.

We have witnessed in the past several examples of this kind of unilateral, arbitrary power which the government is obsessed with garnering unto itself under this provision. It is time we halted this process of government by ministerial fiat. That, exactly, is what the House is being asked to approve here. Those ministers have no appreciation for those whom the Prime Minister (Mr. Trudeau) has described as little men.

Consider the conduct of the Minister of Indian Affairs and Northern Development (Mr. Chrétien). He certainly has wielded unilateral power. The minister opposite has accused us of hindering legislation, simply because he is petulant. It was the same with the Minister of Justice (Lang) earlier today. It was only his stubbornness that resulted in the wiretapping bill being sent back to the other place. The same can be said for the Minister of Indian Affairs and Northern Development, and the Minister of Energy, Mines and Resources is now engaging in the same exercise.

The minister says that he wants this legislation to pass. Is it for the protection of consumers? No, sir! Passage of this clause without the amendment spoken to by the hon. member for Calgary Centre will result in members of this House sitting down and saying, "Government, take thou all power unto thyself. Exercise it. We are not concerned. Do what you please. This place means nothing any more. We need not concern ourselves with these matters because all decisions will be made over there, on the government side." Ministers can say, to use the words of the Prime Minister, "We have the herd to back us up and to lead us, braying, to the troughs. We do not have to worry about the country. Everything is under control."

The amendment is a good one. The government does not need these broad and sweeping powers for which it is asking. It should not have asked for them in the first place. It has the power it needs under the general provisions of section 12, as one will see if one refers to the definition section. It need not insert itself this deeply into the private, commercial and industrial life or all people in this country to the extent it seeks.

Mr. Macdonald (Rosedale): Case dismissed!

● (2120)

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, I intervene in this debate only to say that the amendment proposed by the opposition overlooks the problem for reasons different from mine. I hope mine do not overlook the problem. My feelings about the amendment are that even if the Minister of Energy, Mines and Resources (Mr. Macdonald) does not have this motive, we in the New Democratic Party hope that in this bill we are placing different kinds of priorities on our use of petroleum products and energy resources. When we use them for the cups that hold our coffee, something we throw away by the thousand, it is a waste of our petroleum resources. It is time the representatives of the people of this country intervened in what the hon. member for Yukon (Mr. Nielsen) calls the private preserve of entrepreneurs and business people who assist in, and in fact start, the wasting of energy resources in this country.

Mr. Nielsen: Look at the minister.

Mr. Benjamin: Yes, he has one.

Mr. Reilly: Do you want to drink out of it when he is through?

Mr. Benjamin: Members will notice that I very seldom have one in my hand because I might get caught with it. That is only a very minute example of how we waste petroleum and energy resources in this country. I refer to what we use to hold our coffee, what we use for handkerchiefs—

Mr. Baldwin: What about your shirt?

Mr. Benjamin: You are right about my shirt. The hon. member for Peace River (Mr. Baldwin) can give me the shirt off his back provided it is not made out of some energy resource.

I do not believe the Minister of Energy, Mines and Resources has this particular item in the legislation for the purpose which I have just mentioned. I would be agreeable to accepting if if it would help this House of Commons and the citizens of our country to take a more serious look at the way we use our resources. We should take a closer look at how they are wasted every day, even on little things. It might be very well for the mouthpieces of petroleum corporations who sit to my right to help promote the sale of commodities that are nothing more than a waste of time, money and resources.

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

Mr. Speaker: The hon. member is not in his seat. Now that he is, the hon. member rises on a question of privilege.

Mr. Reilly: Mr. Speaker, the last remarks of the hon. member were an unwarranted slur on my colleagues. I respectfully ask that he withdraw them.

Some hon. Members: Hear, hear!

Mr. Benjamin: Mr. Speaker, I would not want to include the hon. member for Ottawa West (Mr. Reilly) in the slurs which he thinks I was casting, because he does not come from oil country. I am surprised he is feeling badly about what I said with regard to some of his colleagues.

Mr. Reilly: Mr. Speaker, I know I am not from oil country. I was not objecting on my own behalf; however, a number of my colleagues do come from western Canada.

The hon. member cast what I regard as an unwarranted slur on their integrity and their ability to serve in this House. Despite the fact he wants to be facetious, this matter is very serious and it cannot be allowed to go unchallenged in this House. I ask the hon. member to withdraw, without reservation, the remarks he made.

Some hon. Members: Withdraw.

Mr. Benjamin: Mr. Speaker, as one of the best non-experts of House rules, I rely upon your advice. On a number of occasions hon. members have been told that is not a question of privilege but a question of opinion or debate. What the hon. member construes as a slur, I construe as my opinion. Some hon. members who sit to my right are here as mouthpieces for the multinational oil corporations.

Mr. Speaker: Order, please. I hope hon. members will not expect the Chair to become involved in the dispute which is taking place between the hon. member for Ottawa West (Mr. Reilly) and the hon. member who has the floor. I very often hear hon. members charging other hon. members with being mouthpieces for one branch of industry or commerce, or one aspect or another of national life. I really do not think the Chair should be asked to intervene in such matters.

The hon. member for Ottawa West has the right to make the point that he does not think the hon. member who has the floor is right. The dispute arises from a contention made by the hon. member, but I would hesitate to say it is unparliamentary and requires the intervention of the Chair to call on the hon. member to withdraw his remarks. Rather, I think that is a point of debate, a contention or an allegation by the hon. member who has the floor, to which the hon. member can quite rightly, if he wishes, object as he has done or may do later in the course of the debate.

Mr. Reilly: With great respect, Mr. Speaker, to call an hon. member of this House a mouthpiece with a special interest is, in my submission, unparliamentary in the extreme.

Mr. Speaker: The hon. member has risen on a question of privilege, the hon. member who is concerned has replied, and the Chair has made a ruling. The hon. member interprets the rule in one way, the Chair interprets the rules and practices of the House in another. Certainly there can be debate, but that is the responsibility which the hon. member for Ottawa West and all hon. members cast upon the weak shoulders of the Speaker.

I know it is not easy to determine what is or what is not unparliamentary. I appreciate that what one hon. member may consider to be debate, another may view as unparliamentary, an attack upon his integrity. However, it is the responsibility of the Chair to take into consideration all aspects of the matter and perhaps see in what light the remarks were made. Because I have taken into account the tone of the debate as it has gone on for the past hour or so, I judge that the hon. member did not intend to cast aspersions on the hon. member for Ottawa West or any other member of the House. Following the point of order, I gained the impression from the hon. member's remarks that he really did not have in mind what the hon. member for Ottawa West considers casting a slur upon him, or upon any other member of the House. Is the House ready for the question?

Some hon. Members: Question.

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

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: All those in favour will please say yea.

Some hon. Members: Yea.

Mr. Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Speaker: In my opinion the nays have it.

Some hon. Members: On division.

Mr. Speaker: I declare the motion lost on division.

Motion No. 5 (Mr. Baldwin) negatived.

Mr. G. W. Baldwin (Peace River) moved:

Motion No. 6.

That Bill C-236, to provide a means to conserve the supplies of petroleum products within Canada during periods of national emergency caused by shortages or market disturbances affecting the national security and welfare and the economic stability of Canada, and to amend the National Energy Board Act, be amended by deleting clause 22 thereof, lines 1 to 11 on page 16, and substituting therefor the following:

"22.(1) For the purpose of this act, the expression "deprivation of property" includes loss or damage to property or the partial or total divestment of any right having pecuniary value suffered in Canada by an individual resident in Canada within the meaning of the *Income Tax Act* but does not include any such loss, damage or divestment to the amount that compensation or satisfaction in respect thereof was or is otherwise provided for.

(2) The governor in council shall by order establish a tribunal for the hearing and determination on a quasi-judicial basis of complaints of deprivation of property occasioned by any regulation under this act and shall provide in such order the time within which such complaints may be made and the procedure to be followed thereon and respecting the determination and payment of compensation for such deprivation and the fund from which compensation shall be payable.

(3) There shall be an appeal from any decision of such tribunal to the Federal Court of Appeal which shall have jurisdiction to vary, set aside or confirm such decision.

(4) A person who complains of deprivation of property may, in lieu of making a complaint to the tribunal established under subsection (2), initiate his complaint in the Federal Court-Trial Division which shall have jurisdiction to hear and determine the complaint."

He said: Mr. Speaker, I rise on the same point of order as last time, unless the minister is rising to say he accepts the amendment.

Mr. Macdonald (Rosedale): No.

Mr. Baldwin: Under those conditions, I ask for unanimous consent to permit the hon. member for Regina East (Mr. Balfour) to carry the burden in respect of this motion.

● (2130)

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I rise on a point of order with regard to the ability of the hon. member to move the motion in his name, on the ground that it would place an obligation on the treasury to pay out more than is contemplated in the recommendation put forward by His Excellency.

This is a matter which occasioned considerable discussion in committee. I shall not attempt to recapitulate that discussion. I would merely draw attention to what was said by the legislative draftsman who, in essence, drew a distinction between deprivation of property as understood in the preparation of this bill in relation to the Canadian Bill of Rights and deprivation of property in the sense it is used in the hon. member's amendment. In the sense it is used in the Canadian Bill of Rights, the phrase would mean actual deprivation of the property of some person or corporation. Perhaps I might refer to the testimony of Mr. Ryan, an assistant deputy minister of the Department of Justice, in this regard as reported at page 28:85 of the proceedings of January 3, 1974. With reference to the phrase "deprivation of property" as used in the statute, he said:

> It refers to such things as personal property, easements, franchises, corporeal or incorporeal hereditaments; but I do not think, strictly speaking, a contract to acquire oil gives you a property right in the oil until it comes into possession or until the terms of the contract are met.

Mr. Ryan went on to point out that the phrase "deprivation of property" as used in His Excellency's recommendation was not related to any kind of damage suit which might be brought against the Crown in this regard, but related to the physical possession of property which, as the Chair will understand, amounts to very much less in terms of the obligation of the treasury. On this basis I suggest, on a point of order, that the amendment in the name of the hon. member for Peace River (Mr. Baldwin) goes beyond the recommendation of the Crown; that the hon. member has put forward an amendment which would expose the general taxpayer to a much greater expenditure than was contemplated by His Excellency in the recommendation, and that it is therefore out of order.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, never have I heard such an absurd proposition, even from that master of creative inertia the Minister of Energy, Mines and Resources (Mr. Macdonald). He calls as his witness a legislative draftsman who works for the government and tries to foist his interpretation upon the House as to the meaning of the word "property". If the bill is passed by this House and the other place, that will be a matter to be determined by the courts.

First let me say that the proper time to have raised this point of order would have been when the amendment were first produced, not after we had embarked upon the report stage. However, I do not hold that against the minister; it is just a matter of not using his "energy" at the right time. What is involved here is an attempt to circumvent the Bill of Rights. All members know that such is the case. The Bill of Rights provides that citizens of Canada can be deprived of property only by due process of law. The term "property" embraces in its meaning far more than the minister has in mind.

I know that the minister and the government rushed into this bill without due preparation. Suddenly they were confronted with the terms of the Bill of Rights and began to wonder what they would do about that situation. So they put in a clause, which can only be called "zilch", in an attempt to circumvent the Bill of Rights. Now an effort is being made to prevent anyone in the House of Commons giving animation and value to the rights of the people of Canada who have been deprived of property.

Let us examine once again the words used in the recommendation. I am surprised that the minister, having been so cavalier in his attitude toward His Excellency, should now quote him. We find they appear in this form—

> —to provide for the establishment of a tribunal to hear complaints respecting the deprivation of property and respecting the determination and payment of compensation.

And this is where it ends. These words are vague and subject to a variety of interpretations. We are attempting to make the definition more precise, to say what kind of tribunal shall be established to protect the small, independent people who could be severely damaged as a result of certain actions taken by the board. We assert they should have a place to go and a remedy to seek, and on that basis I ask that the hon. gentleman's point of order be thrown out.

Mr. Speaker: Of course, I would be pleased to hear the hon. member for York South (Mr. Lewis). His long experience both in the House and in the courts of the country might well assist the Chair. However, I am quite prepared to make a ruling now, if that should be the wish of the House. I doubt whether hon. members would want to spend too much time on a procedural point. I see the hon. member appears anxious to join the fray. The hon. member for York South.

Mr. David Lewis (York South): Mr. Speaker, I shall not take long. I do not agree with the amendment in the name of the hon. member for Peace River (Mr. Baldwin), but I think the minister is asking your Honour to rule in a way which is totally unacceptable. It is impossible for us to say that because an officer of the Ministry of Justice is of the opinion that a phrase has a certain interpretation, the House, or Your Honour, should be governed accordingly. This cannot be a ground upon which any proposition before the House could be held to be out of order. It is our rules and Standing Orders which govern us, not the words of an officer employed in the ministry of justice.

Mr. Speaker: I thank the Minister of Energy, Mines and Resources for having brought this interesting point to the attention of the Chair. I might say that this aspect of the matter did cause some lifting of eyebrows on the part of my advisers. At the same time, I might observe that other motions related to this bill were perhaps even more doubtful. However, it was felt that the Chair should be somewhat lenient from the point of view of procedure in regard to these important motions.

In any event, despite the sympathy I feel, to some extent, with the argument advanced by the minister, it seems to me he wishes the Chair to become involved in a question of law. It is a long-established practice that the Chair rules on questions of procedure, not on questions of law, and I do not think the Chair should be placed in the

position of making the kind of ruling suggested by the Minister of Energy, Mines and Resources.

● (2140)

For these reasons, I think the hon. member for Peace River ought to be given the benefit of the doubt and that the motion should be put. It has already been placed before the House. The hon. member for Peace River has the floor.

Mr. Baldwin: Mr. Speaker, then may I return to the application I was about to make? I would request the House, if it would be kind enough, to give unanimous consent to the burden of this motion being undertaken by the hon. member for Regina East.

Mr. Jim Balfour (Regina East): Mr. Speaker, I should like to introduce my remarks by referring to some comments that Mr. Ryan, the minister's counsel, made in committee. I refer in particular to page 28:83 of the Minutes of Proceedings and Evidence of January 3, 1974. Mr. Ryan outlined his view of the purpose of clause 22, the clause presently under discussion, and his remarks read in part as follows:

> It was intended to deal with the remote possibility, and perhaps not too remote, that there might be an actual deprivation, a taking away of property from an individual as a result of some regulation, or the effect of some regulation or order, made under clause 16, particularly—if I can refer to clause 16—the powers dealt with on page 9 under paragraph (i), (j) and (o) on page 10. Now it is conceivable– and I stress the point conceivable—that there may be a deprivation of property resulting from regulations under those particular powers, in which case it is a matter of some concern that the Bill of Rights be observed.

As is found at the foot of the page, Mr. Ryan continued:

> If that should result in a deprivation, and I use the word deprivation in the sense of it taking away, a confiscation, a seizure in that sense of a taking altogether of property, then I submit it is a deprivation of property, in which case we are concerned with a due process; some tribunal, some board, some place to hear it and have a determination of rights and obligations, which is what clause 22 is intended to do.

I suggest, Mr. Speaker, that the intent and purpose of clause 22 must be of concern to all members of this House. It is only 11 lines in length, but it is the remedial counterbalance to the extraordinary powers given to the government in the public interest to override, frustrate, deny or direct the property and civil rights of private citizens. These powers of the government are spalled out in this bill in pages of detail; they are so extensive as to be granted to a government only in a wartime or a peacetime emergency.

It is right and proper that in such an emergency private rights must be sacrificed to the public good, but it is a corollary to this democratic principle that the cost of such private sacrifice should be minimized; that, so much as possible, the burden placed upon the private citizen for the benefit of all should be shared by those in whose behalf the burden is carried. Obviously, the government has recognized this principle and its corollary in drafting clause 22.

But there is a further corollary, founded in our concept of justice and fair play, that any scheme of compensation for private loss—this is particularly true where compensation is payable out of public funds to private claimants—must be just and must be seen to be just. It is with respect to this most important aspect that clause 22 is faulty or, perhaps, fails. Any scheme of judicial administration, if it is to meet our concepts of justice and fairness, must be firm and must be reasonably specific in its terms of reference as tto who may claim and what may be claimed for.

In our form of parliamentary democracy it has long been accepted that these terms must be set by parliament. Canadians do not accept that these terms should be delegated to the changeable whim and fancy of the governor in council. That method of constituting a judicial scheme has about it the offensive odour of the long-gone aribtrary courts. Unfortunately, that is the judicial scheme that is embodied in clause 22. I do not accuse the government or the minister of doing this with bad intent, quite the opposite. The government has recognized the need to establish a tribunal to compensate persons who are unduly injured by action taken for the public good. That necessity is implicit in our Canadian Bill of Rights.

On the other hand, the government is aware, as we must all be aware, that if this bill, when enacted, is fully implemented, unknown sums may be demanded from the public treasury. Faced with this dilemma—the tradition of a judicial tribunal that is mindful of our human rights and fundmental freedoms, and the foreseen dangers to public revenues if the terms of reference are fully set out while the claimants' claims are yet unknown in number and scope—the government has produced clause 22. That clause would set up a tribunal where all the terms of reference, the form of tribunal, its procedures, the definition of "claimant", "claim", "deprivation", "property", "determination of claim" and "method of payment" are all to be determined by regulation of the governor in council.

Also, we must remember that a regulation that is passed one day may be repealed the next. I doubt that under the Federal Courts Act there is an appeal from the decision of the tribunal. But if there is, what does it avail? A new regulation can change the law between the date of the tribunal's decision and the date of the hearing by the Federal Court.

I repeat, Mr. Speaker, that I make no suggestion that the government has acted with wrong intent. I recognize the dilemma, and in the urgency of drafting the government has come up with a solution. That solution, however, is that, as between the governor in council acting in the public interest and the injured private citizen, the governor in council is to hold all the cards. I suggest that this type of tribunal is not acceptable to Canadians; moreover, I suggest that it will loose a cloud of suspicion and distrust against the tribunal and will embarrass the government with a plague of pressures. What claimant, knowing that the government can by regulation validate his claim, will accept without protest a regulation that invalidates it? All members of this House are aware of the pressures that are brought against them in like circumstances.

This amendment seeks, by definition, to give certainty and stability to the admissibility or inadmissibility of a claim while at the same time protecting the public interest. Secondly, the amendment would openly bring the tribunal within the judicial process by providing for an appeal to the Federal Court of Appeal, and as well that the Federal Court, trial division, would have original jurisdiction, with the tribunal at the choice of the claimant. These

last two provisions would strengthen the tribunal, in the opinion of the public, by incorporating it within the recognized judicial organization, and would ensure a certainty and continuity of decision.

I suggest that if the government of Canada is to be given powers which abrogate the rights encompassed by the Canadian Bill of Rights, including the right to the enjoyment of one's property, it is incumbent upon us to ensure that adequate and comprehensive provision for due compensation is clearly and unmistakably provided for.

It is on occasion necessary to intrude and to infringe upon property rights of Canadian citizens for the common good. However, it is equally necessary, I suggest, that government ensures that individual Canadians who suffer financial loss as a result of action taken and necessary for the common good be compensated so that the burden is shared equitably and equally by all.

I am concerned that there shall be no doubt, no possible doubt, that the individual whose land, for example, may be expropriated for a pipeline right-of-way constructed under the authority of clause 26 of the act shall be entitled to due compensation for the property right lost by him as a consequence of such action. It is not sufficient, I submit, to leave the right to compensation, in such circumstances, as a matter of discretion with the governor in council. Without labouring the matter, I submit that right should be absolute, and I urge the House to support the amendment.

● (2150)

Mr. Macdonald (Rosedale): Mr. Speaker, this is an important question which I think should be continued. I should like to take this occasion to move a motion under Standing Order 6. In the event that I have approval, I would move, seconded by the Minister of National Revenue (Mr. Stanbury):

That the sitting be continued beyond the ordinary time of the daily adjournment until the completion of the report stage of Bill C-236, or 11 p.m., whichever be the earliest.

Mr. Bell: I rise on a point of order, Mr. Speaker, we have no objection provided the "late show" is preserved.

Mr. Reid: On the point of order, Mr. Speaker, I can give that assurance.

Mr. Knowles (Winnipeg North Centre): On the same point of order, Mr. Speaker, may I simply say that there have been discussions and we were prepared to agree to this arrangement without the necessity of the Standing Order. In any case, we agree.

Mr. Bell: It should not be a precedent.

[*Translation*]

Mr. Latulippe: We, like the other members, would agree to extend tonight's sitting beyond the usual time of adjournment.

[*English*]

Mr. Deputy Speaker: There appears to be unanimous consent. Accordingly I will not, thankfully, have to put the motion.

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, the basic issue between the hon. member for Regina East (Mr. Balfour) and myself in this regard is, in the event of the application of an energy allocation program, where the disadvantage should fall. Should it fall upon those who from time to time, having substantial supplies of petroleum, are ordered by the board to allocate that to other people, or should it fall on the general taxpayers of Canada? I do not pretend this is an easy question and, if I might say so, I appreciate the moderation in the use of words by the hon. member for Regina East in posing this particular question.

The really critical point, however, is at the time when one is interfering, as the allocation board will from time to time, with the very substantial contracts to be made by major oil companies with their own affiliates or substantial suppliers, and this really would be the purpose of the legislation. When you step into existing contractual arrangements and say to the major companies in the field, "No, you cannot deliver it to this particular, very substantial corporation. You are to deliver it to charitable institutions, independent retailers or others who will look after the interests of the individuals in Canada," the government, in the first place, should have the right to do so—and that is the essence of this bill—and, secondly, those who are best able to bear this loss should indeed bear it.

The hon. member referred to the question of deprivation of property under clause 26 of the bill. There is reference there, of course, to the existing provisions of the National Energy Board Act in respect of the acquisition of additional right-of-way for pipeline purposes, and these would apply in that context. The real issue involved here is that if one interferes with advantageous contractual relationships of major oil companies, should the general taxpayer in Canada feel incumbent to compensate the major oil companies, or should this be something that these companies, with their very substantial financial resources, should bear?

In respect of deprivation of property, as I had occasion to point out on the point of order, this refers to the actual situation of acquisition of property rights in a specific personal chattel, as opposed to the right of suit which allows an action against a particular party. The decision we have taken as a government, and which I ask the House to support, is that as between the individual taxpayer and the large corporation it is the latter that is in the better position to bear the disadvantage of this situation, and on that basis I would ask the House not to support the motion.

Mr. Lawrence: Would the minister permit a question?

Mr. Macdonald (Rosedale): By all means.

Mr. Lawrence: I merely ask this question in an attempt to clarify what the minister just said with reference to clause 26 and the pipeline right-of-way. He indicated that the normal procedure of expropriation safeguards in the National Energy Board Act would apply. At least, that is what I thought he indicated. Is he saying that this Clause would not take precedence or priority, if the government wanted it to take priority, over the expropriation safeguards in the National Energy Board Act? Is he saying

these would not apply, that is, the expropriation proceedings?

Mr. Macdonald (Rosedale): Mr. Speaker, the specific will apply over the general, and the specific in this regard is clause 26 and the right that the allocation board would have to designate to a pipeline company that in the public interest a particular connection might be desirable. On this basis, the provisions of clause 26 of the bill, joined with those of clause 29, would indicate that the allocation board could issue this particular instruction which would be executed by the National Energy Board under its jurisdiction.

In this respect I would say that for the pipeline companies and the "biggies"—the transportation companies, and so on—there is a special regime in that they have a special regulatory regime. What we are really talking about in this amendment, to pick a few words from it, is the loss or damage to property, or the partial or total divestment of any right having pecuniary value, suffered in Canada by an individual resident. In that sense we are talking about the cause of action that an individual might have, and in that sense clause 26, taken together with clause 29, clauses 27 and 28, provides that this kind of major corporation, already subject to federal regulation, be dealt with under a special regime. We are talking about a basic action by a major oil company which might be taken for the purpose of extending the obligation to pay, and on that basis I would argue that as between the parties involved in this matter, rather than being borne by the general taxpayer it should be borne by the companies.

Mr. Lawrence: Mr. Speaker, I am sorry, but perhaps I am not making my point clear to the minister. What I am really asking about is the case of a very troublesome and time-consuming acquisition of an oil pipeline right-of-way. The minister knows, as I know, that this has happened in the past. As a matter of fact, this is the very basis of some of the expropriation procedures and safeguards written into both provincial and federal statutes.

We are by no means trying to delay this bill. Rather, we are trying to accede to the minister's wishes and intent. There is a worry in the minds of some of us that this clause could be used by the government in an attempt to wipe out some of the expropriation safeguards and procedures which now exist. If the minister says that in the event of a national emergency, the government may need to deal otherwise with these safeguards, that is one thing; but I have not heard him say that. I should like to hear him say that, if it is what he really means.

The whole thing comes down to the point that in the event these new procedures can be set up by order in council, at the very least or at the minimum there should be some reference to the judicial system in this country regarding these matters. If the minister wants to disabuse me of my fears, I would ask him to please do so.

● (2200)

Mr. Macdonald (Rosedale): Mr. Speaker, clause 26(5) specifically provides for the situation in which the National Energy Board can exercise its powers, naturally, subject to the other provisions of the National Energy Board Act which provide for appropriation and compensation rights.

[Mr. Lawrence.]

The power to be executed by the National Energy Board in terms of protecting security of supply of individuals is, of course, subject to the provisions of the act in relation to acquisition and compensation for property that may be acquired from individuals.

Mr. David Lewis (York South): Mr. Speaker, I learned some time ago that interpretation of the law given by members of parliament whether they are ministers of the Crown, or other members, is not necessarily the interpretation which may later be made either by a court or a tribunal, and therefore to engage in any attempt to do that kind of thing seems to me not very valuable.

What I was struck by is that the hon. member for Regina East (Mr. Balfour) could not have written this amendment which he supported. Some of the general statements he has made with regard to the principles of law involved and the philosophy of law involved, one cannot be against or criticize, subject to my philosophical bias that too much of our law is concerned with the defence of property rights and too little with the defence of human rights as against property rights. However, aside from that prejudice which I have always had as a lawyer, I cannot find fault with the general principle. But I suggest to him that if he reads the amendment which he proposed, there simply is no change presented by the amendment in any of the areas with which he dealt.

What does the amendment do? First of all it seeks to define the deprivation of property. It does not define it: it simply says that the term "deprivation of property" includes something else. I am darned if I can see that the "something else" added is any clearer than the phrase "deprivation of property". I would much sooner leave the phrase for any tribunal rather than clutter up the words with a new phrase which has no more meaning than the first one. I do not see what we accomplish except create a great deal of legal confusion. This may help lawyers, but it will not help the people affected. What else does it do? Then it says that the governor in council shall, by order, establish a tribunal. That is not new. It is exactly what the provisions of the bill now say.

Mr. Balfour: There is quite a difference.

Mr. Lewis: No. I may suggest to my friend from Regina East that according to well established practice concerning legal interpretations, when you use the word "may" in respect of something to be done by Her Majesty, which is what "governor in council" means, it is exactly the same as using the word "shall". We use the word "may" in respect of Her Majesty as a courtesy, but the word involves a duty.

From my not very wide experience in the courts I could cite for the hon. member a number of cases dating back to the sixteenth century which make it very clear that there is no difference on that point. The word "may" used in respect of Her Majesty, or the governor in council or any agency of that sort, has exactly the same effect as the word "shall". It is merely a form of wording. So I am not impressed by this change.

What else is changed? Nothing at all. The fact is that the tribunal, in the amendment, is to be set up by order in council in the same way as in the present clause. It says

"determination on a quasi-judicial basis". I suggest to my friend, particularly the hon. member for Peace River (Mr. Baldwin), that that is not very good drafting. I do not know whether it is quasi-judicial or judicial. If you set up a tribunal to determine the property or other rights of people, you can call it a quasi-judicial authority, but so far as I am conerned it is a judicial function it is performing even though it is not a court that is performing that function. The phrase "quasi-judicial basis" surely is of no consequence at all and is merely a use of words. The function is, in fact, a judicial function. That is all that is required.

Then what does the amendment further say? It says exactly the same as the clause now says, that the order in council will provide the time within which the complaints have to be made and the procedure to be followed. It states that the order in council shall deal respecting the determination and payment of compensation, and then it merely adds the words "and the fund from which compensation shall be payable". I imagine that any governor in council with any sense would have to say that. If somebody is to pay compensation, he would have to say where the compensation is to come from. It is not necessary to tell him that today is Thursday: presumably that is known. That adds nothing at all. I suggest that if the intention was to do what the hon. member for Regina East said, then the amendment should have been much more specific in setting out the precise rights to be covered and the precise points to be followed, and so on. I suggest that the amendment merely adds more confusion. The only addition is that there shall be an appeal from any decision of such tribunal to the Federal Court of Appeal.

The hon. member for Regina East says he has some doubt whether that is the case. I do not see how anyone can have doubt. It is not necessary to be a lawyer. Section 28 of the present Federal Court Act reads as follows:

(1) Notwithstanding section 18 or the provisions of any other act, the Court of Appeal has jurisdiction to hear and determine an application to review and set aside a decision or order, other than a decision or order of an administrative nature not required by law to be made on a judicial or quasi-judicial basis, made by or in the course of proceedings before a federal board, commission or other tribunal, upon the ground that the board, commission or tribunal

(a) failed to observe a principle of natural justice or otherwise acted beyond or refused to exercise its jurisdiction;

(b) erred in law in making its decision or order, whether or not the error appears on the face of the record; or

(c) based its decision or order on an erroneous finding of fact that it made in a perverse or capricious manner or without regard for the material before it.

Mr. Speaker, the reason I recall this section in the act is that I was on the parliamentary committee which studied this bill when it was before that committee. I had a concern, as I still have, about the breadth of section 28 which makes it possible for the Court of Appeal of the Federal Court of Canada to hear cases without regard for the decision of fact by the tribunal. The unions are now—the postal unions have been to see me, as I am sure they have been to see others—finding that the decisions of the arbitrator, of the adjudicator, can be and are taken to the Court of Appeal of the Federal Court and that there the Court of Appeal is able to enter into facts as well as law, as well as interpretation and as well as the behaviour of the adjudicator. In other words, it is a complete trial on facts and law so far as section 28 of the Federal Court Act is concerned. So I suggest, Mr. Speaker, that it is clear that subclause 3 of the motion of my learned friend is unnecessary. I would not shed any tears if everybody agreed to put that clause in, but it is unnecessary in view of section 28 of the Federal Court Act.

When we come to subclause 4 of the motion, I object to this because in addition to the right of appeal to the Court of Appeal they also want to give the trial division of the Federal Court the right to deal with the same matter. That seems to me to be deliberately creating litigation on litigation, and if you are going to set up a tribunal under this act to deal with compensation for matters arising out of the allocation program and out of the authority given the board under this bill, what possible sense is there in giving exactly the same powers to the trial division of the Federal Court and also giving those powers to the Court of Appeal of the Federal Court? If I have ever seen a suggestion of duplication, surely this is it.

● (2210)

I do not see what my friends are trying to do, except to give the large oil companies and pipeline companies the opportunity to bypass the board set up under this bill, and to go to the trial division of the Federal Court and make the whole process either more expensive or the whole set up of the tribunal unnecessary and useless, because you may be certain that these large corporations will go to court instead of relying on the decisions of the tribunal. Therefore, I strongly object to the provision under subclause 4.

I want to make one or two more brief points as to why we cannot support the motion that is before us. As I have said, I have a great deal of sympathy with the general statement of philosophy which should govern the definition of the rights of people and the opportunity they may have to perfect those rights and to be compensated for any loss. But I am not interested, nor are my colleagues, in making it easier for the large oil and pipeline corporations to squeeze compensation out of the taxpayers of Canada in the case of a national emergency affecting the welfare of the Canadian people. We are just not interested in making it easier for them to squeeze that out of the Canadian taxpayer. We are interested in setting up a tribunal that would deal fairly with people whose rights have been infringed; but it should be a tribunal, as set up under this bill, that has some knowledge of the industry and some appreciation of the purposes of the bill before us and which acts in the interests of the Canadian people, not the interests of the oil and pipeline corporations.

That is why we are suspicious of any attempt to add to the definition of the deprivation of property or to add to the tribunals to which anyone having a complaint may go. We are suspicious—and I am not suggesting for one moment that the hon. member for Peace River, for whom I have always had the greatest respect and whose integrity I recognize, intended it—that the effect of this motion is to add further possibilities of complaint and more tribunals to which these corporations can go, whether or not he intended it. So far as we are concerned, we are not in favour of adding areas of complaint or tribunals to which these corporations can go.

Finally, I want to point out something which I did some days ago in another context with respect to this bill. When I first read it, I was struck by the fact—and I approve of it, I say this quite frankly—that everything under the bill is really done by the government and not by the board. Everything that the board is to do is to be done only by approval of the governor in council, which means, in plain English, approval of the government or by initiation of the government.

Unlike many other agencies, this allocation board is not given independent powers. Its power is under constant control and supervision of the government. Naturally, I would feel a little happier if I thought this government was on its toes a great deal more often than it is, but it is a fact that of course it is the government that will be responsible for the work of this board, and the government will be responsible to parliament and to the people of Canada. There is not a single function that the board is to perform under this bill that is to be performed independently, except for pure administration. All the important functions, whether it is the declaration of an emergency, or the allocation program or changes in it, or anything else, that the board is to do is to be done under the authority and on the approval of the governor in council.

Therefore, I think that on the whole the structure of this bill is good. It is unfortunate that one should ever have to take steps to do away with the normal procedures and safeguards that people in a society have, but these steps are to be taken only in the case of an emergency; and I am sure everyone here agrees that is something that should be done.

May I say, finally, that I heard a number of my friends in the Conservative Party say this is a terrible bill, that in their view there is no emergency and there cannot be one. Therefore, I think that the motion which they have moved to change things in the bill flows from the basic opposition to this kind of bill. I do not agree with that. I do not agree with them that in the present international situation it is prudent, sensible or wise for any member of this parliament to say that he is confident there will not be an emergency a month or two from now, or a year or two from now, with respect to the energy needs of any section of this country or any institution in this country. I think it is most unwise, no matter what one's ideological approach may be, for anyone to say that there will not be an emergency, that he knows it, he has it straight from God, which means in some cases straight from the mouth of the multinational oil corporations.

Anybody who starts from that premise will keep on saying that this is a terrible bill, that we do not need it, that there will not be an emergency and that we will try to find ways and means of frustrating the intentions of the bill a little here and a little there. So far as I and my colleagues are concerned, we do not go for that. We have said for many months, indeed many years, that to have left the future of the people of this nation, with respect to their energy needs, in the hands of multinational corporations, and to have sold out petroleum resources to these corporations, was a disservice to the people of Canada and the future of our country. We are paying for that now.

If, at long last, this government takes steps to give itself the power to deal with an emergency if one should occur, then all of us who hope that such an emergency will not come about should support the idea of being prepared for it should it ever come as a result of action over which we may not have control. I repeat what I said some days ago, that there is some inconsistency in members of this House making statements about the failure of this government and other governments to protect the interests of Quebec and the Atlantic provinces, and then trying to frustrate the purposes of a bill which may be necessary precisely to assist the eastern part of this country which is dependent upon offshore oil.

● (2220)

There you are, Mr. Speaker. I said there are some members who know directly from some source. The hon. member for Calgary South (Mr. Bawden), I am sure, knows a great deal about the oil industry.

An hon. Member: Give us your facts.

Mr. Lewis: The facts we are dealing with now show that there is an international situation that threatens the possibility of an emergency facing the people of Canada. If the hon. member for Calgary South, through his association with the heads of the multinational corporations throughout the world, can give us a firm and sacred undertaking that his friends at no time during the next two or three years will create an emergency for the people of Canada, I will not believe him—but at least he would be saying something!

Some hon. Members: Hear, hear!

Mr. Lewis: The fact is, Mr. Speaker, that this bill does not come into effect unless there is a national emergency. It would be imprudent, unwise and irresponsible for this House not to make sure that if such an emergency occurs there is power to deal with it.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I admire the hon. member for York South (Mr. Lewis) and I appreciate his comments about me. In the last part of his speech, however, he outlined the basic difference in our philosophy. I sometimes shudder at the way in which members of his party, the government people and a lot of people in Canada react the minute there is the slightest whiff of an emergency and long before there is any real appearance of an emergency. The hon. member should cast his mind back to October, 1970, and the things that he said then which are equally applicable today. But they rush forward and say, "Let us give this government more power": they heap power on their shoulders and give them the authority to do everything.

When I see the government ask for that power, Mr. Speaker, I get worried. When I hear the hon. member for York South say, "Let them have that power, and even more power", I am worried. When I hear the government and the hon. member for York South, joined by the multinational oil companies say, "Give the government that power", I get very worried. When I think of the hon. member for York South in concert with the multinational oil companies, I wonder why the multinational oil companies say they want this bill—

Mr. Lewis: On a question of privilege, Mr. Speaker, I cannot seriously say that the rules would require my friend to withdraw what he said, but I suggest there really is a limit to the hyperbole that ought to be used with respect to my association with the multinational organizations.

Mr. Baldwin: Mr. Speaker, unfortunately the hon. member for York South was not at the committee hearings when the spokesmen for the multinational oil corporations was saying, "This is a beautiful bill". As I said earlier, this bill had its genesis in the technical advisory committee. I have my suspicion that the multinational oil companies, through their representatives there, had a lot to say about the kind of bill they wanted. This gives them the power to do what they have been doing—to allocate supplies offshore and domestically within Canada, and to do it under the cloak of government protection. My friend from York South is quite happy about that and in effect is saying, "Go forth, thou good and faithful multinational oil companies, and operate as much as you want under these conditions under the sanction of Bill C-236".

An hon. Member: Right on.

Some hon. Members: Hear, hear!

Mr. Andre: That is right: just so we could find out what we expected.

An hon. Member: Macdonald is in bed with the oil companies, and so was Lewis.

An hon. Member: What was that award that Bill Twaits got?

The Acting Speaker (Mr. Laniel): Order, please. The hon. member for Nipissing (Mr. Blais) seeks the floor for the purpose of asking a question. This can be done only with the consent of the hon. member for Peace River (Mr. Baldwin).

Mr. Baldwin: Mr. Speaker, I think he should wait until I have finished. By then he will have had time to reflect, because his question may be no better than his speech the other day.

Some hon. Members: Hear, hear!

Mr. Baldwin: Having dealt with this small question of the philosophical difference between myself and the hon. member for York South, and having driven him back to the refuge of his friends in the multinational oil companies, I should like to deal with this particular amendment.

I want to say to the hon. member for York South that we got the amendment in its present form to some extent from his colleagues in committee. We brought this up in committee because we felt, in our examination of the measure and the consequences that would flow from it, that a large number of individuals and organizations such as co-operative refineries and co-operative distributors of petroleum and other products, could suffer substantial loss or damage. So we attempted to introduce an amendment at committee stage. I admit that the amendment was in broad terms and would have offered a measure of assistance to people we did not wish to see benefit from it. Some questions were asked by the hon. member for Kootenay West (Mr. Harding) and the hon. member for Sault Ste. Marie (Mr. Symes) which persuaded me that we should try to narrow the scope of our amendment. This is what we have attempted to do.

Before we get into that, Mr. Speaker, let me give some of the reasons which persuaded me to proceed with this amendment. I did so because of what was said by the legal adviser to the minister who appeared before the committee. When he was pressed for his definition of "property", he gave what I considered to be a narrow and limited interpretation. He said, "'Property'" means only real or tangible property—real property or personal property which is tangible".

Mr. Lewis: And he was wrong.

Mr. Baldwin: He was wrong. The hon. member for York South wonders why we did not give a specific definition. There are a number of reasons. We used the word "include", and by using that and the words which follow it we have made it quite plain that we were not intending to exclude other definitions, but it does include certain specific things. Let me pause and say this. My friend from Regina East (Mr. Balfour) read into the record some comments by the distinguished chairman, formerly a chief justice of Prince Edward Island and chief commissioner of the War Claims Commission, and also some of the comments of the late Mr. Justice Ilsley, who formed a committee to deal with this question. I say that because the War Claims Commission and the report which was dealt with and brought in by the late Mr. Justice Ilsley flowed out of the problems of the last World War and some of the actions taken by the government at that time. One can think of the resettlement of the Japanese people and a great many other actions taken during the Second World War which resulted from the War Prices and Trade Commission regulations. Because of that, and for other reasons, the right hon. member for Prince Albert (Mr. Diefenbaker), when he was prime minister, brought in the Bill of Rights.

● (2230)

The Bill of Rights resulted largely from the experience of the right hon. member for Prince Albert involving many injustices sustained as a result of the actions arbitrary of government administrative tribunals in the Second World War. So the Bill of Rights was introduced. It contains a provision that nobody shall suffer from deprivation of property without due process of law.

The government and the minister saw, no doubt, the difficulties that would arise in connection with the setting up of the allocation board, and seeing what damages might result from its actions they said, in so many words, "We must get rid of the Bill of Rights." The government had one of two choices. It could say specifically that the Bill of Rights should not apply to this bill. That course would have brought on it well deserved censure. Or it could put in a clause like clause 22 which, despite what the hon. member for York South has said, I suggest is less than worthless. Clause 22 provides:

> The governor in council may make regulations providing for the establishment and conduct of a tribunal for the hearing and determina-

tion of complaints of deprivation or property occasioned by any regulation under this act, prescribing the time within which complaints may be made—

And so on. There is nothing to stop the governor in council saying that there shall be no appeal from this tribunal. That, clearly, is the effect of clause 22. As my colleagues saw it, if the government were to take unto itself powers which could result in people suffering damages or injury, some adequate means must be found of ensuring that those people had the right to seek some form of compensation. From my many years before the courts I know there can never be full compensation to people who have suffered damage. It is like insurance: to one who has suffered loss, insurance provides only part compensation, never total.

Certainly it is possible to improve upon this meaningless nonentity of a board that the government would set up under clause 22. So first we wanted to say what should be its jurisdiction with regard to property. Our definition of "property" is not perfect, and if my friends to my left think they can improve it they are perfectly welcome to try. However, if they say, because there may be some imperfection in our amendment, they will refuse to pass it or to deal with it and that we should retain clause 22 as it is, they are being to my mind irresponsible.

The amendment does not cover corporations. We made clear in the definition who shall qualify for assistance. It shall apply to individuals as defined under the Income Tax Act. It does not cover commercial corporations. It does not apply to damages suffered outside Canada by those who may be deprived of the right under contract to receive petroleum outside Canada. I received suggestions with regard to that part in committee from members of my party and the NDP. Further, there is not an exclusive definition. It says that "property" shall include such and such, which means that it is possible to include many kinds of damages involving property.

For instance, one could think of the individual service station proprietor who is cut off completely from his supplies of petroleum or petroleum products and must close down. He may be forced out of business and have to give up the business which he has built up over many years. Those are the kinds of people, and there are thousands and thousands of them, who will be covered by our amendment. But who would not be covered and who would sustain damages if an emergency is proclaimed and clause 22 in its present form comes into effect? As to the large oil companies, they are out under this amendment. The amendment provides simply that if there are other ways and means by which compensation or satisfaction can be provided, there is not to be coverage under the amendment. For example, the pipeline company which is asked to divert its product from one source to another on an uneconomic basis is entitled to go to the National Energy Board, as the minister indicated the other day. The National Energy Board has jurisdiction with regard to tolls and has the right to compensate. It may not do so, but it has that right.

We have made it absolutely plain in the amendment that corporations like pipeline companies are not covered because they have other remedies under other legislation. We are thinking of thousands of small people, the co-operatives, the collective bargaining units and unions which may be covered under collective bargaining agreements. They have entered into a contractual arrangement with a refinery which is cut off completely and must shut down. We are thinking of them. If the hon. member for York South and his supporters are prepared to deprive these people of the right to seek compensation, that is a responsibility his group must bear.

[Mr. Baldwin.]

My penultimate comment concerns the difference between the words "shall" and "may". I think the Interpretation Act makes it clear that "may" is permissive and "shall" is mandatory. The word "may" says that the governor in council may do something but is not compelled to carry it out, whereas if "shall" is used, what is prescribed must be carried out. For that reason we have substituted the word "shall" where it is appropriate.

Speaking on the question of appeal, clause 22 provides for no right of appeal for the simple reason that there is nothing to stop this tribunal or the governor in council from passing a regulation saying that there shall be no appeal. That falls squarely within the rights given under clause 22 as at present. Let me read clause 22 again. It provides:

The governor in council may make regulations providing for the establishment and conduct of a tribunal for the hearing and determination of complaints of deprivation of property occasioned by any regulation under this act, prescribing the time within which complaints may be made and the procedure to be followed thereon—

It is perfectly within the competence of the governor in council to pass a regulation saying there shall be no appeal. We are not prepared to accept that. It is possible that this kind of tribunal may be nothing but a kangaroo court, without any real instructions, authorization or funds to handle the disposition of claims against such individuals, as I have mentioned. I want to make it abundantly clear that if the amendment were accepted, there would be a direction by parliament to the government to establish means of appeal. That is the reason for the amendment. If the government and hon. friends to my left are prepared to vote down any attempt for providing a means whereby individual residents of Canada who may have suffered damages may seek relief, that must be their responsibility; it must rest on their shoulders, not on ours.

● (2240)

Mr. Peter Reilly (Ottawa West): Mr. Speaker, I am at a loss to understand why the government want to oppose this amendment, unless it is because of their customary arrogance and reluctance to admit that any creation of theirs can be less than perfect. Even the most pejorative member of the New Democratic Party could not call me a western oil man. I had to take out a first mortgage to fill my gas tank. I am not a supporter of multinational corporations. Neither do I believe that because a corporation gets into trouble it should be abandoned simply because it is a corporation. Therefore, I am at a loss to understand why the government does not want this amendment which provides for appeals from decisions of a quasi-judicial tribunal.

I am even more at a loss to understand why the hon. member for York South (Mr. Lewis) should be opposed to this kind of appeal procedure. He is an experienced trial lawyer. More than that, for most of his working life he has

negotiated union and labour contracts. He knows the difference between "may" and "shall". He knows it as well as I do. That sophomoric, phony attempt of his to say that "may" is the same as "shall" leaves me breathless. I can scarcely believe the evidence of my senses when I hear a man who is so expert try to flog that suggestion past the members of this House.

I could refer to the excellent grammarian across the way who masquerades under the title of the Minister of Energy, Mines and Resources (Mr. Macdonald). He knows the difference between "may" and "shall". I have heard him expound on the difference many times, both across the bargaining table and at arbitration hearings before conciliation boards. He never backed down from the fact that "may" is permissive and "shall" is mandatory. He knows that. He should not now come before this House and tell us that is not the case.

Mr. Baldwin: He says "shall" to the Prime Minister (Mr. Trudeau); that we know.

Mr. Reilly: I am even more at a loss to understand why the hon. member for York South and his followers would object to all of the legal protection which this parliament can write into a bill like this. They know full well the totalitarian and repressive measures of which this government is capable. Surely they can remember what happened in October, 1970.

An hon. Member: Here we go again.

Mr. Reilly: You bet here we go again. You people will not forget that as long as I have breath in me. They apprehended an emergency then. They brought in their legislation. They tossed hundreds of people in jail. It all turned out to be hot air.

I cannot tell whether there is in fact an oil emergency right now. Neither can the Minister of Energy, Mines and Resources tell us that. This government has been in office for ten years. All of a sudden within the past few months there is an emergency. From where did the emergency spring? All of a sudden we are running out of oil. On what date was that discovered? Did someone come in out of the west and say "Pssst; we are running out of oil"? If there had been any planning, the government would have known years ago that we were running out of oil. However, all of a sudden we have an emergency.

We now have before us a bill which gives to the government of Canada and, more specifically, to non-governmental bodies, dictatorial powers. What my colleague from Peace River (Mr. Baldwin) seeks to do is provide an appeal procedure from the decisions of the tribunal. What do we get but impassioned oratory from the so-called champions of liberty, simply because there is an outside possibility that one of the best beneficiaries of this appeal procedure might be a corporation? Are corporations not entitled to equal treatment before the law? I do not have any shares in anything, but I still believe that a corporation is entitled to equal treatment before the law.

It is all very well for NDP members to sneer at members of my party, call them mouthpieces of multinational corporations, talk about getting the news from the wellhead, and all that guff. If I wanted to indulge in that kind of petty billingsgate, I could call each one of them a mouthpiece for the American dominated multinational unions. But I would not do that because I do not consider it parliamentary language.

I say to the members of the NDP and the government that there is no harm in this amendment. It does not change anything in this bill. The only thing it does is legislate in favour of people who might conceivably suffer by the application of this potentially dictatorial act. Why should anyone object to it? I am not going to wait until I hear an explanation of that which satisfies me; I very seriously doubt it will be forthcoming from either the opposite side of the House or the nethermost corner occupied by the so-called champions of the people.

Mr. Balfour: Mr. Speaker, I wonder if the minister would respond to a question?

The Acting Speaker (Mr. Laniel): Order, please. The hon. member is seeking the floor for the purpose of asking a question. The minister does not have the floor to answer a question. As the hon. member has already spoken, he cannot seek the floor unless it is to ask a question of the member who has the floor. I must remind him we are not going through the procedure of committee of the whole, where it is easier to ask questions. When we proceed with the Speaker in the chair, this kind of procedure cannot be followed.

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, you will be delighted to know I will not be very long. I first wish to make a few references to the comments made earlier by the hon. member for York South (Mr. Lewis). It is my belief that the hon. member for York South and some of his colleagues have almost a pyschopathic thing about multinational corporations; they seem to have it on the brain.

Mr. Lewis: If I am going to be psychopathic, that is where I want it to be.

Mr. Lawrence: The hon. member for York South is now indicating his concurrence in what I am saying in respect of his attitude. I think this properly reflects his ideas. Obviously, I am not in any way misinterpreting his words or the intent, view and attitude of all his colleagues in this debate. I am very hesitant to say that the hon. member may be right, because that could be misinterpreted to mean it is mandatory and not permissive.

● (2250)

I must admit I share some of the hon. member's misgivings about multinational corporations. I share some of his suspicions and, along with the hon. member, I regard with anxiety the growing amassment of power by these corporations. And there are many of us on this side of the House who share the hon. member's suspicions. I would point out, however, that in the testimony given before the standing committee, the representatives of these large corporations indicated that they agreed with the intent of the bill before us; that not only did they want the bill but that some of them had exerted pressure on the government to bring such a measure forward. It is obvious why they would. It will, in many ways, continue the trend toward

greater power in the resource field being given to these very corporations.

In the last four or five decades we have seen the extent to which the power and control exercised by these corporations has increased. And what has been the vehicle they have been using? To a large degree, their expansion has been possible as a result of the compliance and subservience not only of the federal government but also of the tribunals set up under the federal government. I do not care whether one considers the National Energy Board, the Transport Commission or just about any of the other tribunals and agencies of the government: for one reason or another, perhaps without intent, they have assisted in the process by which large foreign corporations are amassing greater power and control. Not only do I share the hon. member's suspicions with respect to the intent of the corporations, but I am suspicious of federal tribunals, especially when they are made up of people about whom we know nothing. Here we face the prospect of an unformed tribunal using known procedures, a tribunal which under the bill before us has been given almost unlimited power.

The purpose of the amendment before the House is, first, to restrict the power of the tribunal and, second, to furnish an appeal procedure to the court system so that in the event of a hasty or unjust decision a remedy will be available to the little man as well as to the corporations or anyone else. I am quite willing to assent to the government's wishes, to go along with what it has suggested and turn my back on the amendment put forward by my own colleague, if I can get two assurances from the minister. First, I wonder if the minister can assure us that the tribunal would never be used to abrogate or circumvent the procedures established in respect of public hearings which now exist under the National Energy Board Act with regard to pipeline expropriations.

The reason I am talking about pipeline expropriation is simply this: I represent in this House an Ontario constituency across which this pipeline must pass if it is to go from Sarnia to Montreal, and I would be failing in my duty if I did not call attention to the fact that the people of my riding are upset about expropriations not only by this government but by other levels of government.

An hon. Member: What expropriations? Tell us about them.

Mr. Lawrence: The minister seemed to give some kind of assurance, but he left it in very woolly terms. Can he assure us that this tribunal will never be used to circumvent or abrogate the safeguards I have mentioned? He can give us a simple assurance, yes or no.

My second point is this. The hon. member for York South says the question of appeal to the courts is already covered by other legislation; that this tribunal would be bound by that legislation and that appeal would be possible to the Federal Court. I think the hon. member for York South is disregarding a clause in this bill under which, merely by regulation, the safeguards afforded by federal legislation or, for that matter, by provincial legislation could be removed.

My hon. friends and I are deeply concerned about this aspect. This is an all-powerful piece of legislation which could be used to override many of the safeguards contained in other legislation. If the minister can assure me that in the event of an appeal arising from action taken by the tribunal, the federal government will not contest such an appeal solely on the ground that there is lack of jurisdiction, and will do nothing to abrogate the right to go to the federal Court of Appeal with respect to a decision of the tribunal, I will accept such an assurance and refrain from supporting my hon. friend's amendment. In the absence of such assurances, I believe the House has a duty to vote in favour of the amendment put forward tonight to this clause.

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

Some hon. Members: Question.

● (2300)

Mr. Speaker: All those in favour of the motion will please say yea.

Some hon. Members: Yea.

Mr. Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Speaker: In my opinion the nays have it.

And more than five members having risen:

Mr. Speaker: I gather hon. members would expect the Chair to defer this division until tomorrow or to some other time to be agreed upon following discussions between members of the parties.

It being eleven o'clock, pursuant to the agreement reached earlier this evening, a motion to adjourn the House is now deemed to have been moved and seconded.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

AIR TRANSPORT—PROPOSED PASSENGER HEAD TAX—SUGGESTED PERCENTAGE CHARGE ON SHORT FLIGHTS

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, I earnestly hope that my voice will last through the short time I have at my disposal. On January 3 and 4, the first two days following our return from the Christmas recess, I asked the Minister of Transport (Mr. Marchand) some questions relating to the head tax that he proposed to levy against passengers using commercial airlines. I was not satisfied with the replies he gave me on that occasion, hence my request that I take this matter up at ten o'clock.

It has been my contention all along that the single levy would impose a burden inequitably on air travellers using

short routes. This is part of the elementary mathematics to which I referred in my question of January 4. If a traveller has to pay $3.80 on a trip where the fare amounts to only $13, $14 or $15 it is obviously more onerous than a tax of $3.80 on a trip where the passenger pays a fare of $150 or $200.

This question has been raised a number of times, not only by me but also by my colleagues on this side of the House over the past few months. We have kept at this question of the head tax because of the unfair implementation of the proposal and the burden that it would thrust upon passengers on short routes. Consequently, I was pleased to learn that our representation had found a favourable hearing and the proposed head tax was to be deferred.

This gives us, therefore, a breathing space so that we can think matters out more completely and come up with something more equitable. When I rose last week to raise this question I suggested there was a formula that could be devised to combine the percentage approach with the single levy approach. The minister said he found it very difficult to combine these, and I inferred that it was a matter of simple mathematics. Unfortunately, I did not have the opportunity through a supplementary to explain my elementary mathematics.

None the less, following an offer made by the minister I handed to him a hastily scribbled note following the question period on that day indicating how such a combination could be worked out. I followed this up with a letter dated the following Monday, January 7, the text of which I should now like to read into the record:

Dear Mr. Minister:

I wish to follow up the question I raised with you in the House on Friday, January 4th relating to the Head Tax on the passengers using Canada's air service because in your reply of the previous day you had indicated that no method had been found to combine a flat levy with a percentage charge. I suggested to you on Friday that the problem of combining these two was not all that complicated. My reasons for doing so are set out below:

A levy of $2.80 per passenger trip on short hauls where the fare can be as low as $13.00 (i.e., Vancouver-Victoria) imposes a very heavy burden on travellers amounting to almost 22 per cent of the fare. The same levy assessed against a traveller on the Vancouver-Halifax run, on the other hand, would be just a little more than 2 per cent. The inequity of these two levies is apparent to all.

What I suggest here, and what I suggested to you in the hand written note I gave you on Friday, is that if this tax has to be collected at all, a percentage levy be imposed on fares up to the point where your $2.80 level is attained, and that thereafter the $2.80 be collected. In my hand written note I suggested a 5 per cent levy on fares up to $56.00; because of the heavy density traffic situation on some of these short runs you might think it would be more appropriate to raise that to 10 per cent on fares up to $28.00. Or perhaps a 7 per cent tax up to $40.00.

I do believe that using this system the inequity of the levies would be more evenly distributed.

This is one method, and I suggest it involves elementary mathematics. It might be described as a fluctuating base with a fixed top. There is another method, that of a fixed base with a fluctuating top with, let us say, a charge of $1 or $1.50 on short hops of 30, 35 or 40 miles and a 5 per cent levy on long-distance hauls.

I raised this question in the first place, and have continued to raise it, on behalf of those people who travel on short hauls such as the one between Vancouver and Victoria. There are others which can be discovered by simply leafing through any airline schedule such as the one from Ottawa to Toronto and the one from Toronto to Montreal. A $2.80 levy would put a heavy burden on those travelling on these short hauls. I think there are other means of doing this, and I would like to feel that the ministry is able to come up with a more satisfactory answer.

Mr. Joseph-Philippe Guay (St. Boniface): Mr. Speaker, the recently announced airport fee is not a passenger tax levied directly on the passenger but a fee which will be levied on the air carriers and paid by them directly. As stated by the minister, one of the principles accepted by the ministry in introducing the airport fee is that users of facilities and services provided by the government should assist more directly in meeting the costs incurred. This relieves the large number of general taxpayers of having to assist in financing facilities which they do not utilize.

The airport fee is designed to meet costs incurred in providing airport facilities and services, and the distance travelled is not considered a factor. It is considered that the recovery of this fee by the airlines from the individual passenger will be carried out in such a manner that the short distance passenger will not be unduly discriminated against.

The original proposal for an ad valorem 5 per cent tax on the price of the ticket was not acceptable to many on the grounds that the long-haul passenger was discriminated against because no additional facilities at airports were utilized, whereas the new airport fee is levied on air carriers based on usage by the passenger irrespective of the distance to be travelled. The effect on short-haul air carriers cannot yet be accurately assessed, but in the unlikely event they are being hurt financially by the application of the new airport fee, other means of financial assistance should be provided.

As to the question of applying an ad valorem tax on short hauls along with a flat fee on lang hauls, this would create really impossible legal and administrative difficulties. To apply the ad valorem tax in this way would require a rewriting of the existing legislation as contained in Bill C-155 as approved by parliament in 1969. Such revisions would necessitate new legislation to be prepared and submitted to parliament. Charges under the aeronautics Act are made on a unit basis. The reason for this is that services and/or facilities are not provided at varying levels. Under the Aeronautics Act, an ad valorem basis of charges would be considered discriminatory as services and facilities are not provided relative to the value of the ticket.

● (2310)

YOUTH—ALLEGED ABANDONMENT OF PROGRAMS—REQUEST FOR STATEMENT

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, I am here tonight appearing on what is referred to as the "late show" because of the inadequacy of the responses to my questions put to the Secretary of State (Mr. Faulkner) on December 14, 1973. Perhaps it would be informative if I reminded members of the questions I asked on that date. I said, first of all:

I should like to ask whether the minister intends to make an early statement outlining the reasons behind the abandonment by his department of youth programs.

The minister replied:

Mr. Speaker, there has been no abandonment by my department of youth programs, and I think the hon. member knows that. I think what he really wants to know is when an announcement will be made about the student summer employment program.

Then he went on to say a few things about which I did not ask him. I retorted:

In view of the fact that after two years there has been no youth report and the Opportunities for Youth Program is about to be transferred to the Department of Manpower and Immigration and therefore there is no youth policy or program, will the minister please indicate whether the problems in this regard have to do with in-fighting in his department, incompetence on the part of the minister or both?

Of course, the question was ruled out of order by the Speaker and rightly so. I had intended to debate this matter on December 20 and was informed that I could do so during the adjournment debate that evening. But at about 5.30 that day I had a rush call from the minister's office with a request to postpone any debate, on the ground that since I had implied that the Secretary of State might be incompetent, the minister asserted that he should have the right to debate the charge personally and, further, that since the minister was being married that day he could hardly be expected to be in the House to debate the question with me between 10 and 10.30 that evening. Naturally, Mr. Speaker, being a reasonable, understanding and even humane man I could easily appreciate that the minister should be given an opportunity to rebut personally any charge of incompetence, and therefore I readily agreed to the postponement until tonight. Besides, no one would want to be accused of incompetence, especially on his wedding night. That charge could be made, however, but it would be most indelicate emanating from one who is a disinterested bystander in the nuptials or, at the very most, whose interest exists at arm's length.

The motive behind my question is relatively simple. I have been concerned for some time about what has been going on or, more accurately, what is not going on within the Department of the Secretary of State. We have, of course, all heard the rumour that the Prime Minister (Mr. Trudeau) advised a lower profile for the Department of the Secretary of State on the ground that some of its programs were controversial and were making the natives restless, which reflected unfavourably on the electoral acceptance of the government. But a lower profile is one thing; retrenchment or outright oblivion is another. I think it is eminently fair for me to say that since the present minister took over the department, not one single major new initiative has been undertaken. On the contrary, many have been cut back.

I should like to give a few examples. The Opportunities for Youth Program has been scuttled and shuffled off to Manpower. The assistant deputy minister has been consigned to Museums. He did not realize he was that old. There has been no announcement of a new assistant deputy minister: I suppose it might be one of the gold-dust twins of the department, either Mr. McCabe or Mr. Ostry. By the way, when discussing these two gentlemen I never knew for sure which was the organ-grinder and which one was the monkey; but Mr. Ostry has gone and we have had no announcement of a new ADM for that department.

The evaluation of the summer youth employment program has never been completed, in spite of the fact that the Secretary of State took it over, which is probably not much worse than the previous year's Treasury Board evaluation which was buried and has never seen the light of day.

Fourth, there is no word about the hostel program from that department. The Minister of the Environment (Mr. Davis), instead of the Secretary of State, seems to be reporting for the CBC. Fifth, half the travelling exchange budget is going to a private agency called World Canada Youth which is about to be abandoned, I understand, by the Department of the Secretary of State after having been carried for two years. Why was it accepted in the first place, and when will the minister table the report on the World Canada Youth project the publication of which, by the way, I understand is now 2½ months late? Finally, where is the much-touted national youth policy which, I would suggest, should have been the natural and logical outgrowth of the million-dollar David Hunter study of Canada's youth problem some three years ago?

I could go on and on listing the failures of this department as to film policy, museum policy and human rights or even educational support. I do not have the time for that. But the inescapable fact is that there has been either a major policy shift within the Department of the Secretary of State or a non-policy of drift and retrenchment. In either case, what the House needs from the Secretary of State is a frank and open, to the point statement about where he is going. I for one—and I am sure other hon. members will agree with me—find his evasiveness intolerable and unacceptable. When I ask him a question, as I did in my original question of December 7, I do not want to be corrected in superior tones regarding a question that I did not really ask; I want an answer. I insist that it is time a statement came from that department.

Mr. Joseph-Philippe Guay (St. Boniface): Mr. Speaker, the hon. member has, of course, ranged far afield from his original motion under Standing Order 43 and his original oral question. I would like to point out to the hon. member that youth programming by the Department of the Secretary of State and by the government has certainly not been abandoned.

The hon. member seems to view youth as a special class of citizens, a class which has interests which concern only one department. I should like to reaffirm that the government believes that young people are an integral part of society and that their concerns are much the same as those of other age groups in Canada. For this very reason we have initiated programs such as OFY, LIP and New Horizons which in essence open the federal treasury to groups of individuals who wish to devote time and effort to their communities. Opportunities for Youth was one of a number of employment and activities programs undertaken by the government to cope with a situation with which the private sector of the economy was unable to deal, namely, the vast number of students who join the labour force during the summer months.

I might point out that the initiatives undertaken by the government were as many and as varied as the desires of Canadians. Last year, besides Opportunities for Youth there were no less than 12 other employment and activities programs. I fail to see any basis in reality for the hon. member's contention that we have not and are not responding to the needs of youth and those of society as a whole.

The Department of the Secretary of State has programs dealing with second language training, hostel services and group travel. The Public Service Commission of Canada provides career-oriented summer jobs in all departments of the government. The Department of Manpower and Immigration has provided jobs and training for youth in student manpower offices and in Canada Manpower centres. The Department of National Health and Welfare administered three programs, one of which provided scholarships for Canada's young athletes. The Department of Industry, Trade and Commerce provided young people with an opportunity to work in industrial research projects. The Department of National Defence provided youth with a chance to gain experience in the militia, cadet and civilian training areas.

● (2320)

Mr. Speaker, I could list more initiatives by this government; however, I see my time is drawing to a close. I would simply like to point out that this Liberal government has provided programs for its citizens which are second to none in the world. No other government and no other party has shown the initiative, the creativity and the concern for human needs that this government has. The fact that many government departments are involved in the planning and administration of summer employment and activities programs merely shows that no one department can claim youth as its special clients.

In closing, Mr. Speaker, I should like to quote the Secretary of State (Mr. Faulkner) when he said:

> Youth is not a homogeneous group and never has been. Young people are as different from one another in their interests, their ambitions, and their abilities, as are the members of any age group. Neither is youth a distinct class concerned with its own problems and separated from the rest of society. Young people in this country wish to seek solutions to the problems that affect their communities generally, and not the members of their age group alone. This growing awareness by youth that their ties with all Canadians are much stronger than any differences, has an important lesson for us all.

We in the Liberal government feel that all government departments should be involved in servicing the needs of all its citizens. No other government in any country can match our record in responding to the needs and desires of its citizens of all ages.

SOCIAL SECURITY—ALLEGED FAILURE TO INCLUDE OVERSEAS SERVICE WITH ARMED FORCES IN QUALIFYING FOR OLD AGE PENSION

Mr. G. H. Whittaker (Okanagan Boundary): Mr. Speaker, on January 7 I received a copy of a letter which one of my constituents received from the regional director of old age security in Victoria. I read from it as follows:

> For our purposes we cannot consider you as physically present in Canada when we have confirmed that you were overseas with the Canadian armed forces from June 8, 1940, to March, 1946, and in addition left Canada again in November, 1946, the old age security act does not permit us to consider overseas service as physical presence in Canada for old age security pension purposes.

When I read that I said to myself, "What an outrage". I immediately sent a copy to the Minister of National Health and Welfare (Mr. Lalonde) informing him I intended to ask a question regarding this from the floor of the House the next day. My question was:

> Can the minister confirm to the House that it is the government's attitude at this time that overseas service with the Canadian armed forces cannot be considered as physical presence in Canada for old age security pension purposes, and therefore those who served Canada overseas are placed at a disadvantage compared with those who did not serve overseas?

The answer given by the minister was:

> It is not a matter of a government attitude, but of legislation voted by this parliament many years ago, including Old Age Security act, and the provisions of this act apply not only to the armed forces but to all persons who leave Canada for any reason whatsoever, whether they be religious organization members, civil servants or private business employees, to name a few.

After cries of "Shame" in the House, the minister went on to say:

> Mr. Speaker, I am afraid that several hon. members are crying "shame" about their own legislative record since this act was voted by parliament.
>
> However, Mr. Speaker, regulation No. 15 of the Old Age Security Act provides that an absence from Canada by members of the armed forces in relation with their work will not be considered as an interruption from residence here if they return to Canada after having completed their duties abroad.
>
> As for the other problem, I am studying this matter and I hope to have an answer on this subject.

I asked this further question:

> In view of the minister's answer, and having regard to a case currently before his department pertaining to this matter, will he undertake to look into the situation and report back to the House as soon as possible?

The answer the minister gave was:

> That is exactly what I said a few minutes ago. This is a matter which I previously considered within the forthcoming review of the Old Age Security Act. However, in view of the opposition we are encountering with respect to the passing of a number of amendments to the Canada Pension Plan, by way of systematic obstruction on the part of some hon. members of the opposition, I wonder at what speed—

That was the end of the minister's answer. Who are the veterans of Canada to believe—the minister's officials or his half-answers given in parliament? Does every veteran of this country have to come to his member of parliament to get the justice he deserves? The minister said in part of his answer that regulation No. 15 of the Old Age Security Act provides for an absence from Canada by members of the armed forces, in relation with their work, and this will not be considered as an interruption from here if they return to Canada after having completed their duties abroad. This man has complied, yet he is denied. What an outrage that veterans are being denied their overseas service! I am willing to have every veteran write me, and in their interests I certainly will take up their cause in the House.

The minister goes on to explain in his answer the progress of other pension legislation such as the Canada Pension Plan. It is the minister's perfect right to play party politics with the veterans of this country, but I cannot

justify my representative role in this House by engaging with the minister in partisan bickering while any of my constituents, and possibly thousands of other veterans, are being denied the pensions they deserve.

On behalf of my constituents I implore the minister to do two things. On behalf of every member of this House I implore the minister to do two things. On behalf of every veteran of this country I demand that the minister do two things. First, rescind the decision of his Victoria office denying my constituent the pension he deserves; and, second, issue immediately a directive to every one of his regional offices clearly spelling out the rights of the veterans.

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I assure the hon. member, first, that it was not lack of sympathy for the case of his constituent that brought forward the answer that was given the other day. If I had any discretion, obviously I would choose to do exactly what the hon. member has suggested. Unfortunately, I am required to act within the limits of the law, and I am sure the hon. member would not want me to act in an arbitrary way or, even worse, in an illegal way.

The case that has been brought to my attention, and I thank the hon. member for it, is obviously an unfortunate one. However, it results in particular from an amendment that was made to the Old Age Security Act in November, 1957, by the government of the day. I must say that the amendment was an improvement on the previous situation with regard to the length of time required before eligibility was established to receive the old age pension.

Although the government of the day passed that particular amendment, and although it was possible, on behalf of the government of Canada, to consider absence from Canada with regard to residents, or with regard to qualification for residence purposes, there was another qualification. The amendment could not be considered as applying to the other possible qualification which is based exclusively on physical presence in Canada.

I am advised by the legal officers of the government at present that we could only consider physical absence from Canada, even in the case of the armed forces, as amounting to physical presence in Canada if there were an amendment to the Old Age Security Act. Despite all my willingness and desire to help in this particular case, I am afraid I have not been given power by parliament to remedy the situation. However, let me assure the hon. member that I am indeed looking at this particular matter and I have asked for even the legal opinion to be reviewed. If this can be done without any amendment to the act, I would certainly try to do it if the appropriate regulations could be amended. However, I am afraid that the advice I will get is that the legal opinion which was given to the government must be maintained and I will have to come before parliament with an amendment to the legislation in order to provide for cases such as this one.

I also want to assure the hon. member that there are not thousands of cases like the one he mentioned. In this particular case, as he knows, the man has been absent from Canada for very extended periods over his life. There are few cases which would fall under that particular qualification.

Motion agreed to and the House adjourned at 11.31 p.m.

HOUSE OF COMMONS

Friday, January 11, 1974

The House met at 11 a.m.

[*English*]

SIR JOHN A. MACDONALD

TRIBUTE TO FIRST PRIME MINISTER OF CANADA

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, I rise on a question of privilege to salute this special day, January 11, which, although not a national holiday despite the eloquent representations of my colleague, the hon. member for Hillsborough (Mr. Macquarrie), deserves very special recognition from members on all sides of this House and, indeed, all Canadians.

January 11 is the birthday of our first Prime Minister, Sir John A. Macdonald—

Some hon. Members: Hear, hear!

Miss MacDonald (Kingston and the Islands): —the man who gave Canada its first national policy, the man whose vision encompassed a country extending from sea to sea. We do well to remember the extravagantly generous, even profligate, expenditure of his time and talents as a parliamentarian and as a great nationalist in order to see his dream fulfilled.

One of the fascinating things about this day, Mr. Speaker, is that the enduring powers of persuasion of Sir John A. Macdonald are still so great in influencing others to follow the art of politics. It is no mere coincidence, Sir, that in this present House six members share January 11 with Sir John A. as their birth dates: the hon. member for Saint John-Lancaster (Mr. Bell), the hon. member for St. John's East (Mr. McGrath), the hon. member for Lafontaine (Mr. Lachance), the hon. member for Gander-Twillingate (Mr. Lundrigan), the hon. member for Winnipeg South Centre (Mr. McKenzie) and the hon. member for Victoria (Mr. McKinnon). I am sure we all join in wishing them well on this special day.

Some hon. Members: Hear, hear!

ROUTINE PROCEEDINGS

[*English*]

BUSINESS OF THE HOUSE

PASSAGE OF NATIONAL PARKS BILL BEFORE RECESS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Joe Clark (Rocky Mountain): Mr. Speaker, I rise under Standing Order 43 on a matter of urgent and pressing necessity. The urgency arose yesterday with the indication that the Minister of Indian Affairs and Northern Development may not proceed this session with Bill S-4, which has been reported out of committee and which would establish eight new national parks. If the House gives unanimous consent to this motion, we would agree that there should be no debate on the motion or the bill. I therefore move, seconded by the hon. member for Comox-Alberni (Mr. Barnett):

That this House give unanimous consent to proceeding today with all remaining stages of Bill S-4, immediately upon the final disposition of Bill C-236.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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

* * *

INDUSTRY

PROPOSED CLOSING OF HAWKER SIDDELEY FORGING OPERATIONS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I also rise under the provisions of Standing Order 43. In view of the fact that the Hawker Siddeley plant at Trenton, Nova Scotia, intends to close its heavy forging and machining facilities, the largest of their kind in Canada, and the fact that this could do serious harm to the economy of the Maritimes, I move, seconded by the hon. member for Sault Ste. Marie (Mr. Symes):

That this House instruct the Minister of Industry, Trade and Commerce, to force Hawker Siddeley to keep the forging and machining facilities in operation.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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

1976 Olympic Games

INDIAN AFFAIRS

JOB OPPORTUNITIES FOR NATIVE PEOPLE—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I rise pursuant to Standing Order 43 on a matter of pressing and urgent necessity in recognition of the situation whereby native people are often at a disadvantage with respect to employment opportunities. Therefore I move, seconded by the hon. member for Kingston and the Islands (Miss MacDonald):

That the Prime Minister discuss with all his ministers having jurisdiction over departments and Crown corporations like Canadian National Railways, Air Canada, Central Mortgage and Housing Corporation, the Canadian Wheat Board, etc., the possibility of giving increasing emphasis to native people for employment opportunities and on the job training programs.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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

* * *

SUPPLY AND SERVICES

TRANSFER OF COMPUTER OPERATIONS TO PRIVATE FIRMS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Bill Knight (Assiniboia): Mr. Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43. In view of the fact that the Department of Supply and Services has closed its computer offices, giving $4 million annual business to Computel Systems Limited and Systems Dimensions Limited, I move, seconded by the hon. member for Meadow Lake (Mr. Nesdoly):

That all studies related to the decision to move the computer services to the private sector, be sent to the Standing Committee on Transport and Communications and that this committee be instructed to report to the House of Commons on all matters related to the use of such information by the two companies involved.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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

* * *

● (1110)

SPORTS

TELEVISION COVERAGE OF 1976 OLYMPIC GAMES—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity having to do with further recent statements that the contract for television coverage of the 1976 Summer Olympics was not put out to tender and that apparently part of the financing of this coverage involves an alleged gain by the Quebec Liberal Party. I therefore move, seconded by the hon. member for St. Paul's (Mr. Atkey):

That all further federal co-operation with COJO be suspended until a public inquiry is held into the letting of a TV contract to the ABC network and allegations of political gains and exclusion of other legitimate bidders are investigated.

[*Translation*]

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

Some hon. Members: Yes.

Some hon. Members: No.

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

* * *

[*English*]

HEALTH

ADMINISTRATION OF ST. ANNE'S HOSPITAL, FORT SMITH—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Wally Firth (Northwest Territories): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. In view of continuing problems concerning the administration of St. Anne's Hospital at Fort Smith in the Northwest Territories and in view of dissatisfaction with the curious manner in which the Commissioner of the Northwest Territories is handling the current investigation, matters which have been raised continuously by the local newspaper, *The Pilot,* I move, seconded by the hon. member for Comox-Alberni (Mr. Barnett):

That the minister responsible for the administration of health services in the Northwest Territories order an immediate and thorough inquiry aimed at making the facts of the case available to the public and at solving the problems which have led to a lack of confidence in the health services available at Fort Smith.

Mr. Speaker: The motion is proposed under Standing Order 43. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity.

* * *

ENERGY

OIL PIPELINE EXTENSION—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of

urgent concern to all Canadians. In view of the fact that though an oil pipeline from Sarnia to Montreal could be completed by an earlier date than a pipeline following an all-Canadian route, but would be able to supply only one-quarter of the needs of eastern Canada, I move, seconded by the hon. member for Timiskaming (Mr. Peters):

That this House recommend that if the Sarnia pipeline extension is built, the government also undertake to build an all-Canadian route so that self-sufficiency and security of oil supply may be assured.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent.

* * *

BUSINESS OF THE HOUSE

UNANIMOUS CONSENT TO REVERT TO MOTIONS LATER THIS DAY TO MOVE ADJOURNMENT

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, I had in mind seeking consent at this point to move an adjournment motion which might make it possible for the House to adjourn later today subject to the possibility of Royal Assent later and return late in February. Because of one or two uncertain elements in the picture I am unable to put the adjournment motion at this stage. Therefore, having had conversations with representatives of other parties, I am hopeful I might get the consent needed to revert to motions later today if the circumstances are propitious in order to move such a motion.

Mr. Bell: Mr. Speaker, we showed our initiative in co-operation yesterday and we shall be pleased to co-operate today along the lines suggested.

Mr. Knowles (Winnipeg North Centre): We agree with the request for consent to revert to motions later today to deal with this matter.

Mr. Speaker: Is it agreed and so ordered?

Some hon. Members: Agreed.

* * *

VETERANS LAND ACT

PROVISION TO PROTECT DOWER RIGHTS OF SPOUSES

Mr. Stuart Leggatt (New Westminster) moved for leave to introduce Bill C-250, to amend the Veterans Land Act.

Some hon. Members: Explain.

Mr. Leggatt: Mr. Speaker, the purpose of this bill is to amend the Veterans Land Act to protect the rights of spouses to file any claims under either provincial law or provincial statute that they may have for dower rights or

otherwise. At the present time, since land under the Veterans Land Act is registered in the name of the director of the Veterans Land Act, no claims can be filed in most provinces, thereby depriving spouses of rights that they normally have.

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

* * *

CRIMINAL CODE

REMOVAL OF SECTION 45 AS AVAILABLE DEFENCE TO CHARGE OF ABORTION

Mr. Sinclair Stevens (York-Simcoe) moved for leave to introduce Bill C-251, to amend the Criminal Code.

Some hon. Members: Explain.

Mr. Stevens: Mr. Speaker, this bill is designed to remove the unfortunate confusion that has arisen in respect of section 45 of the Criminal Code, which it has been suggested may be used as a defence to charges under section 251, namely the abortion provisions of the Criminal Code. This bill is designed to remove section 45 as an available defence to any charge under section 251.

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

* * *

CANADIAN BILL OF RIGHTS

DEFINITION OF WORD "INDIVIDUAL" TO INCLUDE ALL HUMAN BEINGS

Mr. Sinclair Stevens (York-Simcoe) moved for leave to introduce Bill C-252, to amend the Canadian Bill of Rights.

Some hon. Members: Explain.

Mr. Stevens: Mr. Speaker, the first right that we have under the Canadian Bill of Rights is the right of the individual to life. Unfortunately there has been some suggestion that "individual" does not necessarily include the individual who is unborn, and in some situations those who are either sick or the elderly. This bill is designed to define the word "individual" so that this word will be taken to mean all human beings, including unborn human beings, those "en ventre sa mère" and the aged.

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

* * *

THANKSGIVING DAY

PROVISION FOR NEW PROCLAMATION EACH YEAR

Mr. Mark Rose (Fraser Valley West) moved for leave to introduce Bill C-253, respecting the proclamation for Thanksgiving Day.

Some hon. Members: Explain.

● (1120)

Mr. Rose: Mr. Speaker, as our Thanksgiving proclamation now has been in use for 16 years, this bill seeks to require each year a new Thanksgiving proclamation to be issued by the government of Canada and read by His Excellency the Governor General of Canada.

It has been the traditional practice for the identical proclamation to be published annually and, because it is out of date, it frequently fails to acknowledge relevant and current benefits that have accrued to Canadians during the preceding year.

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

MOTION TO ADJOURN UNDER S.O. 26

[*English*]

VETERANS LAND ACT

PHASING OUT OF ACT BY MARCH 31, 1974

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I ask leave to adjourn the House pursuant to Standing Order 26 for the purpose of discussing a specific and important matter requiring urgent consideration, namely, the proposed phasing out of the Veterans Land Act by March 31, 1974, which will result in deying to over 100,000 veterans benefits available to them under the act, instead of increasing the maximum loan ceiling and reducing the lot requirements.

Some hon. Members: Hear, hear!

Mr. Speaker: As required by the rules, the hon. member for Humber-St. George's-St. Barbe has given notice of his intention to propose the adjournment of the House under the terms of Standing Order 26. The subject proposed for discussion by the hon. member relates to the phasing out of the Veterans Land Act by March 31, 1974.

It is hardly necessary to remind hon. members that the decision of the Chair under the Standing Order is strictly procedural and is not related to the importance of the matter or to the concern it may evoke among hon. members. The terms of the Standing Order and well established practice confirm that a number of requirements must be met before the business scheduled for consideration by the House on a specific day can be set aside. The subject proposed for discussion must be a new one in the nature of an emergency. In this particular instance it is relevant to note that the problem has been raised on a number of occasions over a long period of time by a number of members, and more particularly by the hon. member for Humber-St. George's-St. Barbe.

The Standing Order also requires the Chair to take into account the possibility that the matter might be discussed on other occasions, or that there may be other opportunities for debate. As hon. members know, all of the seven

days in the current supply period, which expires on March 31, are available now or would be available during March after a possible adjournment or prorogation. In addition, I think it is reasonable for the Chair to assume that other and additional opportunities for debate will be available in the month of March or before.

In view of the circumstances, the Chair has to rule that the proposed debate cannot take place today under the terms of Standing Order 26.

ORAL QUESTION PERIOD

[*English*]

THE CANADIAN ECONOMY

INFLATION—PLANS TO PROTECT INVESTORS IN INSURANCE OR CANADA SAVINGS BONDS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the right hon. Prime Minister. Does the government have any plans to help the Canadian who has managed to save a few thousand dollars and has perhaps invested it in insurance or Canada savings bonds, who now has no way at all to protect himself against inflation and who last year, for example, saw the value of the real purchasing power of his savings decrease by nearly 10 per cent? Has the government any plans to encourage such Canadians to continue to try to save a little money?

Right Hon. P. E. Trudeau (Prime Minister): In this particular case, Mr. Speaker, I have no plans to announce.

Mr. Stanfield: Having regard to those Canadians, and there are hundreds of thousands of them, who have perhaps put a little money into Canada savings bonds at an interest rate of about 7 per cent and have seen the real value of their savings decrease by nearly 9 per cent last year, does the Prime Minister regard it as part of the just society that, in addition, the government also taxes the income such a Canadian receives from that investment in spite of the fact he has actually lost 10 per cent during the course of the year?

Mr. Trudeau: The just society is something toward which we must strive every day, and I would be happy to receive any constructive suggestions from the Leader of the Opposition.

An hon. Member: Resign!

Some hon. Members: Oh, oh!

Mr. Hees: A new government would help.

Mr. Stanfield: Mr. Speaker, yesterday the Prime Minister expressed concern that an incomes policy is hard on the little man and easy for the rich man to get around.

Mr. Speaker: Order, please. I assume the Leader of the Opposition will be asking a question. I do not think we should become involved in debate at this stage.

Mr. Stanfield: Mr. Speaker, my question is this: Is it the position of the Prime Minister and his government that it is preferable to follow policies which make life practically impossible for the unorganized worker and destroy the savings of the little man who is trying to save some money, while creating thousands of new millionaires who are able to take advantage of the situation.

Mr. Trudeau: No, Mr. Speaker.

* * *

NATIONAL SECURITY

ACTIVITIES OF COMMUNICATIONS BRANCH OF NATIONAL RESEARCH COUNCIL—SUGGESTED TRANSFER ELSEWHERE

Mr. David Lewis (York South): Mr. Speaker, I want to ask the Prime Minister a question regarding the special communications branch in the National Research Council to which reference was made yesterday and I think the day before. Has the government given consideration to the propriety of a middle power like Canada being involved in intercepting and decoding foreign information not so much for its own use but for the use of one of the super powers? Is such an activity of value to Canada's own interests or does it merely underline Canada's satellite position in international affairs?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the government has assessed from time to time its activities in this general area, and I say "general" because I am not agreeing with the facts as stated by the hon. gentleman. We have assessed it from time to time and we have decided to continue any security and intelligence activities which are of benefit to Canada and to discontinue any which might be of benefit merely to a foreign power.

Mr. Lewis: Mr. Speaker, in view of the fact the National Research Council obviously is not the appropriate agency for such an operation and that consequently the president and the council are made responsible for a division about which they probably know nothing and over which they have no control, may I ask the Prime Minister whether the government would consider taking this operation out of the National Research Council and placing it in a more appropriate department such as the RCMP or National Defence or under the super-spy, the Secretary of State for External Affairs?

Mr. Trudeau: Mr. Speaker, I am not prepared to confirm the existence of the operations the hon. member has mentioned in his allegations, but I am happy to take note that he says there are some areas of government where spying operations should be conducted and I will consider his suggestions.

Mr. Lewis: I have a final supplementary, Mr. Speaker, because I do believe that these matters are of importance to this country. I want to ask the Prime Minister the following question. In view of the fact Canada has a normal avenue of co-operation with the United States and other countries, such as the co-operation between the RCMP and the FBI in the United States, between the Department of State and embassies in Washington and between the Department of External Affairs and embassies in Ottawa, may I ask the Prime Minister whether the time has not come for the Canadian authorities to cease to have anything to do with the CIA in the United States which has been involved in some of the most discreditable actions across the world?

● (1130)

Mr. Trudeau: Mr. Speaker, the RCMP, when it deals with its opposite numbers in other countries, is not making a judgment on the policies of the governments which our government has judged to be friendly and allied. The CIA is the organization set up by the responsible government in the United States. If my hon. friend has some representations to make against them, I would gladly convey them through the proper channels if he wants to transmit them to me.

* * *

[*Translation*]

UNEMPLOYMENT INSURANCE

ALLEGED DELAY IN PAYMENT OF BENEFITS IN QUEBEC REGION

Mr. Gilles Caouette (Charlevoix): Mr. Speaker, I wish to ask a question of the Minister of Manpower and Immigration.

In view of the numerous applications for unemployment insurance which are withheld in the Quebec City regional office because the notices of termination of employment have supposedly not been received yet, can the minister give the House guaranties that he will have an inquiry made in the Quebec office, because checks with recipients have revealed that two, three, or even four notices have been addressed to the office? Will the minister inquire and tell the House what decision he intends to take concerning this problem?

[*English*]

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I will certainly inquire. If the hon. member has details regarding the particular firms or locations involved, they would be of help to me. I must say, however, that the responsibility for producing the necessary evidence, which includes indication of severance, is a fundamental requirement for entitlement under the act, and that responsibility lies with the employer and the claimant, although we will do everything we can to help expedite it.

OBJECTION BY TORONTO TRANSIT COMMISSION TO PREMIUM INCREASE—POSSIBILITY OF LEGISLATION AMENDING ACT

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I wonder if the minister is aware or has received notice of the objection by the Toronto Transit Commission which seeks some relief from the increase in unemployment insurance premiums as the cost to the commission will be approximately $1 million in 1974, some $450,000 more than in 1973? Has he received such a statement of concern and, if so, what has been his reply?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, such a specific communication has not crossed my desk. I certainly have seen allusions to this in the press but I have not personally received directly such a representation.

Mr. Alexander: In light of the fact that when I asked the minister the other day whether he was seeking to bring in legislation that would increase the minimum qualifying period he indicated to me that he was not looking at the act in isolation, can the minister now advise the House whether in fact he is looking at the act in its entirety in order to make sure that legislation is referred to in the Speech from the Throne? Is this the minister's intention?

Mr. Andras: I do not think I can elaborate with value on the comment I made on that very subject in my statement to the House on November 7, I believe, when I said that we were examining the policy and the legislation in light of the full year's information with all the data available.

* * *

NATIONAL SECURITY

REQUEST FOR INQUIRY BY ROYAL COMMISSION

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I should like to point out to the Prime Minister at once that I share his general view in connection with security and realize how very easy it is for anyone to conjure up weaknesses in security because the subject cannot be discussed openly and in parliament. For that reason I ask him whether or not the government will give consideration to a course that has been followed in the United Kingdom of setting up a royal commission, headed by the Chief Justice of Canada, I would suggest, to look into the whole question of security to the end that Canadians will learn that our security is well placed or, if not, about its weaknesses, and above all so it will show that we are indeed not a satellite of any other country?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, if the right hon. gentleman will permit me to refresh his memory, we had a Royal Commission on Security which entered its report a few years ago, I believe three and a half or four years ago. We have implemented many of the recommendations of that report, although not all of them. Indeed, one of them was that we should have a security branch which would be entirely civilian and separate from the RCMP, but because of our lasting confidence and respect for the RCMP we decided to have the security and intelligence branch remain under the general authority of the commissioner. Incidentally, that is why the Solicitor General has been able to refute the unfounded allegation of the right hon. gentleman about the Crown disappearing from the uniform, an allegation which I would like the right hon. gentleman to retract.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Diefenbaker: Mr. Speaker, I would not have been able, except with the assistance of the Prime Minister, to rise on a question of privilege, and I thank him for the opportunity he has provided to me by that gratuitous statement.

May I say at once that the Solicitor General alleged with much pride—he is now being joined by the Prime Minister who apparently has been converted to the RCMP after what he did to destroy them a year and a half ago—that a crown has now been produced that otherwise would not have been and we have one more crown. Let me point out that this crown, a part of the emblem of the RCMP, is now being placed on a tieclip and will be totally invisible to anyone; it is a miniature emblem. The statement I made was entirely well-founded and the explanation by the Solicitor General outside the House was one that will not hold water in any way. The crown—

Mr. Speaker: Order, please.

Mr. Trudeau: On the same question of privilege—

Mr. Speaker: Order, please. I think I have to remind the right hon. gentleman that he has risen on a question of privilege, but it seems to me more a question of debate.

Mr. Diefenbaker: No.

Mr. Speaker: If he has a question of privilege, perhaps he should indicate to the Chair in what way it is privilege so that I may make a ruling.

Mr. Diefenbaker: Simply the fact that a minister outside the House went as far as he could toward falsifying the facts and pretending that the crown had been added when all that was done was that a picayune tieholder or clasp with the actual emblem of the RCMP has been added.

Mr. Trudeau: On the same question of privilege, Mr. Speaker, I do have a question of privilege because the integrity of one of my ministers has been brought into question.

Mr. Diefenbaker: Not integrity.

Some hon. Members: Oh, oh!

Mr. Horner (Crowfoot): And Lang's.

An hon. Member: There will be one great shuffle this year.

Mr. Trudeau: The right hon. gentleman has made an allegation based, as he said, on a document or a circular to the effect that the crown was being removed from the uniform and now is trying to hide that allegation by diverting attention to the fact that not only was it not removed but one was added that he finds it too small. I think the right hon. gentleman, if he were not being merely mischievous in inventing these calumnies about the minister, should have the honour and decency to apologize to the House.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Some hon. Members: Resign!

• (1140)

Mr. Speaker: Order, please.

Mr. Diefenbaker: Mr. Speaker, on a question of privilege—

Mr. Speaker: Order, please. I will recognize the right hon. gentleman, who rises on a question of privilege, but I would seek the co-operation of hon. members, including right hon. members, so that we might get on with the question period as we are quickly running out of time.

Mr. Diefenbaker: Mr. Speaker, I rise again on a question of privilege. The Prime Minister mentioned, in his reply to me a moment ago, that apparently my memory was at fault. I at no time forgot two years of my life—

Some hon. Members: Oh, oh!

Mr. Diefenbaker: —and I recall—

Mr. Speaker: Order, please. The right hon. gentleman has risen on a question of privilege. I assume it is a new question of privilege. The right hon. gentleman rose in the first instance on a question of privilege and at some length indicated what the question was. The right hon. Prime Minister replied to the question, as was his right. Now the right hon. member for Prince Albert seeks the floor on another question of privilege. I would hope we could bring this matter to some conclusion.

Mr. Diefenbaker: Mr. Speaker, the Prime Minister has referred to the RCMP and the attitude of the government. I remind him of the fact that—

Mr. Sharp: What about the crown?

Mr. Trudeau: Yes.

Mr. Diefenbaker: The Prime Minister keeps on interrupting. I remind him that he will not qualify for the description that is generally used of him, "PET", so far as I am concerned.

Mr. Speaker: Order, please. I would hope the right hon. gentleman would try to assist the House and the Chair, if he has a question of privilege, by indicating what that question is because we do have to try to make headway.

Mr. Diefenbaker: Mr. Speaker, I always follow that course, but when there are petty interruptions from the Prime Minister I will answer them. He speaks of the RCMP. Has he forgotten that, when I said a year and a half ago that "RCMP" was being removed from detachment buildings and vehicles, he said outside the House that it was not true, but when 30,000 people in western Canada pointed out that they had seen it then he came around to the explanation that people did not know what RCMP meant.

Mr. Speaker: Order, please. What this additional statement has to do with privilege is beyond my comprehension.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Speaker: The hon. member for Winnipeg North Centre.

Mr. Allmand: Mr. Speaker, on a question of privilege—

Mr. Speaker: I apologize to the hon. member for Winnipeg North Centre, but the minister rises on a question of privilege.

Mr. Allmand: Mr. Speaker, the right hon. gentleman from Prince Albert has just accused me of making false statements outside the House and, I believe, inside the House. I want to say that in the House he insinuated that by RCMP administrative bulletins Nos. 54 and 78 some change was being made in the RCMP insignia by taking away the crown from the RCMP uniform. I pointed out inside the House and outside the House that bulletin No. 54 did not deal with the uniform, crest or crown but with postal codes, and that bulletin No. 78 dealt with some minor changes in the uniform such as a lighter summer shirt and wider tie. The only reference to the crown or crest of the RCMP was that we were now adding the RCMP crest to the tieclip. In fact, that there was no removal but an addition of the crown, even though a small one.

Some hon. Members: Hear, hear!

Mr. Speaker: Now that all these important and far-reaching questions of privilege have been debated and settled, the Chair will now call on the hon. member for Winnipeg North Centre.

* * *

CONFLICT OF INTEREST

ALLEGED DUAL CAPACITY OF MEMBER OF PRIME MINISTER'S STAFF

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the right hon. the Prime Minister. In view of the fact that a member of the Prime Minister's staff who works in the field of press relations is now the vice-president and general manager of the consulting firm which has been hired to make the press arrangements for the forthcoming first ministers' conference, and in view of the fact that even though this person plans to leave the Prime Minister's office some time in February he is at the moment in a dual capacity, may I ask the Prime Minister what he intends to do about this obvious conflict of interest?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the first thing I intend to do is to say that the hon. gentleman is repeating allegations which are completely false and unfounded. Mr. Chapman is not vice-president and general manager of any such firm, and I regret that the hon. gentleman in his question alleged such things as facts. Mr. Chapman has no connection with that firm. He has indicated to me that he intends to resign from my office at the end of the month and thereafter take some position in that company.

Some hon. Members: Oh, oh!

Mr. Trudeau: That is the fact.

Mr. Baker: Some free advertising.

Mr. Trudeau: Mr. Speaker, I think this is the proper way of proceeding. Had Mr. Chapman not warned me in advance I would think there might be some questions from over there, but he has told me he is going to seek separation from my office and go to work in other fields. I think this is perfectly honourable conduct, and I would like to know what is reprehensible about it.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, if I quoted something from the press which turns out to be inaccurate, that, of course, can be corrected. But I ask the Prime Minister if it is not a fact that in his discussion about conflict of interest he has himself called for full disclosure, and will he arrange for a full disclosure on the part of Mr. Chapman of any interest he now has, pecuniary, or otherwise, in the consulting firm that has been given this contract?

Mr. Trudeau: Mr. Speaker, the hon. gentleman missed my answer. I indicated that Mr. Chapman had precisely made that disclosure to me. He told me he had no connection whatsoever. He had been in discussion with these people. He indicated to me that there was an interesting future for him there and that he intended to resign from my office at the end of the month and seek employment there.

Mr. Speaker: The Chair will recognize the hon. member for Winnipeg North Centre for a second supplementary, after which I will see the hon. member for Egmont.

Mr. Knowles (Winnipeg North Centre): As a last supplementary question, Mr. Speaker, may I ask the Prime Minister if it is not true that Mr. Chapman's having a job agreed to and arranged for is in fact a connection with that firm?

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REGIONAL ECONOMIC EXPANSION

ATLANTIC REGION—CEILINGS ON CAPITAL COST AND DIRECT JOB INCENTIVES—CONSULTATIONS WITH PROVINCES ON INCREASES

Mr. David MacDonald (Egmont): Mr. Speaker, my question is directed to the Minister of Regional Economic Expansion. In view of the fact that the Atlantic region, one of the designated regions under the minister's department for special development assistance, is being hurt increasingly by growing unemployment and rising costs, particularly related to energy, an important component in industrial development, has the minister consulted with the premiers and the ministers of industry in the Atlantic provinces about the reduction, as of the end of 1973, of capital costs from 35 per cent to 25 per cent, and of direct job provisions from $7,000 to $5,000, with the view that some appropriate increase must take place to offset rising costs in particular?

[Mr. Trudeau.]

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Mr. Speaker, I have had conversations, both in a general way and in a specific way, on the energy question with the appropriate minister, at least in the province of Newfoundland. The figures the hon. member quoted are, of course, the maximum figures. They do not necessarily reflect what has been given in the past. I have asked our incentive people, in terms of working out a new formula for incentives under the Regional Development Incentives Act, first of all to see what changes might be desirable in terms of these levels and also to take the cost of energy in production into account in determining the level of grants we might give. In other words, while the ceiling was 30 per cent or 35 per cent in some instances, it very rarely reached that figure so that I do not believe the reduction will have a significant effect on the actual level of grants made.

Mr. MacDonald (Egmont): Can the minister indicate whether there has been any lessening in terms of industrial activity and expansion in the region, or whether there has been any specific request from provincial governments with regard to the restoration of this ceiling in order that there will not be an increasing disadvantage for industrial development in the Atlantic region?

● (1150)

Mr. Jamieson: Mr. Speaker, on the specific question, the answer is no. I might point out to the hon. member that 25 per cent was, of course, the ceiling until such time as Montreal and the Montreal area were designated for a very limited period. At that time the Atlantic provinces representatives suggested they would prefer to be with the 25 per cent and have Montreal dedesignated, so when we dedesignated Montreal this automatically brought it back to the former level. There is no representation in that regard at the moment, but there are a number of conversations going on with all four Atlantic provinces with regard to specific and major undertakings. I might say, with your indulgence, Mr. Speaker, that one of the questions I discussed only recently is the whole question of the lower Churchill Falls development and the utilization of that energy particularly in the province of Newfoundland.

Mr. Speaker: Order, please. Practically all the members on my left have risen. There are about ten minutes before the end of the question period. I will recognize the hon. member for Dartmouth-Halifax East, if he will be patient, in a moment, but I remind hon. members that there are just ten minutes before the end of the question period and it is difficult to expect that all members who rose a moment ago can be recognized.

HALIFAX AND DARTMOUTH—INQUIRY AS TO APPOINTMENT OF OFFICERS OF METROPOLITAN AREA GROWTH INCENTIVES CORPORATION

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, my supplementary question is for the Minister of Regional Economic Expansion. Inasmuch as enabling legislation with regard to MAGI, the Metropolitan Area Growth Incentives Corporation for the metropolitan area of Halifax and Dartmouth, was passed by the House in September, 1972, and inasmuch as we have yet to have a

chairman and vice-chairman appointed and a functioning office established, is the minister now prepared to tell the people of Atlantic Canada, particularly the people of the metropolitan area, when we may expect this long overdue appointment, delayed by inexcusable political consideration, to be made so that we have a chairman?

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Mr. Speaker, the position, as I have indicated on a number of occasions, is that this appointment must be made jointly by agreement with the province of Nova Scotia. The federal government has made to the government of Nova Scotia a number of proposals, one, most specifically, with regard to an appointee who was satisfactory to the Department of Regional Economic Expansion. This particular nominee was not acceptable to the government of Nova Scotia. I have communicated with the premier of Nova Scotia. I am anxious to have this officer appointed post-haste, and I hope the premier will give us his suggestions in the very near future.

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[*Translation*]

INDUSTRY

SHORTAGE OF CAST IRON FOR QUEBEC FOUNDRIES

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I should like to ask a question of the hon. Minister of Industry, Trade and Commerce.

Since the large companies that use cast iron for their production offer higher prices to Quebec foundries in order to obtain supplies required, which is to the disadvantage of small businesses, has the minister received representations on this subject from Quebec industries and, if so, what action is he planning to take to obtain a better distribution of this precious alloy?

[*English*]

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, if I understood the hon. gentleman's question, it had to do with the use of scrap metal in Canada. There have been considerable discussions on the part of the government with dealers and users of scrap in an effort to overcome the scarcity of supply brought on by the United States' imposition of controls on the export of scrap metal to Canada.

[*Translation*]

Mr. Lambert (Bellechasse): Mr. Speaker, I should like to put another question to the Minister of Industry, Trade and Commerce. I think he misunderstood the words I used. I was not talking about scrap but about cast iron. This alloy is used by Quebec foundries to produce parts for small businesses. Since large companies also use cast iron for their products, they are offering higher prices to guarantee their supplies. I have received complaints about this. This is why it—

Mr. Speaker: Order, please. Will the hon. member allow the minister to reply to his question? Time is short.

[*English*]

Mr. Gillespie: Mr. Speaker, there appears to be a problem with regard to the definition of foundry feed stock. I will be pleased to meet the hon. member after the question period and go into the matter with him.

* * *

HOUSING

ROCHDALE COLLEGE, TORONTO—REQUEST FOR ACTION TO REMOVE DRUG ADDICTS AND PEDDLERS

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, may I direct my question to the Minister of State for Urban Affairs. In view of the finding of a coroner's jury dealing with a death in Rochdale College that the manager is frightened to evict certain people from Rochdale College because there are drug addicts and drug peddlers, would the minister now take action to clean up this mess in Toronto?

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, I have taken as vigorous action as the law allows. As the hon. member knows, the federal government, or CMHC, does not have possession, nor is it entitled to possession of the building. As a result of our foreclosure action, we are awaiting the decision of the trial court in Ontario, which I hope will award us possession. In that case we, as the possessor of the building, will act as vigorously as possible to protect both the public interest and the lives and safety of the people in the building.

Mr. Woolliams: Mr. Speaker, this is a very important question. Clarkson and Gordon are, I assume, the administrators of this bankrupt enterprise on which thousands of dollars of the taxpayers' money have been spent. I ask the minister, who answers for CMHC, if he will not take action now to evict and remove these drug peddlers and drug users who are a cancer on society in that particular area?

Mr. Basford: Mr. Speaker, I should make it clear, and I thought the hon. member as a lawyer would understand the situation better than he apparently does, that Clarkson and Gordon are in possession of the building and are managing it by order of the court of Ontario on behalf of all creditors. They are not receivers on behalf of CMHC.

Mr. Woolliams: But they became the administrators with the consent of the minister, Mr. Speaker.

* * *

SPORTS

MONTREAL OLYMPIC GAMES, 1976—REQUEST FOR INQUIRY INTO AWARDING OF TELEVISION CONTRACT

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, my question is to the Prime Minister. Can the Prime Minister advise the House as to what discussions he has had with COJO, the Montreal Olympic Organizing Committee, if any, regarding the letting of the television contract to the American Broadcasting Company for $25

million, without tender, to cover the Montreal Olympic games when the National Broadcasting Company had in fact indicated that they were prepared to bid up to $32.9 million, without any strings attached?

Right Hon. P. E. Trudeau (Prime Minister): I have had no discussions of that kind, Mr. Speaker.

Mr. Jelinek: I wonder whether the Prime Minister knows that Carl Lindeman, Vice-President of the Columbia Broadcasting System, in addition to not being given a chance to bid for the contract was told point blank that he would have to kick in $5 million to the Quebec government for pay-offs if he wished to negotiate a contract with COJO, and that he refused to do business with Canada along those lines? Will the Prime Minister advise the House whether he is willing to take immediate steps to initiate an inquiry into the many and constant allegations arising from the ABC contract with COJO, inasmuch as the contract was finalized without giving the other networks an opportunity to bid for the coverage of the Montreal Olympic games?

Mr. Speaker: Order, please.

Mr. Trudeau: Mr. Speaker, it is not the policy of my government to look into the dealings and decisions of a provincial government in matters within its jurisdiction. If I understand it to be the policy of the Conservative party that I should suggest such a course to Premier Bourassa, I will do so, but I would want to know if the hon. member is speaking on behalf of his party.

Some hon. Members: Oh, oh!

Mr. Stanfield: Mr. Speaker, on a point of order—

Mr. Speaker: Order, please. I appreciate that the Leader of the Opposition wants to rise on a point of order. He will be recognized in a moment. I remind hon. members that we should try to limit supplementaries as much as possible.

Mr. Stanfield: Mr. Speaker, I rise simply because the Prime Minister has made a statement that is very misleading. The hon. member's question related to the responsibility of this government with regard to a project being supported by this government. The Prime Minister tried to twist this around in an attempt to indicate that we want to interfere, somehow improperly, in provincial affairs. Is the Prime Minister prepared to exercise his responsibility to look into a matter that clearly involves the responsibility of this government?

● (1200)

Some hon. Members: Hear, hear!

Mr. Trudeau: Mr. Speaker, the extent of the involvement of this government was made quite clear to the House of Commons in a statement by me in the House in January of last year. I spelled out that involvement. I indicated to the House we would not support the Olympic project at all if it did not have the support of the House of Commons. The support of the House of Commons was given, including that of the Conservative party. We are living up to every undertaking the government undertook to discharge in every aspect as regards COJO and the Olympic project, but we have not undertaken to monitor the relations between COJO and the provincial government any more than we have decided to monitor the relations between the federal Conservative party and the Toronto government in its dealings.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

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CAPE BRETON DEVELOPMENT CORPORATION

ACTION TO INCREASE PAYMENTS TO PRERETIRED COAL MINERS

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, my question is for the Minister of Regional Economic Expansion who is responsible for the Cape Breton Development Corporation. It is related to an earlier question I posed to the minister on December 10. On that occasion, I raised the question of an increase in the allowances received by preretired coal miners in Cape Breton. At that time the minister replied that Devco would have the government's complete approval if the corporation were to increase the allowances now received in accordance with the actual cost of living. What steps has the minister taken since that time to bring this about, and how soon will the expressed approval of the government be implemented? Also, does the minister have knowledge of what steps the corporation has taken or is taking to implement the government's complete approval of this action?

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Mr. Speaker, without being precise as to dates and without checking the record, my recollection is that, in terms of the last submission by Devco of their capital budget and the various changes which were made in the preretirement plan, pensions and so on, it was agreed at that time that pensions would be escalated on the same basis as the Canada Pension Plan. Without checking the dates, I cannot be sure that has actually happened in terms of the Canada Pension Plan or when it happened, but the two are now in concert. One will go up at the same rate as the other. The increase will be on the same basis as the Canada Pension Plan.

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SPORTS

MONTREAL OLYMPIC GAMES, 1976—RESPONSIBILITY FOR ALLEGED ADDITIONAL COST OF COVERAGE BY CANADIAN BROADCASTING CORPORATION

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, my question is directed to the Prime Minister. It refers to the previous series. In view of reports that costs for coverage of the 1976 Montreal Olympics by the CBC, which will act as host broadcaster, may soar well beyond the $25 million federal commitment articulated by the Prime Minister on February 2, 1973, has there been any further commitment

by the government of Canada to cover these added costs or will they be borne by the province of Quebec or the CBC?

Right Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker, there has been no further commitment by the government. I see the Secretary of State, who answers for the CBC, indicating that my statement is correct. It will, of course, be important for the CBC to make sure it does not go beyond the authorization of parliament, an authorization which was given by most members of the House.

MONTREAL OLYMPIC GAMES, 1976—ALLEGED DEAL BETWEEN ABC AND COJO FOR BROADCAST RIGHTS—REQUEST FOR INVESTIGATION

Mr. Mark Rose (Fraser Valley West): As it is alleged that the non-tendered $25 million contract between ABC and COJO involved a $5 million under the table deal with the Quebec Liberal party, is the government of Canada investigating this allegation—that is all it is at the moment—with a view, if it is confirmed, to lessening the government of Canada's contribution for Olympic broadcasting coverage by an equal amount?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the question is hypothetical in its form. However, I hope this matter will be drawn to the attention of the government of the province of Quebec and that it will be able to refute these facts for all to hear.

Mr. Speaker: Order, please. Hon. members will appreciate we have just about reached or gone beyond the time allocated to the question period. I was hoping we could have two or three more questioners, but if we get involved in points of order we might as well go on with government business. The hon. member for Fraser Valley West rises on a point of order.

Mr. Rose: Mr. Speaker, my point of order has to do with the reply just made by the Prime Minister. I would like to ask him how one can refute facts.

Mr. Trudeau: Mr. Speaker, I stand corrected. I obviously should have said the alleged facts.

* * *

VETERANS AFFAIRS

REQUEST FOR EXTENSION OF DEADLINE FOR EXPIRY OF VETERANS LAND ACT TO ENABLE CONSULTATION WITH VETERANS ORGANIZATIONS AND REFERENCE TO COMMITTEE

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, my question is for the Minister of Veterans Affairs. In view of the mounting protests, representations and resolutions being received by the minister's office from veterans' organizations and veterans, has the minister had consultation with the veterans organizations of Canada who want to extend the March 31 deadline under the Veterans Land Act? Will he indicate what consultations he is having and what his reaction is?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Mr. Speaker, I first wish to tell the hon. member that as far as the Veterans Land Act is concerned there has been considerable discussion and talk. In 1962, parliament passed an act which stated the cessation date would be March 31, 1974. Also, previous to that, eligibility for building certificates was to be in the hands of veterans by 1968. This was done quite some time ago. I think the hon. member is very familiar with the government that did that. At that time there were other plans available to veterans. Those other plans were re-establishment credits and university training. They were phased out. I also want to say we are certainly looking at this again. We want to keep faith with the veterans who did apply.

I remind the hon. member it is 30 years since the end of world war II and 20 years since the end of the Korean war. This has not been rapidly brought upon the veterans. At the same time, we are taking a close look at it. If I have sufficient information to make me think this date should be changed, I will so recommend to the government. However, it is something that has been in process for a long period of time. We have to assess the facts. We have to keep faith with those for whom this program was designed and they in some cases have to keep faith with us.

Mr. Marshall: In view of the co-operation of the minister, will the government House leader direct a reference to the Standing Committee on Veterans Affairs so that we can call the veterans' organizations to express the feelings of hundreds of thousands of veterans on the phasing out of this act?

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, I will be happy to consider that. I will consult with the Minister of Veterans Affairs. I have the feeling we might as well stay if we want to continue the work of parliament at this time by continuing committee work. However, I will consider the proposal.

* * *

● (1210)

TRANSPORT

REQUEST FOR ACTION TO PREVENT RAILWAY FREIGHT RATE INCREASES ON STEEL SHIPPED TO WESTERN CANADA

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, I have on two occasions requested the Minister of Transport to investigate the announced freight rate increases affecting western Canada. Can the minister tell us today what action he is contemplating to prevent these increases and require the two major railway companies to honour the commitment made by the minister during the Western Economic Opportunities Conference that freight rates would not be increased for 18 months until a study had been carried out? Can the minister give us an answer today? The House is adjourning and we would like to know.

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I have honoured my commitment. I think it is wrong to state in the House that I have not done so. The rates which were frozen were normal and competitive rates, not negotiated rates. I think the commitment has

been complied with by the railways. If the hon. member has other representations to make, that is another matter.

* * *

ENERGY

FUNDY TIDAL POWER—AVAILABILITY OF REPORT OF REVIEW COMMITTEE BEFORE FIRST MINISTERS CONFERENCE

Mr. Robert C. Coates (Cumberland-Colchester North): Mr. Speaker, my question is to the Minister of Energy, Mines and Resources. The minister informed me last week that he would find out whether the results of the re-examination of the Fundy tidal power report would be available before the meeting of first ministers takes place. Is the minister now able to tell us when this report will be available?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): My understanding is that the studies which were commissioned by the joint federal-provincial commission will be available by the end of the month, and I hope to be able to report to the hon. member as soon as the commission can report to me concerning its conclusions.

FORTHCOMING FIRST MINISTERS CONFERENCE—REPRESENTATION FOR YUKON AND NORTHWEST TERRITORIES

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, my question is also directed to the Minister of Energy, Mines and Resources. Is the minister in a position to answer the question which was raised on Tuesday of this week by the hon. member for Yukon, and tell us whether arrangements have yet been made to permit representation of the northern territories at the federal-provincial energy conference later this month?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): As I indicated earlier, since this is to be a meeting of first ministers the arrangements are being made by an agency of government other than my own department. My understanding is that arrangements have not yet been completed with regard to this matter but perhaps my colleague, the Minister of Indian Affairs and Northern Development, could comment on the specific question of representation of the territories.

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): This question is being looked into. I can assure the hon. member that the Northwest Territories and the Yukon will be adequately represented at the conference.

INCLUSION OF YUKON AND NORTHWEST TERRITORIES IN EQUALIZATION OF FUEL COSTS

Mr. Erik Nielsen (Yukon): May I ask a supplementary question which was not answered directly by the Minister of Energy, Mines and Resources when I put it to him the other day? It has to do with the policy of the government of Canada with respect to treating the Yukon and the Northwest Territories in the same way as other regions of Canada under the fuel cost equalization policy. The minister's commissioner said this should be done. Was he stating government policy when he made that statement?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, obviously if a policy of uniform oil prices across Canada is adopted, it will certainly apply to the Yukon and Northwest Territories as well as Nova Scotia and New Brunswick.

[*English*]

Mr. Speaker: Orders of the day.

Mr. Dick: On a point of order, Mr. Speaker. I did not intend to rise today until I heard the answer given by the Prime Minister to the hon. member for High Park-Humber Valley to the effect that the federal government did not have any jurisdiction when it came to looking into an allegation of criminal activity, that it was entirely a provincial matter because it involved a provincial government. I think it is a matter of importance that the Minister of Justice, who is also Attorney General, and who has responsibilities in connection with the Criminal Code, certainly including the power to enforce sections 107, 108 and 110—

Mr. Speaker: Order. That is obviously a matter of debate, not a point of order.

Mr. Dick: I submit it is a point of order, that perhaps the Prime Minister should know now so he can take action if the House is going to adjourn.

Mr. Speaker: That is a representation, not a point of order.

Mr. Munro (Esquimalt-Saanich): Mr. Speaker, I, too, rise on a point of order. With due respect to Your Honour, I have been on my feet every day this week during the question period seeking to ask a question which I consider to be an important one. Your Honour has been most indulgent today. There have been a number of questions of privilege and points of order raised during the question period. You have allowed the period to run beyond the normal 40 minutes. I recognize this. I should like to appeal, through you, to hon. members of the House, on behalf of those of us who sit in the back row, to permit those of us who have questions to ask to be given an opportunity to do so. The question I have in mind has nothing whatever to do with my constituency. I am looking for security in the Canadian public service—this is the portent of my question. I would be most grateful if those of us in the back row, whom Your Honour has been unable to recognize and who have questions to ask, could have some means by which they could be recognized on the third or fourth day.

Some hon. Members: Hear, hear!

Mr. Speaker: That is a very good point and one with which I sympathize. I notice that the hon. member's support comes from the third, fourth and fifth rows. I am in full agreement with the point made. As hon. members are aware, I frequently call for co-operation in limiting supplementaries so as to give increased opportunity to mem-

bers in the back rows to ask their questions. The question period has been extended by some 15 minutes today and this, I suggest, takes into account the so-called questions of privilege and the so-called points of order which have been raised.

Mr. Reynolds: Mr. Speaker, my point of order relates to the question directed to the Minister of Transport by the hon. member for Prince George-Peace River. The minister said something about negotiated rates not being covered in his original statement to the House. I just wonder what negotiated rates are, because the five leading steel companies of Canada have demanded that these increases should not be imposed—

Mr. Speaker: Order. I am sure the hon. member will appreciate that this is debate. What that has to do with the Standing Orders of this institution is again beyond me. This is strictly debate and not a point of order.

Mr. Stackhouse: Mr. Speaker, I rise in relation to the same point of order.

Mr. Speaker: It would have to be another point of order. Is the hon. member referring to the point of order raised by the hon. member for Esquimalt-Saanich? If so, I will recognize him for that purpose.

Mr. Stackhouse: What I should like to do is request the consent of the House to revert to motions so that I might move that the question period be extended by at least ten minutes. I plead with you and the House to consider this request. I am reluctant to interrupt the regular business of the House but, like many other hon. members, I am supposed to represent a constituency. Since we returned from the Christmas break I have been endeavouring to ask a question of some significance to the people of my riding and I would certainly appreciate a few minutes more during which I and others might have a chance.

Mr. Barnett: Mr. Speaker, it is with some hesitation that I rise to add to your obvious burdens, but I do feel I have a question of privilege. If Your Honour decides it is not one, I shall, of course, accept your decision. My question of privilege arises from the fact that on at least two separate occasions the Minister of Transport, first in the External Affairs Committee and then the other day in the House, gave an assurance he would lay on the table particulars of each and every ship leaving the west coast of Canada carrying crude oil to eastern Canada. To the best of my knowledge and belief, so far the minister has not complied with what he said he would do. I recognize that he did not put a time limit on when he would take this action, but it seems to me that if a minister gives a commitment to the House to lay certain documents on the table and he does not fulfil that undertaking, that does constitute a question of privilege as far as members of the House are concerned.

● (1220)

Mr. Speaker: Perhaps the minister might be allowed to reply, subject to this. I would certainly have to rule that is not a question of privilege. Perhaps it is a grievance, but if it were a question of privilege I wonder whether the hon. member would want to refer the matter to the privileges and elections committee and what motion he would propose. It is not a question of privilege but a grievance or a question that might have been asked in the question period if the hon. member had had an opportunity of being recognized. Since he has raised the matter by way of a question of privilege, perhaps the minister might be allowed to reply, after which the Chair will again attempt to call orders of the day.

Mr. Marchand (Langelier): Mr. Speaker, I asked the department to prepare the documents. If they are not ready, they will be shortly and I shall table them on Monday if we are still sitting. I asked immediately that the documents be prepared, and I have always believed they would be prepared and ready by today.

GOVERNMENT ORDERS

[*English*]

ENERGY SUPPLIES EMERGENCY ACT

MEASURE TO PROVIDE FOR ALLOCATION BOARD, MANDATORY ALLOCATION OF SUPPLIES AND RATIONING OF CONTROLLED PRODUCTS

The House resumed, from Thursday, January 10, consideration of Bill C-236, to provide a means to conserve the supplies of petroleum products within Canada during periods of national emergency caused by shortages or market disturbances affecting the national security and welfare and the economic stability of Canada and to amend the National Energy Board Act, as reported (with amendments) from the Standing Committee on National Resources and Public Works.

Mr. Speaker: The House has reached motion No. 7.

Mr. G. W. Baldwin (Peace River) moved:

That Bill C-236, an act to provide a means to conserve the supplies of petroleum products within Canada during periods of national emergency caused by shortages or market disturbances affecting the national security and welfare and the economic stability of Canada, and to amend the National Energy Board Act, be amended by deleting clause 23, lines 12 to 40 on page 16 and lines 1 to 25 on page 17, and renumbering subsequent clauses accordingly.

He said: Mr. Speaker, I am delighted to have such eminent support as that of the hon. member for Prince Edward-Hastings (Mr. Hees) as seconder of the motion. He has a thorough knowledge of the particular subject matter, and coming from the region that he does in Ontario I know he will support me handsomely. This is a very simple amendment which seeks to delete clause 23 of the bill.

Some hon. Members: Order.

Mr. Baldwin: I hesitate to bring into the House some legitimate business after what we have just been through, but I trust hon. members will not hold me remiss if I deal with the business we are supposed to be discussing today.

Obviously, clause 23 had its genesis in the technical advisory committee, which I understand was largely domi-

nated by members of the multinational oil corporations who imposed their will upon the government and had this bill brought forward. This clause attempts to exempt corporations, particularly this type of corporation, from provisions of the Combines Investigation Act.

Clause 23 provides that where a person, as a result of an order from the energy supplies allocation board, is directed to do something or enters into an agreement that might involve an infringement of the combines legislation, a procedure is outlined whereby that person or corporation may go to the board, and the board in turn go to the Minister of Consumer and Corporate Affairs (Mr. Gray)—though heaven knows how much help they will get there, but that is where they are driven—and seek an exemption from the Combines Investigation Act, thus perpetuating restrictive trade practices or situations that are inconsistent with the combines legislation.

The position is as simple as that, and I say, through you, Mr. Speaker, to the members of this House that this party cannot accept a clause of that kind. It is cumbersome. It is a clause whereby we give to a created administrative board composed of five people, a board entirely under the domination of the government, the right at its own whim to abrogate and repeal from time to time very important sections of the law of Canada.

It has taken this country a great many years to acquire some means whereby combines, operating through collusive trade arrangements and conspiracies, may be subject to penal action. This clause is a deliberate attempt, and I say quite seriously at the instance of the multinational oil corporations, to grant exemptions from the law. I say that because the evidence given at the committee by the representative of those corporations indicated beyond a shadow of doubt that that was so. He said "We like the bill, and these are the reasons why we would like a little wider exemption". But great emphasis was placed on the fact that there would be this freedom from examination or possible prosecution under the Combines Investigation Act. If the government and their friends in the NDP want to give that kind of protection to the multinational oil companies, that is their privilege, but we do not intend to be party to it.

I am not going to make a very long speech. I have to argue a little law. It has taken me 16 years to forget that I am a lawyer and to become a member of parliament. I do not know whether I have progressed upwards or downwards in taking that position, I will now go back in time and argue a little law. Having heard the law argued by the hon. member for York South (Mr. Lewis) yesterday, I was very sadly struck by how he had degenerated in terms of his knowledge of the law compared with when he first came to the House.

I do not know what kind of reception my arguments will get, but I want to make it plain that as a result of this amendment an individual or corporation which, under direction from the energy allocation board or under some order or regulation, engages in certain actions should not be compelled to pay a fine or penalized under the Combines Investigation Act. What irritates me is that you do not need this kind of legislation to bring about that result. Anyone who has been through law school, or any member of this House who has learned his law second hand, though perhaps not always correctly, should know that where you have two statutes, one later in time than the other, then unless there is some express exception the latter statute has the effect of abrogating the former.

Take the situation where an individual or corporation is directed by the energy allocation board to fix a certain price for its commodities, or to divert oil or petroleum products from one destination to another, in such a way that it might be subject to prosecution at a later date. That direction would be given under the sanction contained in clause 31 of the bill, I think it is, which provides that anyone who disobeys an order of the energy allocation board is, under certain circumstances, subject to a term of imprisonment of up to two years in jail, or a $5,000 or $10,000 fine, as the case may be. This provision is contained in a later statute and effect must be given to it.

If Corporation X, acting under the instructions of the energy allocation board, engages in conduct which, under other circumstances, might constitute ground for prosecution as being in violation of the combines legislation, it has the best defence in the world: it has the order of the board made pursuant to this bill. It does not need any more, and so far as this party is concerned it is not going to get any more. I do not care how friendly the multinational corporations may be with the government or with my friends over there in the socialist party, they are not going to get this kind of protection from us.

● (1230)

Some hon. Members: Hear, hear!

Mr. Baldwin: I should just like to present one or two simple quotations which will make it apparent, even to hon. members opposite and the hon. member for York South (Mr. Lewis), who needs a refresher course. Let me first quote from Craies on Statute Law, Fifth Edition. I quote from page 343 as follows:

—when two statutes, although both are expressed in affirmative language, are contrary in matter, the latter abrogates the former.

Even the Minister of Energy, Mines and Resources (Mr. Macdonald) should be able to understand that.

An hon. Member: Don't be too sure.

Mr. Baldwin: If the Prime Minister (Mr. Trudeau) were here, I am sure he would be driven back to his earlier days when he was a professor of law, from which he has been away for some time.

Mr. Stanfield: He may be driven back there anyway.

Mr. Baldwin: We hope that he and the Minister of Justice (Mr. Lang) may still find places for themselves in the sanctuary of some university, although I must say that their attitude over the last few days would make it very difficult for any reputable university to offer them employment.

Mr. Douglas: And it would be no sanctuary.

Mr. Hees: Perhaps they could get jobs at Rochdale.

Mr. Baldwin: Mr. Speaker, I have two additional citations and I will then sit down. I know the position of the

speakers to my left, and I know they are having trouble with their consciences from time to time, when they can find them. However, I would hope that on a point of this kind—I know they have in the past fought vigorously and vehemently for combines investigation legislation and its preservation—it would not be their intention to willingly give protection to corporations from the sanctions of combines legislation. I hope, particularly after they listen to me, they will come to this conclusion when I point out that there is adequate defence for any corporation or individual without Clause 23.

Let me read from the Canadian Abridgment, Volume 33 at column 655. This is a decision of the appellate division delivered by the late distinguished Mr. Justice Frank Ford. I remember him very well because he admitted me to the bar a great many years ago, but I do not know whether or not that is to his credit. This is the case of Rex *v.* Knott, 1929 1 W.W.I 304. Mr. Justice Ford said this on behalf of the court:

> It is, as I understand the rule of construction, only when there is an irreconcilable conflict between earlier and later statutory enactments that the latter must be given effect to and the earlier give way.

Let me repeat those words: "The latter must be given effect to and the earlier give way".

Finally, sir, reading from the Canadian Abridgment Consolidation, Volume 9 at column 1011, I refer to a judgment of the court of appeal of British Columbia delivered by Mr. Justice Bird:

> If two inconsistent Acts are passed at different times the last is to be obeyed and if obedience cannot be observed without derogating from the first, it is the first which must give way,—

That is from a case on constitutional questions, the Determination Act and the Vancouver Incorporation Act, 1921 (1946) 1 W.W.R. 177.

I have one further citation and then I will not detain the House further. This is from the same volume at column 1012. This time the judgment is delivered by Robertson, C.J.O. With this I will have given you decisions of the appeal courts of British Columbia, Alberta and Ontario. I am sure if I looked hard enough I could find several from Nova Scotia which has turned out great lawyers and great speakers, as you will know, Mr. Speaker.

Mr. Hees: Stop shining the apple.

Mr. Baldwin: I was going to say that I think there is one sitting in the Chair at the present time. This was in the case of Rex *v.* Broughton, 1951, court of appeal. As I said, the judgment was given by Robertson, C.J.O. and he says this in the headnote:

> If, therefore, there is that repugnancy between the two statutory provisions for which appellant contends, the result must be that the provision of the older statute will go, and the appeal would fall on that . . . ground.

I am sure I could find dozens of cases as the books are replete with illustrations of that simple principle. When you lay down, as the government is attempting to do by this bill, a provision which says the board has the right to direct a person or corporation to engage in a certain act or to do a certain thing and impose a penalty if it is not done of a fine of $5,000 or $10,000 as well as a jail term of up to two years, which provision is approved in the year 1974, as it will be on this 11th day of January, that takes effect and abrogates to the extent necessary the provisions of the combines legislation. If a corporation engages in an act as a result of that decision and then is prosecuted in respect of an order, a regulation or a rule under the bill we are now considering, Bill C-236, it has a defence. I, for one, will not voluntarily accept Clause 23 which gives the kind of exemption the government seeks to give.

I will give the minister credit, and I want to say this as I am sure if I do not he will say it anyway, that the oil corporations did seek an even wider exemption. He knew very well, however, the position of rectitude this party has always taken on this score, and if he had attempted to make the exemption even wider it would have been rejected. Being a wise man, he did not accept their proposition. Even so, he has gone too far and we want to turn him back. I hope my friends to my left will support me.

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, the long and convoluted argument we have just heard from the hon. member for Peace River (Mr. Baldwin) is perhaps the best evidence of why it was thought desirable to try to deal specifically with this problem of the combines legislation in the statute rather than to leave it to the possible interpretation of the courts, in the sense that we are in the position that we are seeking, in the event of an emergency, the ability to act quickly to make sure that supplies are available for Canadians who may suffer from shortages. In these particular circumstances we really would not want to be in a position where a party might well feel it necessary to refuse to co-operate on the grounds that one of the statutes of Canada might abrogate another.

It could well be that the argument made by the hon. member for Peace River would be sustained months of years later by a court of appeal in relation to one of these particular transactions. Obviously the sensible administrative practice would be that rather than leaving it to such a long-run conclusion, when you have a board of this kind, is to give the specific responsibility to that board, as the clause does, to in the first place to make a specific examination in respect of a particular application and then make a reference to the Minister of Consumer and Corporate Affairs.

That minister has within his responsibility the director of investigation and research under the Combines Investigation Act. In so doing and after consultation with him and with the assistance of the combines authorities, a decision can be made as to the kind of action that might be taken alternatively to that proposed by the application, and then an exemption order could be issued which, as sub-clause (4) points out, would be limited in time and, incidentally, might be even more limiting, to 12 months or less at the discretion of the board.

● (1240)

In other words, the obvious and sensible way to deal with a situation where the parties might be combining in their conduct for the purpose of protecting supplies to consumers and who might be concerned about possible criminal prosecution is to put that particular transaction under the specific scrutiny of the board as this action does and if the board finds that they are out-running the exemption given or that it ceases to be in the public

interest to give the exemption, it has the ability to remove it right away. In other words the specific and fast-moving situation could be dealt with right there by the board which has the responsibility rather than to leave it, as the hon. member for Peace River would do, to the courts to come up with a conclusion months or even years later.

One further piece of background information is that the government has taken action against the multinational oil industry in Canada under the Combines Investigation Act.

Mr. Baldwin: No wonder the government wanted this act.

Mr. Macdonald (Rosedale): That is right. It is because the government has been taking the action against the companies under the statute, and because they are now in legal jeopardy under that act at the instance of the government, that obviously the companies would be concerned that any further conduct they might carry on, whether or not under the express or indirect order of this board, might bring them into further jeopardy. For that reason, of course, they came forward to request the exemption.

The industry had asked for a blanket exemption and, after consultation with the acting director of investigation and research, it was my judgment on behalf of the government that in respect of the specific order of this kind, the specific application, an exemption confined to a specific situation should be as far as this Parliament should go, and that the board should have the right at any time either on the complaint of abuse by a third party or indeed by the board on its own initiative to take away that particular exemption. For that reason, since the deletion by the hon. member for Peace River could only hurt the individuals in Canada we are trying to protect by this statute, I would hope his amendment would not be accepted.

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I certainly have enjoyed the spectacle of the hon. member for Peace River (Mr. Baldwin) and the supporters of the Conservative Party now posing as the Sir Galahads who will bring down the dragon of the big multinational corporations. It seems to me strange that they have become now the champions of maintaining the power of the Combines Investigation Act and that this is a new role for them. It is very difficult for me to see the hon. members for Calgary North (Mr. Woolliams) and Calgary South (Mr. Bawden) now being the main champions of exposing the multinational corporations. I think this is probably the most ludicrous spectacle since Don Quixote went down to tilt with the windmill. The fact of the matter is that certainly the members of the New Democratic Party have argued for years not only for a combines investigation act but a much stronger act than is on the statute books at the present time.

I would agree with the hon. member for Peace River to the extent that I would oppose any measure which would weaken the application of the combines investigation legislation under normal circumstances. That is true. I would certainly oppose any move to put a clause in this legislation, as requested by the oil companies, for a blanket exemption which I think could be abused and in my opinion would be abused. However, the primary purpose

of this legislation, which I hardly need remind members of the House is emergency legislation, is to give an energy allocation board power to meet an emergency situation. If it is to have that kind of power then it must be able to issue orders which will require the oil companies, the jobbers, the purchasers of oil and the customers to do things ordered by the board. If the board's orders are to be obeyed, then it seems to me that we would weaken the power of the board if those to whom the orders are issued are to be placed in a position where they could say to the board that they are hesitant to comply with the order because they may be prosecuted under the Combines Investigation Act.

The hon. member for Peace River has pointed out quite properly that a statute chronologically later than another statute has precedence, but that is a case which would have to be settled in the courts. This could involve a long period of time. There will be situations, if an emergency should arise, in which the board might be required to say to two oil companies that whereas they have been sending out petroleum supplies to retailers in various areas, from now on they must confine themselves to a given area and that the customers in other areas will be supplied by another oil company. Normally that is a combination in restraint of trade. I could understand an oil company saying to the board that it makes sense in the emergency situation to do what the board requests but that they are very hesitant to do it because they could find themselves being indicted for acting in restraint of trade and therefore require some protection.

I believe that protection should be given provided there is proper protection on the other hand for the public interest. In this clause I think it is fairly specific that when the board issues an order and the companies who are the recipients of that order raise the question of whether or not they will be in conflict of the Combines Investigation Act they may ask the board for an exemption. The Minister of Consumer and Corporate Affairs will have to be consulted. He can take up the matter with the Restrictive Trade Practices Commissions and his officials to see whether or not there is any conflict and specifically what they are to be exempted from. This is not a blanket exemption but an exemption for only certain specific acts they have been ordered to do by the board. At any time that the board is convinced there is no longer any need for the exemption it may withdraw the exemption so that the oil companies cannot continue to act in the manner which would be in violation of the Combines Investigation Act. They would have to desist the practice they were following at the request of the board as soon as the board decides there is no longer any need to pursue that course of action.

Mr. Speaker, I share the concern of the hon. member for Peace River, as I think must any member of this House, in respect of any legislation which gives an exemption to any part of the community with regard to the Combines Investigation Act. This should be done only in an emergency situation and only for a limited period of time and under the closest possible scrutiny. I think the situation which may arise in this country for which this legislation is designed could be so serious that the provisions of clause 23 would be necessary and for that reason we will support it and oppose the amendment.

Some hon. Members: Question.

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

Some hon. Members: Agreed.

Mr. Deputy Speaker: The question is on motion No. 7. Is it the pleasure of the House to adopt the said motion?

● (1250)

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Deputy Speaker: All those in favour of the said motion will please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the nays have it.

And more than five members having risen:

Mr. Deputy Speaker: This division will stand deferred, along with the division on motion No. 6.

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources) moved:

That Bill C-236 to provide a means to conserve the supplies of petroleum products within Canada during periods of national emergency caused by shortages or market distrubances affecting the national security and welfare and the economic stability of Canada, and to amend the National Energy Board Act, be amended by striking out subclauses (4), (5) and (6) on pages 26 and 27 thereof and substituting therefor the following:

"(4) A notice of motion to adopt an order made under subsection (3) shall be laid upon the table of each House of Parliament by or on behalf of the Minister for the Crown within seven days after the order is made or, if Parliament is not then sitting, within the first seven days next thereafter that Parliament is sitting.

(5) Subsections 11(3) (4) (8) (9) and (10) apply *mutatis mutandis* to an order made under subsection (3)"

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

Some hon. Members: Agreed.

Motion agreed to.

Mr. Deputy Speaker: The House will now revert to the deferred divisions on motions Nos. 6 and 7. Call in the members.

The House divided on motion No. 6 (Mr. Baldwin) which was negatived on the following division:

(*Division No. 72*)

YEAS

Messrs.

Alexander	Arrol	Baldwin
Alkenbrack	Atkey	Balfour
Andre	Baker	Bawden
Beattie (Hamilton Mountain)	Higson	Marshall
Bell	Hollands	McCain
Blenkarn	Holmes	McGrath
Boisvert	Horner	McKenzie
Carter	(Crowfoot)	McKinley
Clark	Horner	Muir
(Rocky Mountain)	(Battleford-Kindersley)	Munro (Esquimalt-Saanich)
Clarke (Vancouver Quadra)	Howie	Neil (Moose Jaw)
Cossitt	Jarvis	Nielsen
Danforth	Jelinek	Oberle
Darling	Kempling	O'Sullivan
Dick	Knowles (Norfolk-Haldimand)	Paproski
Diefenbaker	Korchinski	Patterson
Dionne	Lambert (Bellechasse)	Reilly
Ellis	Laprise	Reynolds
Epp	Latulippe	Schellenberger
Fairweather	Lawrence	Schumacher
Frank	Lundrigan	Stanfield
Fraser	MacDonald (Egmont)	Stevens
Hales	MacDonald (Miss) (Kingston and the Islands)	Stewart (Marquette)
Hamilton (Qu'Appelle-Moose Mountain)	MacKay	Tétrault
Hargrave	MacLean	Thomas (Moncton)
Hees	Madill	Whittaker
Hellyer		Woolliams—77.

NAYS

Messrs.

Allmand	Foster	Lewis
Andras	Fox	L'Heureux
Barnett	Gauthier (Ottawa-Vanier)	Loiselle
Basford	Gendron	Macdonald (Rosedale)
Béchard	Gilbert	MacEachen
Bégin (Miss)	Gillespie	MacGuigan
Benjamin	Gleave	MacInnis (Mrs.) (Vancouver Kingsway)
Blackburn	Goyer	Mackasey
Blais	Gray	Marceau
Blaker	Guay	Marchand (Langelier)
Blouin	(St. Boniface)	Marchand (Kamloops-Cariboo)
Boulanger	Guay (Lévis)	Mather
Breau	Haidasz	McRae
Caccia	Harding	Morin (Mrs.)
Cafik	Harney	Munro (Hamilton East)
Campbell	Herbert	Neale (Vancouver East)
Caron	Isabelle	Nelson
Chrétien	Jamieson	Nesdoly
Clermont	Jerome	Nystrom
Comtois	Knight	Olaussen
Corbin	Knowles (Winnipeg North Centre)	Ouellet
Corriveau	Lajoie	Pelletier (Hochelaga)
Cullen	Lalonde	Penner
Cyr	Langlois	Peters
De Bané	Laniel	Portelance
Demers	Leblanc (Laurier)	Poulin
Douglas	LeBlanc (Westmorland-Kent)	
Drury	Lefebvre	
Dubé	Leggatt	
Dupont	Lessard	
Dupras		
Duquet		
Ethier		
Faulkner		
Firth		
Fleming		

Division

Messrs.

Prud'homme
Reid
Rompkey
Rooney
Rose
Roy (Timmins)
Roy (Laval)
Saltsman
Sauvé (Mrs.)
Sharp
Smith (Northumberland-Miramichi)
Smith (Saint-Jean)
Stanbury
Symes
Thomas (Maisonneuve-Rosemont)
Trudeau
Turner (London East)
Turner (Ottawa-Carleton)
Walker
Watson
Whelan
Whicher
Yanakis—114.

● (1320)

Mr. Speaker: I declare the motion lost. The question is now on motion No. 7 in the name of the hon. member for Peace River (Mr. Baldwin).

The House divided on motion No. 7 (Mr. Baldwin) which was negatived on the following division:

(*Division No. 73*)

YEAS

Messrs.

Alexander
Alkenbrack
Andre
Arrol
Baker
Baldwin
Balfour
Bawden
Beattie (Hamilton Mountain)
Bell
Blenkarn
Boisvert
Carter
Clark (Rocky Mountain)
Clarke (Vancouver Quadra)
Cossitt
Danforth
Darling
Dick
Diefenbaker
Dionne
Ellis
Epp
Fairweather
Frank
Fraser
Hales
Hamilton (Qu'Appelle-Moose Mountain)
Hargrave
Hees
Hellyer
Higson
Hollands
Holmes
Horner (Crowfoot)
Horner (Battleford-Kindersley)
Howie
Jarvis
Jelinek
Kempling
Knowles (Norfolk-Haldimand)
Korchinski
Lambert (Bellechasse)
Laprise
Latulippe
Lawrence
Lundrigan
MacDonald (Egmont)
MacDonald (Miss) (Kingston and the Islands)
MacKay
MacLean
Madill
Marshall
McCain
McGrath
McKenzie
McKinley
Muir
Munro (Esquimalt-Saanich)
Neil (Moose Jaw)
Nielsen
Oberle
O'Sullivan
Paproski
Patterson
Reilly
Reynolds
Schellenberger
Schumacher
Stanfield
Stevens
Stewart (Marquette)
Tétrault
Thomas (Moncton)
Whittaker
Woolliams—76.

NAYS

Messrs.

Allmand
Andras
Barnett
Basford
Béchard
Bégin (Miss)
Benjamin
Blackburn
Blais

[Mr. Deputy Speaker.]

Messrs.

Blaker
Blouin
Boulanger
Breau
Caccia
Cafik
Campbell
Caron
Chrétien
Clermont
Comtois
Corbin
Corriveau
Cullen
Cyr
De Bané
Demers
Douglas
Drury
Dubé
Dupont
Dupras
Duquet
Ethier
Faulkner
Firth
Fleming
Foster
Fox
Gauthier (Ottawa-Vanier)
Gendron
Gilbert
Gillespie
Gleave
Goyer
Gray
Guay (St. Boniface)
Guay (Lévis)
Guilbault
Haidasz
Harding
Harney
Herbert
Isabelle
Jamieson
Jerome
Knight
Knowles (Winnipeg North Centre)
Lajoie
Lalonde
Langlois
Laniel
Leblanc (Laurier)
LeBlanc (Westmorland-Kent)
Lefebvre
Leggatt
Lessard
Lewis
L'Heureux
Loiselle
Macdonald (Rosedale)
MacEachen
MacGuigan
MacInnis (Mrs.) (Vancouver Kingsway)
Mackasey
Marceau
Marchand (Langelier)
Marchand (Kamloops-Cariboo)
Mather
McRae
Morin (Mrs.)
Munro (Hamilton East)
Neale (Vancouver East)
Nelson
Nesdoly
Nystrom
Olaussen
Ouellet
Pelletier (Hochelaga)
Penner
Peters
Portelance
Poulin
Prud'homme
Reid
Rompkey
Rooney
Rose
Roy (Timmins)
Roy (Laval)
Saltsman
Sauvé (Mrs.)
Sharp
Smith (Northumberland-Miramichi)
Smith (Saint-Jean)
Stanbury
Symes
Thomas (Maisonneuve-Rosemont)
Trudeau
Turner (London East)
Turner (Ottawa-Carleton)
Walker
Watson
Whelan
Whicher
Yanakis—115.

● (1330)

Mr. Speaker: I declare the motion lost.

Mr. Macdonald (Rosedale) moved that the bill be concurred in.

Motion agreed to.

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

Mr. Baldwin: Later this day. It being 1.40 p.m. I suggest we might have the benefit of the speeches on third reading this afternoon.

Mr. Bell: We take the initiative again, as we did yesterday, and suggest a full hour for lunch.

Mr. Speaker: The hon. member is suggesting that the House rise for an hour, which would mean that the bells would be rung at twenty minutes to three. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Speaker: It being after one o'clock, I do now leave the chair. The House will resume at 2.40 p.m.

At 1.38 p.m. the House took recess.

AFTER RECESS

The House resumed at 2.40 p.m.

Mr. Macdonald (Rosedale) moved that the bill be read the third time and do pass:

Mr. G. W. Baldwin (Peace River): Mr. Speaker, shortly this House, in its infinite wisdom, will give final approval to this bill and it will be on its way to the other place—that is, if the other place is receiving legislation from this place at that time. I do not know what the score is there, though I hear the bells ringing and I suppose it will be a question of for whom the bell tolls.

Mr. Knowles (Winnipeg North Centre): Not for thee or me.

Mr. Baldwin: It may toll for the hon. member for Winnipeg North Centre (Mr. Knowles); I am sure that is what he is thinking about.

I have a few comments before the bill passes out of our hands. I say that in all sincerity, since I hope the government will have had sufficient apprehension from what has happened in this House not to regard lightly, as it did before the opposition was generated, its power to do what it intends to do, namely bring in an emergency declaration. As I told the minister the other day, as the matter now stands if the Prime Minister (Mr. Trudeau) were to wake up one morning and find his furnace off he could consider that an emergency and make a declaration, which is the kind of thing we do not accept

There have been improvements made to the bill. We have asserted at length, because we had to, the right of parliamentary control. There has been a little dispute over what parliamentary control consists of, but at least there is no doubt in the minds of all parties that it includes the control exercised by this House, and to that extent the bill has been improved.

There was a particularly good amendment by the hon. member for Vancouver South (Mr. Fraser) to ensure that any violence done to the ecological and environmental safeguards which have been built up over the years would be limited. I am sorry that the other amendments that we offered were not passed, but that is the way it goes.

So it is not a good bill, but it is a better bill than it was. This is what happens so often in this place with the system under which we operate. It is a kind of compromise, the kind of compromise which, with this government, at times emphasizes the sour smell of decay and rot which the government has brought to our parliamentary system.

All that has been done in this bill has been done in the name of crisis. There is always talk of crisis. There was much talk of crisis in October 1970, and we know to what extent that crisis was seen to evaporate against the cold facts of daylight later on. There was talk of crisis in September 1971, I think it was, when we were called back from our respective constituencies where we were doing our best to explain some of the odd antics of this government to our constituents. We were dragged back here because we were told by the government that Mr. Nixon had introduced a new economic policy in the United States that would have terrible effects on Canada, and that the government had to bring parliament back to legislate post haste. We passed an $80 million bill, I think it was, for the purpose of providing employment opportunities, and there were the most dire predictions made by the government as to what would happen if we did not pass the bill. We passed the bill, some small percentage of the money was spent, and we found there was no crisis at all. And so it goes, and this is just one other example of the same thing.

● (1450)

What is the evidence of crisis which was put before this House, or before the committee, to justify this bill? Certainly, there has been none given to the House, and in the committee we attempted to call witnesses but the minister, supported by his faithful group of cohorts, prevented us from doing so. We were left with the evidence of the minister and one of his officials who was allowed to give evidence. That evidence did not justify the creation of a crisis atmosphere.

There were one or two spot situations; one on the east coast and one on the west coast, of potential crisis, but both of those have been remedied. I see some of my friends here from the Atlantic provinces to whom I have listened in respect of the problems they have experienced regarding the fisheries in the Atlantic provinces, and the problems they have faced with so many of their people attempting to find some means of replenishing their income because of what has happened to their fisheries. Those hon. members from the Atlantic provinces have brought overwhelming evidence before this House to show that great numbers of people in Newfoundland, Nova Scotia and the other Atlantic provinces have suffered, but the government did not call that a crisis. However, the situation there certainly had as much of the element of crisis as does the situation presented us by the minister in respect of this bill.

There have been similar situations in western Canada with as much of an element of crisis. There has been a situation in my own part of the country during two successive years when, because of inclement weather, thousands of farmers were not able to harvest their crops. They are not the kind of people to go on government assistance programs, and some of them travelled hundreds, sometimes thousands, of miles to get work. They were not able to harvest their crops until the spring. That represented a reasonable crisis but the government laughed at it. The Minister of Agriculture (Mr. Whelan) was asked what he was going to do and he skipped around the question. He would not give the hon. member for Vegreville (Mr. Mazankowski) a reasonable answer by indicating what he intended to do to help those people.

The evidence the minister has brought forward to indicate that a crisis did or was likely to exist was very limited. Certainly, anyone with commonsense and intelligence understands that there are economic problems closely related to the matter of petroleum products in the sense of quantity, but more particularly and primarily in the sense of price. Pricing is a matter which we have attempted to bring to the knowledge of this government for over a year, almost since this session began. The hon. member for St. John's East (Mr. McGrath) and other hon. members of this House have brought forward this problem in respect

of pricing time and time again. The hon. member for Don Valley (Mr. Gillies) made proposals, as did my leader, but the government elected to ignore those proposals. We are facing a problem now, and I think we will be facing it for months to come, mainly in respect of pricing, and we face that problem because this government would not act when it had the opportunity and should have acted.

So, on the question of a crisis, the evidence has not been brought forward or made apparent. The government will have this bill enacted, but whether or not it will act on it is something we will have to wait to see. If events occur during the next few months in respect of petroleum prices, it will be interesting to watch this government to see whether and how it will act. I tell the minister now that we will be watching him very closely.

The government did have a remedy under the Export and Import Permits Act in respect of problems which existed in regard to bunker oil on the east and west coast. It also had remedies available under the National Energy Board Act. We indicated at the very beginning, over a month ago, that if it was found essential to move a very simple amendment to the National Energy Board Act it would have been accepted by this party. Such an amendment could have been moved to provide for the mandatory allocation and, if necessary, rationing of petroleum products. That could have been accomplished without all the ballyhoo in respect of these additional powers the government is seeking under this bill. Had the government wanted to take action this amendment would have been passed weeks and weeks ago, but the government saw fit not to take that action. It wanted the powers contained in this bill, and obviously it is going to get them.

The witness who appeared before the committee, the President of the Imperial Oil Company, said categorically, that the company liked this bill and wanted it because it gives them protection. In fact, it gives them the right to do what they have been doing in the past.

One sometimes wonders when reading the newspapers how many tankers are lying off the coasts of various countries waiting until prices reach a level that is acceptable to the companies. The Secretary of State for External Affairs (Mr. Sharp) said the other day that, while Canada was not on the embargo list of Saudi Arabia, we were nevertheless not getting crude from that country. There are countries which are on the embargo list which are getting crude petroleum. One sometimes wonders to what extent this administrative crisis may have been contrived, partly by the government and partly by the large oil companies, for certain purposes. I cannot make any specific allegation, but we have all heard about the inquiries being instituted in the United States and other places to determine the effects this contrived crisis may have had on the prices of these petroleum products.

In any event, that is history. As far as Canada is concerned at the moment, it is my view that the evidence the minister has brought forward would support the suggestion that this crisis is something which now lies in the womb of history and has not yet come to light. In light of that, the government has created this Frankenstein bill.

Let me briefly sum up the powers this bill gives to the government at the instigation of the multinational oil companies, or perhaps I should say it is a creation resulting from the connivance of the socialists and those big multinational corporations.

Some hon. Members: Hear, hear!

Mr. Baldwin: Just seeing these people as bedfellows should give us cause for concern.

Mr. Alexander: It is nauseating.

Mr. Baker: It is revolting.

Mr. Baldwin: In the matter of allocating gasoline and other petroleum products, when this bill is passed a board will be set up with dictatorial powers to control the manufacture, distribution and price of not only gasoline but hundreds and hundreds of articles and commodities only distantly related to petroleum, such as tars and plastic cups. The government, through this bill, is running roughshod over the Bill of Rights by taking away any effective opportunity to appeal from the despotic fiats of the board, not the corporations, as the hon. member for York South (Mr. Lewis) hinted yesterday.

If that hon. member had read, as he should have, the amendment we offered he would have seen that it was restricted only to the right we attempted to provide those individuals injured by any action of the board under an order or regulation. This right was within fairly narrow terms, and was limited to individuals, such as proprietors of retail service stations and small co-ops who might have been injured. Those are the kind of people we were attempting to assist by giving them the opportunity for recourse if they suffered loss or damage because of what was done under this act. The government, with the help of the NDP, has struck that down. In addition, the government has insisted, with the NDP cheering them on, upon allowing the board to overrule any provincial rights with regard to the simple issue of contractual relationships which lie normally within their jurisdiction. It was with these things in mind that we fought to make this a better bill. We succeeded in a limited way and I am sorry we did not get further.

● (1500)

I want to say in conclusion that what we are dealing with here is a repetition of what I have seen in this House over and over again in the last six or seven years under this government, that is, a steady diminution of the powers of the legislative system and the handing over to the executive of powers which this House should be exercising. Every time we move, every bill we pass, every session we go through we find this repeated. All over the world the lights of parliamentary democracy flicker fitfully against the winds of excessive government power. It is bad enough when the takeover is open and blatant and leads to an obvious dictatorship, but the real danger lies more within the few countries like Canada which still maintain the appearance of the sovereignty of the legislature. As the sands of the hour-clock run down, they carry with them, parliament by parliament, session by session, bill by bill the remnants of control of the elected representatives as such, as contrasted with the arbitrary control of the executive namely, cabinet and bureaucracy.

Over the last ten years there has been hardly a statute that does not extend to governments, to the executive, additional and at times extreme arbitrary and uncontrolled right of decision-making. Any minor crisis is exaggerated into a major one and cheered on by the sychophantic elements in the media which support the government, and by small groups with special interests such as is the case with this bill. We find that the answer is more and more power to the cabinet. Today the political parliamentary coalition of the Liberal and New Democratic parties makes them more ideologically committed to the cause of more power to the executive, and it is left to this party and to those amongst the media who perceive the danger to attempt to halt the onrush.

Some hon. Members: Hear, hear!

Mr. Baldwin: As a result, parliament has been weakened when it should be a significant influence in political life. Because of this, the political system is not able to permit the people, through their representatives, to adequately challenge bad legislative proposals. I expected it of the government, I expected it of the NDP, and in the last year or so I have come to expect it of the large corporations. I begin to find more and more that their interests lie in heavy domination and control by the executive. What saddens me to some extent is the way in which a number of other people who do not perceive this danger cheer on the government taking unto itself these powers. Let us not deceive ourselves: when you give this power to a government, it is not readily taken away.

For these reasons, while this bill is passing—it will become law when the other place has dealt with it—I wanted to use this opportunity to point out the dangers which I and my party see in the methods which have been adopted and in some of the terms of the bill which, without the safeguards which we have tried to secure, will become law probably some time today.

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, I want to say just a few things in respect of the proposals within this bill. I think the bill does not meet the real need for a Canadian policy on energy. I seeks to allocate one element in the Canadian power and energy equation. Equally important is another element, namely, electricity and how it is generated, by water power or by atomic energy. I wonder why, in its approach to this problem, the government takes the attitude in respect of oil that it can protect the needs of Canadians for that vital source of energy by the simple act of setting up a board which will allocate supplies. The government seems to believe that this is sufficient.

If I understood the minister correctly, he said that the internal price of oil will follow the export price, so that the price will be left to the international market. In the coming discussions with the provinces the government will attempt to influence or to manage the price at which the producer provinces will sell their oil. What we should be concerned about is an assurance by the government that we can supply the needs of Canadians in their homes, in their factories, in their farms and in their industries. I think that proposal which is before us does not meet that need.

If we really intend to meet the needs of Canadians we should look toward the ownership and control, for example, of the transmission system. If the multinational corporations which purchase fuel from the Middle East can decide somewhere in the Atlantic to turn a ship around and send it to a destination other than the United States or Canada, then I suggest they are the people who decide whether or not we in Canada will get our oil supplies. If the control of a ship decides who gets what is in the ship, then the control of pipelines and transmission lines surely decides who gets what runs through those transmission lines.

This bill does not propose to take over the transmission lines and say how we shall be supplied. I have heard no clear declaration by this government that they intend to build a transmission line across Canada that is wholly within Canada and under Canadian control. So long as our present oil pipeline flows through the United States it is not under our control; those agencies of the U.S. government which regulate oil pipelines will have partial control over our sources of energy and the flow of oil. I have heard no clear, sound statement from the government that it intends to do anything about that situation.

● (1510)

If we are to protect the interests of Canadians, one of our minimum requirements is a nationally-owned pipeline running within Canadian territory and under our control. That has not been provided and has not been suggested in the last few days of this debate. Somebody says it would take two years to build such a pipeline instead of extending the present pipeline through the United States. It is my experience of Canadians that if they want to do a thing, they can do it and within the requisite time limit. For anyone to suggest that we should allow our fiscal resources to be the deciding factor in whether or not we build such a pipeline is misleading the Canadian people. The only limiting factor is our own will, our own determination.

We should be in a position to say to Shaheen or Imperial Oil, "You will refine this much product, and we will have this much product available for Canadians." Again, the only way to do this effectively is by owning the tools of production. It has surprised me how willing the government has been to put pressure on Saskatchewan and Alberta who are within the Canadian family. It is very willing to do that—

An hon. Member: How about your own colleagues?

Mr. Gleave: —but the government is very reluctant to put the same kind of pressure on those who are outside the Canadian family and who have more control over our destiny through their ownership of sources of energy. It is they who control supplies in vital areas of Canada. Someone asked, how about us. The government of my province has shown a willingness and has even taken action to control energy and the distribution of energy in that province. We own the power lines, we own the gas lines, we own the distribution system.

Recently the province of Saskatchewan moved to control the oil industry. It set out six principles in its statement. The control of oil must be firmly vested in the

people of Saskatchewan. Future supplies for Saskatchewan farmers and other users must be assured. Wholesale price increases in Saskatchewan must be limited to reflect the actual increase in production costs. The unearned windfall profits on sales of Saskatchewan crude outside the province, as well as future wellhead increases, should go to the people of Saskatchewan. Oil exploration must be stepped up. The province of Saskatchewan set out a clear policy—much clearer and much stronger, in the interests of its citizens, than the province of Alberta.

Mr. Paproski: I wouldn't say that.

Mr. Gleave: It doesn't surprise me a bit that a member from Alberta would not say that, but it happens to be a fact of life. What I am saying is that the federal government should be taking this kind of action.

I cannot support a measure which is as timid, ineffective, lacking in imagination and has so little concern for the future needs of Canadians as this bill. It is a timid, ineffective approach to the situation in which we find ourselves. Whether or not there is an emergency now, the cruel fact is that this does not depend on the government at all. The decisions are being made outside Canada, and even after this bill is passed they will still be made outside Canada. All this bill will enable the government to do is to spread the shortage around. It permits the government to put added pressure on the provinces of Alberta and Saskatchewan. I suppose within the next few hours it will be passed and the government House leader will suggest that we recess for six weeks, leaving the government with these stupendous powers to spread the shortage around. That is what the government has sought. That is what it will probably be given by parliament. It now will have the right to spread the shortage around and to put pressure on the producing provinces to subsidize the rest of Canada.

The policy being implemented by this bill fails to give the government control of energy resources in Canada in those areas in which it has power to assume control. Instead, the government seeks to assume control of oil in Alberta and Saskatchewan. It does not propose to exercise power in the areas in which it has that right, the chief one being the transmission lines which run interprovincially. There it has the right to exercise power, but it does not propose to do so. Instead, it proposes to move back into areas where the provinces have their rights and powers. It proposes to move back into the area of natural resources. It has turned things completely around from the direction in which it should be acting on behalf of the Canadian people.

This is a divisive policy which will create friction across the country. The government should be taking action which will create unity. Instead it will divide the country. This is a timorous policy. The government does not have the courage to look at the whole situation on behalf of Canadians. Long ago most of Canada decided, with respect to electricity—which is a very important source of energy—that it was necessary for the people to own it. With few exceptions, this is how electricity is managed in Canada. But we see no action, no looking forward by this government, nor any realization that this source of energy which is oil is too important to be alienated from the control of the people of Canada exercised through their government.

● (1520)

[*Translation*]

Mr. Henry Latulippe (Compton): Mr. Speaker, I am pleased to say a few words on the great measures that we are taking to give this country a system through which we can move all we need. We will be able to move our energy resources. We can undertake the development of our natural resources.

The previous speaker, the hon. member for Saskatoon-Biggar (Mr. Gleave) said earlier that we ought to be masters in our own home, develop our resources, build the required oil pipelines. All these things ought to be the property of Canadians.

I wonder, Mr. Speaker, on what basis we can say that the oil pipeline from Sarnia to Montreal will indeed be built by Canadians. Like many others, I wonder whether we have the technology, the materials, the steel, everything required to build that oil pipeline.

No one among us is concerned about materials or technology. I believe we have everything we need without importing technology from abroad.

Mr. Speaker, if we have everything we need, why be concerned? It is merely a decision and this decision must be taken here, in Parliament. It must be taken by the people who are responsible, that is the Prime Minister (Mr. Trudeau), the party leaders and other members. We are the responsible people. It is up to us to take this decision. We know that we have tremendous amounts of natural resources to develop.

If we build pipelines, we have to know whether or not we have the materials and the resources required. If we have all that, why hesitate to take the decisions?

Nobody is worried about the technical aspect. Mr. Speaker, nobody is worried about that! We know that if we get to work, since we have many unemployed in Canada, this can happen quickly. It is best for us to take the quickest action possible.

From what I know, it would be more practical to extend the pipeline from Sarnia to Montreal to serve our population, and to do this as soon as possible. If something else is needed later, if other action should be taken, we can then extend other pipelines in other directions to serve other areas.

But for the moment, Mr. Speaker, we must help develop the eastern provinces, and especially Quebec.

I was saying a moment ago that we had no concern whatsoever about carrying out these projects, except for the financial aspect. Everyone has neglected the financial side. But we are well aware, Mr. Speaker, that if we must depend upon big foreign financial institutions for financing these projects, then we will have to transfer our assets to them.

If we do so, Mr. Speaker, then we lose our titles of ownership. The owners will be the big financial institutions. We have in Canada a financial institution which would do the same thing. If we really wanted to be masters in our own homes and launch these projects for the

benefit of Canadians, they should be financed by Canadian institutions.

That is the major problem, Mr. Speaker, and we will have to pay an eternal tribute to those institutions to which we will transfer our assets, pay for those projects perhaps seven, eight or ten times over and nearly never see the day when we can own them.

That is where we should intervene and what we should be dealing with. If it is physically possible to carry out the large projects that are necessary in Canada it should also be as easy to take the necessary means to finance them for the benefit of the people of Canada.

That is where we should intervene, where we should fight and carry out all our large projects through sound finance, appropriate finance, with the required financial means and at very low interest rates. The right hon. Prime Minister said in his speech the other day on this subject that he asked steel producers to provide their steel at cost price to build the pipelines. However, he will not ask high finance to provide the money at cost price. That is where we should intervene. If we do not have the necessary financial means, since this is an urgent matter, a public matter and an important one for Canadians we should have the courage to ask high financiers to provide the money at administrative cost. This way we could build and hope one day to own what we are building. In the present system we increase our debt as we build, we mortgage our new developments in addition to all other obligations contracted in the past.

It is nonsense to tolerate such a situation.

[*English*]

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, I should like to say a few words on the third reading of Bill C-236, a bill which will give the government the power necessary to allocate oil and oil products in case of shortage anywhere in Canada. When we ask why this bill is necessary we shall find, as the hon. member for Saskatoon-Biggar (Mr. Gleave) suggested, that it is necessary because there has been lack of planning and lack of an over-all oil policy covering this country.

Advisers of the government, including advisers of the minister's department and also of the oil industry, are predicting a shortage of fuel supplies in eastern Canada of between 10 and 20 per cent this year. This bill is designed, in case shortages appear, to give the government power to allocate fuel so that nobody will go without. As the hon. member for Saskatoon-Biggar said, it will not solve our energy problems, it will merely spread the shortage around.

Why has the possibility of shortages arisen? One only has to look back a few years to the oil policy initiated in 1961 by the Conservative government of the day, under which Canada was divided into two energy regions, to see the reason. Those living east of the Ottawa Valley had to depend upon imported oil and those living west of the Ottawa Valley were supplied with oil from Alberta and Saskatchewan. The possibility of shortages in 1974 has arisen because Conservative and Liberal governments over the years have maintained that policy. If we had an oil pipeline bringing western oil to the eastern Canadian market, we would not have this problem. We would not have the problem of possible shortages, nor would we have the problem of higher prices facing the eastern consumer and, if the Minister of Finance (Mr. Turner) has his way, higher prices facing the western consumer.

● (1530)

I know at this time the Minister of Energy, Mines and Resources (Mr. Macdonald) and the cabinet are studying the issue of extending the western oil pipeline to eastern Canada. I understand the Sarnia to Montreal route seems to have favour at the moment because it can be completed within two years, whereas an all-Canadian route would take much longer. If the Sarnia extension is built in order to get the oil to eastern Canada as soon as possible, I wish to remind the minister that because of its capacity that pipeline can only fulfil between one-quarter and one-third of the needs of eastern Canada.

If the pipeline is extended from Sarnia, from the point of view of time, and if we are really concerned about self-sufficiency and security of supply, we should at the same time be building in stages an all-Canadian route. The first part could be built from Sault Ste. Marie to Montreal. Another branch could be built from Winnipeg to Thunder Bay. During the shipping season, Great Lakes' tankers could be used to ship the oil from Thunder Bay to Montreal for stockpiling while construction of the route around the north shore of Lake Superior is continuing. If we had an all-Canadian route plus the Sarnia pipeline, we could begin to be self-sufficient with regard to oil and would not be held up to ransom for the high price of oil from the Middle East and Venezuela.

In order to be self-sufficient we have to go one stage further. The minister has not been clear about this. If we are to be self-sufficient in oil and have Canadian prices we must begin to cut back our oil exports to the United States. We currently export about one million barrels a day to the United States. Eastern Canada imports close to one million barrels a day. If we want to be self-sufficient we must cut back on exports and stage phases so that this policy can come to fruition.

From the point of view of the security of supply and self-sufficiency it is essential that an all-Canadian pipeline be built. I urge the minister to give very serious consideration to this matter. If we do not build a pipeline we will never solve the supply and price problems. Surely from the point of view of Canada's future energy needs and future economic development, it is essential that this country become self-sufficient and insulated from world prices.

This bill is only a short-term measure. When it comes into effect the act will last only two years. It is designed mainly to meet emergency situations. The Conservative Party has opposed this bill from the beginning, first using the argument that they did not think there would be a shortage and then, after they were embarrassed by figures presented by various officials and by the oil companies, adopted the tactic that the bill gives too much power to the government and for that reason they oppose it.

If we did not have this bill to deal with an anticipated emergency, what would be the alternative of the members of the Conservative Party? I have yet to hear how they would solve a shortage if it occurred. The hon. member for

Nanaimo-Cowichan-The Islands (Mr. Douglas) made a very good remark yesterday, that the art of governing is the art of anticipating. This government and its predecessors should long ago have anticipated the kind of situation in which we now find ourselves. For that reason the bill will have some use if an emergency does arise.

The New Democratic Party played a very constructive role in committee on this bill and a number of our suggestions were adopted. We supported the Conservative motion that once an emergency was proclaimed by the government, this House should have a say in that declaration from this point of view, that if the House of Commons negated the declaration it would cease forthwith. We had intended to move such a motion, and when the Conservatives moved it in committee we supported it. The minister accepted our suggestion that once an emergency was declared and the allocation program went into effect, monthly reports of the allocation board would be tabled in this House and referred to committee for further study. This is now part of the amended bill before us.

We also expressed concern about the ability of independent wholesalers to obtain fuel supplies during a period of shortage. An amendment has been incorporated in the bill whereby the government will, where feasible, make sure that independent wholesalers of petroleum products will be supplied if at all possible. We also supported the move to strengthen the provisions in the bill to safeguard the environment from sulphur dioxide pollutants. We proposed to change the existing clause. The hon. member for Vancouver South (Mr. Fraser), a Conservative member, brought forward a very good amendment respecting the environment and we supported it wholeheartedly. Also, there seemed to be in the bill an omission on the part of the government. The bill contains a clause which deals with giving the government power to ration fuel products if the situation reaches the stage where it is necessary to ration supplies. There was no reference to petroleum prices at the rationing stage. The idea put forward in this respect was also accepted.

The bill has the capability of dealing with an emergency from the point of view of shortfall. We think that is necessary. We hope it will not have to be used. We can only guarantee it will not have to be used if this government begins to institute a comprehensive oil policy. Such a policy means we must treat energy—oil, natural gas and other energy products—as a public utility in the way in which we now treat electricity. In other words, energy must come under public, or government, control. We would then not be at the mercy of the multinational oil companies which are manipulating world supply and price.

Until we have a national pipeline we should be buying our oil on a government to government basis. This is something the national petroleum company could do. We should not have to buy our oil from the multinational oil companies which use the technique, through their subsidiaries, of jacking up prices to Canadian consumers. I have pointed out in this House how Imperial Oil makes a profit by charging a higher price to the Canadian consumer. Imperial Oil is a subsidiary of the huge multinational oil company called Exxon. Exxon gets its oil from Creole Oil in Venezuela. During the sixties, Creole Oil was buying

Venezuelan oil at $1.45 a barrel and selling it to Imperial Oil at $3 a barrel. They are all part of the same family called Exxon. The company is selling to itself, jacking up the price, and as a result the Canadian consumer is paying more.

We should not forget what it costs the oil companies to produce a barrel of oil. The cost of producing western Canadian oil, getting it out of the ground and to the wellhead, is approximately $1.53 a barrel. For many years it was about $1.28 a barrel. That oil is selling today for something over $4 a barrel, yet the Minister of Finance says it should be rising to the world price of $8, $10 or even $18 a barrel.

● (1540)

How can we tolerate this kind of consumer rip-off any longer? We can only tolerate this situation if we do nothing about it, and we can only do nothing about it if we continue to depend on these oil corporations for our oil imports. It seems to me we ought to change the direction of our policy, and that we can no longer allow the oil corporations to develop our energy resources. There is about 10 years' supply of conventional fuel left in the Alberta oilfields, and clearly we must bring the Athabasca oil sands into production.

I hear members of the Liberal and Conservative parties say we should still let the oil companies develop these vast reserves. How long will it take members of those parties to realize that if we do so we shall be continuing the policy of sell-out which has been characteristic of the history of oil production in this country? We must seize the initiative. The Canadian people are demanding that the resources which belong to them should be exploited by the people, for their use, at fair prices. To continue as we have in the past will only mean economic ruin. In my opinion, the bill before us amounts to an admission on the part of the government that past oil policies have failed. Now I ask them to realize their mistakes and bring forth a total oil policy incorporating the prospects of self-sufficiency in supply and fair prices for Canadian consumers.

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, it is not necessary to make any extended remarks on third reading of this bill, but since I made the opening statement on behalf of my party when the minister moved second reading there are just a few comments I should like to make.

First, I should like to congratulate the members of the Standing Committee on National Resources and Public Works on the work they did in connection with this measure. I think the legislation is greatly improved as a result of the amendments the committee incorporated into it, and indeed as a result of the amendments which were approved by the House at the report stage.

I wish, however, to underline the comment made by my hon. friends from Saskatoon-Biggar (Mr. Gleave) and Sault Ste. Marie (Mr. Symes) by saying that no one should go away under any illusion that this bill constitutes an oil policy for Canada. Bill C-236 is a tool which is being given to the government to enable it to deal with an oil shortage emergency should it arise. It may never be used. Most of us hope it will never need to be used. In itself, it is not

part of an oil policy. It is something which is waiting in the wings to be called to centre stage should certain eventualities arise. We are supporting it because we believe the people are entitled to protection in the event that an oil shortage arises.

I am surprised at the attitude taken by members of the Conservative Party who for weeks were shouting to high heaven about the danger of an oil shortage, and who now seem to protest at every stage because emergency legislation is being provided under which the government can deal with such a shortage should it occur. To my mind, it is inconsistent to complain constantly that the people of Atlantic Canada and Quebec will be in a very precarious position if imported oil were not available to them, while at the same time opposing legislation which would enable the present government or any other government to ensure that whatever oil supplies are available would be fairly distributed to all regions.

As a matter of fact, this legislation if it is put into effect will enable the government to do something which has never been done before, namely, to bring the multinational oil companies which operate in Canada under some type of control. Since the beginning of oil development in Canada there has never been any such control. The foreign-owned oil companies which operate in this country have determined the supply of oil, have manipulated the price of oil and have been able to milk the Canadian consumer at will. I have a strong suspicion that much of the opposition we have heard to this legislation arises because it will bring the oil companies under some type of government supervision and control in the event of an emergency.

I should like to point out that all the power which is contained in this legislation is power which is not given to the board but to the cabinet, and that every action taken by the board, every regulation it passes, every order it issues has to be approved by the governor in council. We are therefore justified in saying to the minister that he is the one who will be responsible to the House and the country for the manner in which the board exercises the tremendous powers which parliament has given to the cabinet. I hope the minister will see to it that these powers are exercised in an equitable manner.

I wish to reiterate what I said on second reading: there must be some protection for the independents and there must be some protection for the co-operative oil companies and refineries. The independents, and to a lesser extent the co-operatives, have had to depend on the largesse of the big oil companies. When oil was in plentiful supply the oil companies had no objection to letting the independents and co-operatives have some of their excess oil as spot oil. But when oil is scarce, then the oil companies will see to it that if anyone has to do without oil it is not the outlets controlled by the oil companies but the outlets that are independent or co-operatively controlled. I urge the minister to recognize that we look upon him as the person responsible for protecting the rights of the co-operatives and independents and to see to it that they get fair and equitable treatment.

● (1550)

This board will have on it a representative from the producing province of Alberta, a representative from Quebec, a representative from the oil companies and someone representing consumer groups. There will be no representative from the independents or co-operatives. I realize you cannot put everyone on the board, and I have a strong suspicion that the representative from Alberta and the representative from the oil companies will look at things in very much the same way. Consequently, it is quite possible that the co-operatives and the independent operators will be completely ignored, and unless the minister exercises his prerogative in cabinet the co-operatives and independents could be discriminated against, neglected and overlooked. I hope the minister will keep that in mind.

This legislation will, of course, be of great value if an emergency does arise. But as my colleagues and I have been seeking to stress this afternoon, this bill does not constitute an oil policy. We still have not had any clear statement from the government on a number of matters that we have been asking the government to clarify for some weeks. We still have had no statement either from the Minister of Energy, Mines and Resources (Mr. Macdonald) or from the Minister of Finance (Mr. Turner) as to what the government's intentions are with respect to price.

The Minister of Energy, Mines and Resources has been quoted in the press as saying that the price will probably double by midsummer and go up to $8 or $10 a barrel. The Minister of Finance says that the domestic price will be allowed to track the world price. We have had no clarification from the government as to what they intend to do about price, whether it will rise, by how much it will be allowed to rise, who is going to get the benefit of the rise, whether it will go into the pockets of the oil companies or into the treasuries of the federal and provincial governments concerned. The government ought to be giving this House that kind of information.

The government has talked a good deal about the plight of the people in the Atlantic provinces and in Quebec who at the present time are paying exorbitant prices because they are dependent upon imported oil from the OPEC countries. But we have had no statement from the government as to whether they intend to set up some type of marketing mechanism that will pool the oil and equalize the price across Canada, or whether there will be any subsidization of price for the people of the Atlantic provinces who are being hardest hit and who are least able to bear the burden of rising prices. I hope we will get some statement on those questions from the minister, if not today certainly as soon as the House reassembles.

I hope the minister will be making some statement before the House recesses regarding the route that is being selected for the construction of a pipeline to Montreal. My colleague from Sault Ste. Marie has already dealt with this matter, so there is no need for me to speak extensively about it except to say that this is a matter that demands immediate action. It is now over four months since the government gave its blessing to the idea of extending the pipeline. If the delay is entirely due to the fact that the government cannot make up its mind, then that is understandable. What is new about that? It has great difficulty making up its mind about most things.

If the difficulty lies in the fact that the Interprovincial Pipe Line Company is not prepared to co-operate and to

act with dispatch, then the government ought to accept the responsibility of building the pipeline itself and put it under public ownership. As a matter of fact, I think the time is long overdue when we ought to bring the whole pipeline structure under public ownership. There is no excuse for delay. The government should be able to make the decision with respect to the route.

If the difficulty lies in the fact that the extension from Sarnia will carry only a limited amount of oil, then I think the suggestion that has been made by members on this side of the House and by members on the government side as well that we should build the short pipeline from Sarnia and then start work on a northern pipeline should be adopted.

I see you are about to rise, Mr. Speaker, so may I have the permission of the House to finish my few remarks? I shall take only a few minutes.

Mr. Speaker: Is that agreed?

Some hon. Members: Agreed.

Mr. Douglas: I have dealt with the matter of price and with the matter of the pipeline. The third thing I want to say is that I was hoping that at some time in this debate, but before the House adjourns, we will get a statement from the Minister of Energy, Mines and Resources on what the government's policy is respecting the development of Canada's oil resources so that the crisis we are now facing will be resolved in the long term.

I was appalled to read in this morning's *Globe and Mail* a statement attributed to the Secretary of State for External Affairs (Mr. Sharp). In the course of accepting President Nixon's invitation to a conference on energy in Washington on February 11, the Secretary of State for External Affairs is quoted as saying that Canada has already extended an invitation to the United States to invest money in the development of the Alberta oil sands. I do not know whether that is government policy. It certainly has never been stated in this House as government policy. We in this party will want to know from the government whether or not it is government policy—and if the Minister of Energy, Mines and Resources is going to close the debate I hope he will tell us whether or not it is government policy.

However, there is no need to invite the United States or any other country to develop our oil sands. There will be sufficient financial return to the federal and oil producing provinces from the export tax and other charges to construct plants at a sufficient rate to develop the oil sands and to have oil onstream from the oil sands by the time our conventional oil resources are depleted.

These are the questions that disturb us, Mr. Speaker. We support the bill because it is necessary to have this power to deal with an emergency. But let no one deceive himself that the bill we are now about to pass will resolve the basic and fundamental problems that face this country with respect to the oil crisis. Those problems still have to be faced. We hope that when the House reassembles the government will bring down legislation to deal with the three points I have raised, namely, the question of price, the matter of the pipeline and the future development of our resources.

[Mr. Douglas.]

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

Some hon. Members: Question.

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

Mr. Gleave: On division.

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

• (1600)

ROUTINE PROCEEDINGS

[*English*]

BUSINESS OF THE HOUSE

ADJOURNMENT OF SESSION

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, earlier in the day the House was good enough to agree that I be given the opportunity to revert to motions later for the purpose of moving a motion for the adjournment of the session, under certain conditions, until February 26, 1974.

If I may seek the indulgence of the House to make a comment in respect of an understanding which has been reached as to the nature of the debate, or the lack thereof that may follow the putting of the motion, it has been agreed that if there is to be any speech at all it will not exceed ten minutes, and if there is to be more than one speech there will not be more than one by each party. I hope we will not have any speeches, but if any do take place they should not exceed ten minutes in length and should not exceed four in number. With the agreement of the House in that respect, I would put the motion.

Perhaps on the same point, as to the arrangements which have been made, I might mention that we have had discussions on a number of bills which have not been completed, and it might be the wish of the House to agree that the CNR financing bill and the parks' bill be reinstated at the report stage during the next session, at which point they now stand. This could be done by consent. With those understanding, Mr. Speaker, I would move the motion as follows—

Mr. Bell: Mr. Speaker, may I just say, in respect of the understanding, that the minister is quite right. We in this party feel we should have about ten minutes, whether there are one or two speeches, to put forward our point of view regarding some of the matters that will be lost on the order paper and which cannot be reinstated but in respect of which there has been considerable work carried out. With about ten minutes for one or two short speeches, we are satisfied with the arrangement.

Mr. Barnett: Mr. Speaker, as I understand it, the minister is seeking the consent of the House to an agreement, or an order that there be no more than one speaker from each party. He did make reference in his preliminary remarks to the reinstatement of certain bills. I listened to the minister rather carefully. It might have assisted my posi-

tion in respect of consent to the limitation on speeches if the minister had clarified his intention regarding the reference of the annual report of the Department of Fisheries and the Environment. He said he would give that matter some consideration before the adjournment. Had the minister made some reference to his views on that subject before asking us to deal with the question of limitation of the time and number of speeches, I would have been much happier.

Mr. MacEachen: Mr. Speaker, I did undertake to consider that matter with the Minister of Fisheries (Mr. Davis), but before I had a chance to talk with him he left the city and I have not had that consultation. I am not sure that, were the reference made, hon. members would be ready to sit during the adjournment, but I certainly would indicate to my hon. friend, if it will help, that in the resumed session I will be ready to reconsider the matter he has raised today and consult in good faith in an effort to accommodate the wishes of hon. members.

Mr. Barnett: Perhaps I might just say another word or two on that same point. The minister has said he is willing to give further consideration to this matter. We have often been told by ministers that it is not the minister who decides what the committee shall do. My second point is that if the minister could go a step further in assuring us he will give the matter consideration, by making a firm commitment to the House that he is prepared to make an immediate reference of that report to the committee at the beginning of the next session, I would be much happier with that than the undertaking he has given.

Mr. MacEachen: Mr. Speaker, on that point I might say there will be a number of understandings reached which will depend upon our good faith. Certainly I have no hesitation in telling my hon. friend that I will undertake to ensure that the committee will have the opportunity to deal with the matter he has mentioned, in one way or another.

Mr. Clark (Rocky Mountain): Just for clarification, Mr. Speaker, would the minister indicate whether in fact it is his understanding that Bill S-4, the parks' bill, will be reinstated at the report stage in the new session?

Mr. MacEachen: That is my understanding, Mr. Speaker. It is my understanding that, with consent, these bills would appear at the report stage in the new session and hon. members can move whatever amendments they wish at that stage.

[*Translation*]

Mr. Laprise: Mr. Speaker, I would like to come back very briefly to the statement made a while ago by the President of the Privy Council (Mr. MacEachen). I think he is right: we could use these few minutes to make some comments, if I understood him correctly. Of course, several bills are still pending. Several subjects have not yet been examined. I believe it rarely happens that so many subjects remain to be dealt with at the end of a session. In my opinion, the opposition is not too much to blame for this. For instance, I can mention government order No. 19, which was tabled on January 17, 1973, and which has not yet been debated. I think that the government has decided instead to simply withdraw Bill C-225. I believe that important amendments should be made to the Unemployment Insurance Act. As soon as the next session starts, the government should table another bill to correct the weaknesses of this act.

[*English*]

Mr. Muir: For the purpose of clarification, Mr. Speaker, perhaps I should pose a couple of questions and ask for the advice of the House leader, particularly in respect of the fourth report of the Standing Committee on Broadcasting, Films and Assistance to the Arts which was tabled a couple of days ago.

At the moment, the vice-chairman has on the order paper a notice of motion for concurrence, as do I. I was wondering whether, in view of the fact the committee carried out some excellent work in arriving at a unanimous report, agreed to by all members of all parties under the excellent chairmanship of the hon. member for Cochrane (Mr. Stewart), the minister would indicate what will happen to that report. Perhaps with the unanimous consent of the house a motion for concurrence could be agreed to now.

Mr. MacEachen: Mr. Speaker, there are a number of motions for concurrence in committee reports that could be moved in the course of this session. My hon. friend knows as well as I do that if the session ends, all that is on the order paper ends unless special provision is made to reinstate the bills in the new session. I want to make it clear that while I appreciate the importance of the subject matter and I agree with some conclusions in the report, I do not feel ready to agree that we can reinstate all the motions for concurrence in committee reports to be dealt with in the new session. I think the committee did a good job, the results are good and I think they will have a good effect.

● (1610)

Mr. Muir: There is another point of order on which I would like further clarification. I appreciate the comments of the minister, but if the report dies in this session of parliament, what will become of the ten hearings that were held? Can we consider this work to have been a joke or a farce? We heard delegations from many ethnic groups from all over this country who appeared before the committee. Is this to be all for nought? Are the many hours spent by the members of the committee, from all parties, who worked very assiduously, of no purpose? Is this the end of it, and nothing more can happen; or is there an arrangement whereby this committee report can be reintroduced when the new session starts? I believe the President of the Privy Council wishes to reply.

Mr. MacEachen: Mr. Speaker, I do not think I have anything further to add. When the new session starts there will be a new ball game. The hon. member has many ways in which he can bring things forward, and he can certainly make an effort again. On this particular subject I will be right with him.

Mr. Cullen: Mr. Speaker, unlike the point made by the former speaker, there were negotiations with respect to the third report of the Special Committee on Trends in

Food Prices. I believe we could have a motion to concur without debate, and I am wondering when that may be put.

Mr. Speaker: Perhaps we should try to proceed with some kind of order. We have heard a proposal by the President of the Queen's Privy Council for Canada (Mr. MacEachen)—

Some hon. Members: Hear, hear!

Mr. Speaker: —and while considering the motion hon. members have introduced many matters which are perhaps somewhat foreign to the motion which should be put. My understanding is that a certain agreement has been entered into between representatives of different parties, and subject to this agreement and this being made an order of the House, the minister's motion can be put.

There is one matter about which there is some uncertainty. The minister said that there would be a maximum of one speech for each party, for a total of ten minutes. The hon. member for Saint John-Lancaster (Mr. Bell) spoke of "about ten minutes". My experience with the word "about" in this House is that it is very uncertain, and that "about ten minutes" might turn out to be a long ten minutes. So that we do not get involved in difficulty, I hope we will clarify whether it is ten minutes or "about" ten minutes, with regard to the duration of speeches on this subject.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, speaking only to the request of the President of the Privy Council (Mr. MacEachen) for a time limit on this debate, may I suggest that the modification proposed by the hon. member for Saint John-Lancaster (Mr. Bell) is acceptable. In other words, we would be prepared to agree to a House order that the debate on this motion be limited in the sense that each party would be limited to a total of ten minutes. Therefore, if I speak for one minute, one of my colleagues might speak for the other nine.

Mr. Speaker: Am I to assume that there are only eight minutes left for the hon. member's party?

Some hon. Members: Oh, oh!

Mr. Speaker: Before putting the minister's motion, I am wondering what will be the situation in relation to the point raised by the hon. member for Sarnia-Lambton (Mr. Cullen), because if we have a 30-minute debate and the motion is put and carried, it might be late at that point for the hon. member for Sarnia-Lambton to do what he wishes to do, unless he wishes to do it all alone in the House. Perhaps there might be a clarification of this point before the motion is put by the Chair.

Mr. MacEachen: Mr. Speaker, I think the point you have raised is a considerable one, because I had intended to ask the House to pass government order No. 82, which is to send a certain subject matter to committee. If my motion is carried, we will adjourn. Perhaps the House at this point could be irregular and agree to consider, before we proceed to the adjournment motion, whether the chairman of the Committee on Trends in Food Prices could put his motion, and then consider whether I could put my motion on government order No. 82. Then we could put the motion to adjourn. Perhaps we could agree to that.

Mr. Clark (Rocky Mountain): Mr. Speaker, I would agree to doing that if there were agreement to allow me to put a request similar to that proposed by the hon. member for Sarnia-Lambton (Mr. Cullen).

Mr. Speaker: Apparently there is not agreement; therefore the motion to adjourn will be put.

Some hon. Members: No.

Mr. Speaker: My understanding is that the hon. member for Rocky Mountain (Mr. Clark) indicated that he wanted these motions to be put if his were put. This would require unanimous consent. Is there unanimous consent?

Mr. Nielsen: With great respect, Mr. Speaker, the way I understood the hon. member for Rocky Mountain (Mr. Clark), all he wanted to do was seek consent to put a motion, to have one at a time. We are prepared to deal with the motion of the hon. member for Sarnia-Lambton (Mr. Cullen) now, give consent to it and then go on to the motion of the hon. member for Rocky Mountain.

Mr. Speaker: There should also be some guidance as to whether there is to be a debate on these motions if they are put.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I wonder if I may at least try to be helpful. I believe it is fair to say that the motion of the President of the Privy Council (Mr. MacEachen) was drafted with the thought that it might be presented before we had finished the debate on Bill C-245. Now that we have finished that debate and passed the bill, Your Honour is perfectly right that if we pass this motion it would order an immediate adjournment.

● (1620)

Therefore I wonder, if before we have this debate of ten minutes per party, we could deal with two or three things that we have agreed upon, such as the request of the hon. member for Sarnia-Lambton (Mr. Cullen), and so on. Your Honour is also aware of a point of privilege that I said I would like to raise. Perhaps we could do those two or three things now and then have this short debate, at the end of which we could adjourn.

Mr. Speaker: Is this agreed?

Some hon. Members: Agreed.

* * *

TRENDS IN FOOD PRICES

CONCURRENCE IN THIRD REPORT OF SPECIAL COMMITTEE

Mr. Jack Cullen (Sarnia-Lambton) moved that the third report of the Special Committee on Trends in Food Prices, presented to the House on Friday, December 14, 1973, be concurred in.

Motion agreed to.

BRITISH NORTH AMERICA ACT

PROVINCIAL REPRESENTATION IN HOUSE OF COMMONS—REFERENCE TO STANDING COMMITTEE

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, in accordance with the discussions that have already taken place, perhaps we could call government order No. 82 which would refer to the Standing Committee on Privileges and Elections the question of the system of re-adjusting representation in the House of Commons. I therefore move:

That the system of re-adjusting representation in the House of Commons, including the method of determining the number of members for each province established by section 51 of the British North America Act, be referred to the Standing Committee on Privileges and Elections.

Motion agreed to.

* * *

INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

CONCURRENCE IN SEVENTH REPORT OF STANDING COMMITTEE

Mr. Joe Clark (Rocky Mountain): Mr. Speaker, I move, seconded by the hon. member for Kingston and the Islands (Miss MacDonald):

That the seventh report of the Standing Committee on Indian Affairs and Northern Development, presented to the House unanimously on Monday, December 10, 1973, be concurred in.

Mr. Speaker: Has the hon. member the unanimous consent of the House to propose this motion?

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent.

* * *

MRS. J. S. WOODSWORTH

CONGRATULATIONS ON REACHING ONE-HUNDREDTH BIRTHDAY

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, for some time I had been hoping and planning to make a brief statement on a matter which I think will interest hon. members, and which I had planned to make this coming Monday, January 14. In view of the fact that when we pass the motion we are about to debate we shall adjourn and probably not be sitting on Monday, I ask the indulgence of the House to say a few words now in lieu of what I had wanted to say on Monday.

It just so happens, Mr. Speaker, that on Monday, January 14, Mrs. J. S. Woodsworth will be 100 years old.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): As older members of the House will be aware, Mrs. Lucy Woodsworth is the widow of the late J. S. Woodsworth, the founder of the CCF, the former leader of our party, who was the member of this House for Winnipeg North Centre from 1921 until the time of his death in 1942. Mrs. Woodsworth was also the mother-in-law of the late Angus MacInnis who for many years was a member of this House from the city of Vancouver. Mrs. Woodsworth is also the mother of the very charming and distinguished member for Vancouver Kingsway (Mrs. MacInnis).

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): I apologize to my hon. friend and colleague for not having told her that I was going to raise this matter. I felt that if I did she would have asked me not to do so, although I believe I could persuade her that on such an occasion the members of this House would like to pay tribute to Mrs. Woodsworth who in her own right, even apart from her relationship to three distinguished members of parliament, has been a remarkable person.

Some of us have known her for a number of decades, and all of us who are aware of the part she played in raising the Woodsworth family, the part she played in helping her husband in the difficult years when he was getting this movement started, feel very warm in our affection toward Mrs. Woodsworth. Not only did she perform the role of a person who was helpful to others, but she herself was active in many causes and movements in days when those causes were not so popular.

It is good to know that such a person has lived a full century and has been able to see the realization of so many things that she and her late husband believed in and worked to achieve. I regret to say that Mrs. Woodsworth's health now is not as good as we would like it to be, but I understand that at St. Vincent's Hospital here in Ottawa, where she now stays, on Monday afternoon in the auditorium there will be a gathering in her honour. It starts at two o'clock, and thanks to the fact that the House will not be sitting that day I shall have the pleasure of being there.

In any case, I thought it was appropriate that there be placed on the record of the House of Commons, on the eve of January 14, 1974, this tribute to a remarkable and gracious woman who was born in Ontario on January 14, 1874.

Some hon. Members: Hear, hear!

* * *

BUSINESS OF THE HOUSE

ADJOURNMENT OF SESSION

Mr. Speaker: I presume that hon. members at this point would want me to put the motion in the name of the President of the Privy Council (Mr. MacEachen).

Mr. MacEachen moves:

That, when the House adjourns following the passage of Bill C-236, an act to provide a means to conserve the supplies of petroleum products within Canada during periods of national emergency caused by shortages or market disturbances affecting the national security and welfare and the economic stability of Canada, and to amend the National Energy Board Act, it shall stand adjourned until a time to be fixed by Mr. Speaker, after consultation with the government, when the House may meet for the purpose of dealing with any subsequent

proceeding on or the giving of royal assent to Bill C-176, an act to amend the Criminal Code, the Crown Liability Act and the Official Secrets Act, Bill C-203, an act to amend the Canada Elections Act, the Broadcasting Act and the Income Tax Act in the respect of election expenses, Bill C-236, an act to provide a means to conserve the supplies of petroleum products within Canada during periods of national emergency caused by shortages or market disturbances affecting the national security and welfare and the economic stability of Canada, and to amend the National Energy Board Act, Bill C-245, an act to impose an oil export tax under the Excise Tax Act and to allocate certain of the revenues derived from the oil export tax and any other bills.

That, after the giving of royal assent to the said bills or in the event the House does not meet for that purpose, the House shall be adjourned or stand adjourned, as the case may be, until February 26, 1974, provided that at any time prior to that date if it appears to the satisfaction of Mr. Speaker, after consultation with the government, that the public interest requires that the House should meet at an earlier time during the adjournment, Mr. Speaker may give notice that he is so satisfied, and thereupon the House shall meet at the time stated in such notice, and shall transact its business as if it had been duly adjourned to that time;

And that, in the event of Mr. Speaker's being unable to act owing to illness or other cause, the Deputy Speaker or the Deputy Chairman of committees shall act in his stead for the purpose of reconvening the House.

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

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, I intend to take hardly any time to speak on this motion. It provides that the House will be available to deal with any bills that must be given royal assent, that the Speaker will determine when the House will meet for royal assent, whether it be early or late next week, and that following that event the House will stand adjourned until February 26. I feel that that period of recess is justified in light of the length of the present session which began more than a year ago.

The only other point I would like to make is that we have completed a good number of items on the order paper. In the list of bills that I wanted passed this session there still remain three bills, the parks act bill, the CNR bill and the Canada Pension Plan bill. I have had discussions with representatives of the other parties, and in order to ensure that the work which has already been done in committee and in the House of Commons will not be permanently lost it has been agreed that at the beginning of a new session, with the consent of hon. members, we would put forward two of these bills, the parks' bill and the CNR bill, at the report stage. Hon. members would have the opportunity at that time to put report stage amendments and to have them considered.

● (1630)

Under that arrangement the work already done would be protected and hon. members would be free to continue the debate on this stage. I appreciate this being made possible and that the House of Commons has been prudent enough to protect its own labours in the future. That is all I wish to say, Mr. Speaker.

Mr. Epp: Mr. Speaker, on a point of order, the President of the Privy Council (Mr. MacEachen) in his statement did not mention the commitment the government made to various Canadian citizens with regard to Bill C-190. I wonder if the minister would indicate the status of that bill.

[Mr. MacEachen.]

Mr. MacEachen: Mr. Speaker, on the same point of order, the government has brought forward that bill and we have put it before the House several times. It has been my wish to have the bill completed. Certainly the bill, or its provisions, hopefully, will be brought forward in a new session of parliament. I must say that I had considered asking the House to treat this bill in precisely the same way as the two aforementioned matters, but I was not confident that my proposition would be accepted.

An hon. Member: Now is the time to try.

Mr. MacEachen: If hon. members want to pass the bill, I would try that too.

Mr. Erik Nielsen (Yukon): Mr. Speaker, it is a matter of regret to me that so many motions for concurrence in committee reports must die on the order paper. I refer particularly to the motion standing in my name at the foot of the list on page 4 of today's order paper, and to the motion standing in the name of the hon. member for Rocky Mountain (Mr. Clark).

Of greater concern to us is Bill S-4. A moment ago the President of the Privy Council (Mr. MacEachen) said that the bill is to stand in the same place on the order paper. May I draw to his attention that on Thursday the House leader of the opposition offered, with the support of the NDP, to pass that bill through all stages without debate on Thursday. A motion was moved this morning by the hon. member for Rocky Mountain asking the House to do the same thing.

There is no need for the bill to be delayed. It could be passed and should have been passed by the House before the recess. On Thursday, when the opposition House leader offered to have the bill pass all stages, it was the Minister of Indian Affairs and Northern Development (Mr. Chrétien) himself who shouted "No" across the aisle, thus withholding his consent.

We are in this unique situation: the only obstacle to passage of Bill S-4 is the petulance and stubbornness of the minister in whose name this bill stands. That bill would provide for the establishment of eight new parks in the Yukon, the Northwest Territories and other parts of Canada. It was given extensive consideration in the Senate and in this House. The committee sat overtime to facilitate early consideration at the report stage in the House. Both this House and the other place passed amendments to improve the bill. So the blame for this bill not passing rests squarely on the shoulders of the minister. I cannot understand stubbornness such as he, the Minister of Energy, Mines and Resources (Mr. Macdonald) and other ministers have displayed during this session.

Mr. Guay (St. Boniface): The hon. member must have a guilty conscience.

Mr. Nielsen: The hon. member for St. Boniface (Mr. Guay) suggests that I have a guilty conscience. Nothing can be further from the truth, as the opposition House leader on Thursday offered to co-operate—

An hon. Member: Be brief.

Mr. Nielsen: Yes, I will be short. I have spoken about the bill and also about my own motion. I am sorry the House did not have the opportunity to deal with it this session. If it had been dealt with, it would have meant a great leap forward in responsible government in the Yukon and in the Northwest Territories. I wish the matter had been dealt with, particularly since it received the unanimous support of all parties in the standing committee when they visited my riding in the Yukon. When this matter comes forward again in the next session, I will look forward to the same unanimity in support of a similar motion which will again be put before the House.

I will not speak for long because my colleague for St. John's East (Mr. McGrath) may wish to make a few remarks. I am disappointed in what has happened during this session. I feel that we are now burdened with a greater rate of taxation in the country than we have experienced in our history. The cost of living is the highest in our history. The cost of food and of other essentials in our society has gone sky-high. The rate of inflation is greater than it has ever been in our history.

While all these sad events have been occurring, we have seen a completely disorganized and discredited treasury bench fumbling and bumbling and trying to find its way out of a mess of its own creation. They have been doing this since January 4 last year, and in the process stealing the NDP blind so far as policy is concerned. I do not know which party is further to the left now; I suspect it is the government party. In addition, we have seen them pilfering from the policy chest of the Conservatives.

I look forward to a much more original session, a session in which we shall see to a much greater extent a return to Liberal principles—assuming that party has any principles left—in legislation brought forward. Specifically, I shall expect the Minister of Indian Affairs and Northern Development to make announcements during the recess concerning the welfare and well-being of the people of the north, and in the process perhaps even disclose some of the items which will be unveiled in the Speech from the Throne. I hope he will go the whole way, do everything the standing committee recommended—I do not know if he has read that report—and meet in full the request that has been made by the elected representatives of the people in the north.

There being not much time left, and as the hon. member for St. John's East may wish to speak, I shall resume my seat.

The Acting Speaker (Mr. Boulanger): I see that the hon. member for St. John's East (Mr. McGrath) is not seeking the floor. The hon. member for Winnipeg North Centre (Mr. Knowles).

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, in a few words may I say that the motion now before us in the name of the Presidnet of the Privy Council (Mr. MacEachen) was arrived at by discussion among the House leaders of the four parties, and we support it. There is no need to spell it out at length, particularly as I promised to confine my remarks in case my colleague who is a few seats away from me wants to say a few words. I should like, however, to confirm the agreement among the House leaders with regard to the CN financing bill and the national parks bill. We are prepared to agree that in the new session both these bills are to be put on the order paper as at the report stage.

The only other word I wish to say is that, although at this time of a session we are always anxious to list our favourite subjects and express the hope that something will be done about them before we meet again, I shall confine myself to just two observations. I hope by the time we come back that the Minister of Labour (Mr. Munro), or the Minister of Transport (Mr. Marchand), or both of them, will have done something about a thorough study of railway pensions so that those pensions will be put on a proper basis.

I also hope—I see my good friend the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall) looking at me, hoping I am about to say what I am going to say—that the Minister of Veterans Affairs (Mr. MacDonald) will have done something by the time we come back to extend the deadline with respect to the Veterans Land Act.

[*Translation*]

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I wish to say only a few words at the conclusion of this long session which has lasted 204 days. This adjournment is welcomed by all members. I will make a few comments at the end of this session and recall some of the problems we have met.

I have observed, as did many members and the public I think, that during the past year this government has lost the fight against inflation. Cost of living has kept increasing in a most harmful way for consumers. Unemployment is still much too high and local initiative projects undertaken this winter, but in a different manner from last year, have created more discontent than satisfaction. In my own constituency, more than 90 projects have been submitted, but about 15 only have been accepted. Mr. Speaker, the hopes created by the Local Initiatives Program have therefore led to some dissatisfaction.

At the very end of the year there were lengthy discussions about a so-called energy crisis and in all the debates that the government had both in this House and before television cameras it managed to spread discomfort across Canada.

The public is becoming increasingly aware that that crisis exists only through the decision of multinational corporations which control the world and governments. In the circumstances, Mr. Speaker, I think the Canadian public will regret this session because it did not give the Canadain public everything it hoped for although some improvements were made in the field of social security, and even though certain categories of people were left out. I am thinking, for example, about the disabled, those who still have the same allowances to survive that they had a year or two ago.

The cost of living increased for those people as for everyone else. So the government should at the very beginning of this year 1974, especially the Minister of National Health and Welfare (Mr. Lalonde), have serious discussions with provincial governments so that the disabled will be relieved of the burden they are now supporting. Like everyone else those people are entitled to an honest existence, and Canada can give it to them.

Although I for one would have preferred the parliamentary recess to come up during the summer instead of the winter I make the wish that during those few weeks of adjournment members will take this occasion to meet with their voters, as I will be doing, and find out their views, their needs, their wishes so as to be able to make them known to the House during the next session.

[*English*]

Mr. Arnold Peters (Timiskaming): Mr. Speaker, because of the co-operation we have had recently I would ask that some consideration be given to a proposition that I have made for a number of years, namely, that we run our business on a much more organized basis, including a four-year term of parliament with regular breaks and regular periods of recess. I certainly endorse the opinion of the hon. member for Abitibi (Mr. Laprise) that if there is to be an extensive break it should be at a more suitable time of the year. I am pleased with the co-operation that has taken place toward this end. It may well be we will be here for four years with a minority government. If so, we should work at achieving the greatest possible accomplishments.

I think a great deal of credit for the ability to co-operate in this House goes to the government House leader. We have had House leaders who have done a very good job of dividing this House, but this House leader has been very honest in his negotiations.

Some hon. Members: Hear, hear!

Mr. Peters: He has often been tough, but never devious, not even to the extent of using the words "proroguing parliament" yesterday rather than considering a recess with the ramifications some of us knew about prior to 1968.

I suggest that consideration be given to another form of co-operation that can take place. I echo the sentiment of a number of members, namely, that when after long deliberations a committee has made a decision, that decision should not be allowed to die because a session has ended. If the ending of a session always produces the effect of killing all the work the committees have done, all the representations that have been made and all the work up to but not including the conclusion, then really all that work which members do in committee is lost.

This system has progressed gradually for the past five or six years. We have now reached the stage where there is considerable co-operation. With the exception of one committee in which the Minister of Justice (Mr. Lang) was involved when we were discussing agricultural stabilization, there has been a degree of co-operation that is worth while and is certainly in the best interests of this country. By cutting off all agreements, decisions and representations that have been made in committee we are probably losing something in our committees' system, namely, the co-operation we have witnessed in the past few days.

● (1650)

I suggest we give serious consideration to formalizing some of those decisions rather than using the obsolete methods we now use; that is, instead of having to set down a notice of motion to move concurrence in a report, the committee reports be put together into one final committee report, and concurrence given so that the decisions of the committees might be brought before the House for action by the government. This would be preferable to seeking a general agreement which allows some to be brought forward and prevents others from being brought forward because certain members are not as vocal as others.

I suggest to the President of the Privy Council (Mr. MacEachen) that he should give consideration to formalizing the reporting structure of the committees which is really a cosmos, if that is the right word, of the whole House in these various fields. I believe good and conscientious work has been done in the committees in the main, and if we cannot find some way of relating that work to what we do in this chamber, a method more effective than any we have found so far, much of this work is bound to be lost and all the co-operation and effort which has gone into the work of the committees will go for nothing.

To my mind, serious consideration should be given to this proposal in the spirit in which the various House leaders have been co-operating during the last two or three days. We must ensure that the work of the committees is not left in abeyance during the period after a motion to adjourn or to take a recess has been passed. A method must be found to ensure that these reports do not die on the order paper but are brought before parliament by some suitable means.

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

Some hon. Members: Agreed.

[*Translation*]

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

Before putting the question or submitting the motion of the hon. President of the Privy Council (Mr. MacEachen) to the House, may I remind hon. members that they are invited to Room 16. I shall be pleased to greet them and to wish them a pleasant parliamentary recess, a useful and fruitful stay with their families and among their electors.

[*English*]

Motion (Mr. MacEachen) agreed to.

Mr. Speaker: Pursuant to the order made this day, the House now stands adjourned to meet again at a time to be fixed by the Chair, after consultation with the government, for the purpose of dealing with any subsequent proceeding on Bill C-236 and for the giving of royal assent to certain bills.

At 4.55 p.m. the House adjourned to the call of the Chair, pursuant to special order made this day.

HOUSE OF COMMONS

Monday, January 14, 1974

The House met at 4 p.m.

[*English*]

• (1610)

THE ROYAL ASSENT

Mr. Speaker: I have the honour to inform the House that I have received the following communication:

Ottawa, January 14, 1974

Sir:

I have the honour to inform you that the Right Honourable Bora Laskin, P.C., Q.C., Chief Justice of Canada, in his capacity as Deputy Governor General, will proceed to the Senate Chamber today, January 14, at 4.15 p.m. for the purpose of giving Royal Assent to certain Bills.

I have the honour to be,
Sir,
Your obedient servant,
André Garneau
Brigadier General
Administrative Secretary
to the Governor General

* * *

GOVERNOR GENERAL

PRINTING OF THE SPEECHES AT INSTALLATION OF JULES LÉGER

Mr. Speaker: May I suggest that the speeches of His Excellency the Governor General and the Right Hon. Prime Minister at this morning's ceremonies, be appended to today's *Hansard*?

Is this agreed?

Some hon. Members: Agreed.

[*Editor's note: For text of documents referred to above see Appendix A.*]

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MESSAGE FROM THE SENATE

Mr. Speaker: I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate does not insist upon its amendment made to Bill C-176, an Act to amend the Criminal Code, the Crown Liability Act and the Official Secrets Act, to which the House of Commons has disagreed.

Some hon. Members: Hear, hear!

Mr. Speaker: I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed the following bills without amendment: Bill C-236, an Act to provide a means to conserve the supplies of petroleum products within Canada during periods of national emergency caused by shortages or market disturbances affecting the national security and welfare and the economic stability of Canada, and to amend the National Energy Board Act. Bill C-245, an Act to impose an oil export tax under the Excise Tax Act and to allocate certain of the revenues derived from the oil export tax.

THE ROYAL ASSENT

[*English*]

A message was delivered by the Gentleman Usher of the Black Rod, as follows:

Mr. Speaker, the Right Honourable the Deputy Governor General desires the immediate attendance of this Honourable House in the chamber of the Honourable the Senate.

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

• (1630)

And being returned:

Mr. Speaker informed the House that the Deputy Governor General had been pleased to give, in Her Majesty's name, the royal assent to the following bills:

Bill C-203, An Act to amend the Canada Elections Act, the Broadcasting Act and the Income Tax Act in respect of election expenses.—Chapter No. 51

Bill C-236, An Act to provide a means to conserve the supplies of petroleum products within Canada during periods of national emergency caused by shortages or market disturbances affecting the national security and welfare and the economic stability of Canada, and to amend the National Energy Board Act.—Chapter No. 52

Bill C-245, An Act to impose an oil export tax under the Excise Tax Act and to allocate certain of the revenues derived from the oil export tax.—Chapter No. 53

Bill C-176, An Act to amend the Criminal Code, the Crown Liability Act and the Official Secrets Act.—Chapter No. 50

• (1640)

[*Translation*]

Mr. Speaker: Pursuant to the special order made on Friday, January 11, 1974, the House stands adjourned until Tuesday, February 26, 1974, at 2 o'clock p.m.

At 4.40 p.m. the House adjourned pursuant to special order.

APPENDIX "A"

THE PRIME MINISTER'S ADDRESS AT THE
INSTALLATION OF JULES LÉGER AS GOVERNOR GENERAL OF CANADA
OTTAWA, JANUARY 14, 1974

Excellence,

J'ai le plaisir et l'honneur de vous offrir les meilleurs vœux du gouvernement, du Parlement et de la population du Canada au moment où vous assumez la lourde charge de Gouverneur général. Puis-je demander respectueusement à Votre Excellence que son premier geste officiel soit d'adresser à Sa Majesté la Reine du Canada un message lui exprimant le loyalisme et l'attachement du peuple canadien.

Dans son célèbre ouvrage sur la constitution anglaise, Walter Bagehot définissait le rôle de la Couronne en ces termes: «Le Souverain a trois droits: le droit de conseiller, le droit d'encourager et le droit de mettre en garde. Il n'en faut pas plus à un monarque sage et éclairé.» Je suis sûr que Votre Excellence voudra exercer pleinement ces droits, et je m'en réjouis d'avance car le gouvernement ne saurait trouver conseiller plus avisé que vous.

The Governor General, like the Sovereign, is the symbol of our unity as well as an agent of its preservation. He is also the symbol and agent of the continuity of our governmental process. Excellency, your experience and accomplishments, at home and abroad, eminently suit you for this role.

As a diplomat, you have had difficult and demanding assignments; they have been accompanied at times by frustration and disappointment. But you have always carried your diplomatic tasks to success, because of your patience and your wisdom. At home, as Undersecretary of State, you helped to evolve national policies designed to ensure that our two official languages could truly thrive; that our many cultures could truly flourish; that our identity as individuals—and as a nation—could find strength and fulfillment in our arts and culture. These efforts have helped to give Canadians a greater knowledge of each other, and to give the world a greater knowledge of Canada.

You assume your high office at a time when world headlines are dominated by an energy crisis, and there is widespread concern about food supply shortages, and about serious threats to our natural environment. I believe these very alarums and shortages have helped convince millions of us that squandering our material resources is not a luxury of our way of life—but a threat to it. For that very reason, I believe that these are hopeful times, since by shattering a consumer society's illusion of unlimited quantity, events such as the energy crisis encourage each of us to turn away from the sometimes mindless scramble for "more" toward the more humane impulse for "better", to turn away from our traditional North American concern with the technologies of "conquering" nature to the joys of living in respectful harmony with nature.

Your Excellency, at a time of increased doubt about material things, you have by your vast culture, your intellect and devoutness, shown the undiminished value of the things of the mind and spirit. I hope you will share these qualities with all Canadians, and will want Government House to be what your home has always been—a place of intellectual and cultural excellence, a home for the arts and for the spirit.

Je vous connais comme un homme d'une grande intégrité, d'une délicatesse et d'une générosité profondes. Même en des périodes de tension et d'intense activité, vous avez toujours su conserver votre calme et votre sérénité, votre capacité d'émerveillement et votre humour indulgent et subtil. Et la sagesse qui est la vôtre, vous avez toujours su la communiquer. Les Canadiens ont très favorablement accueilli votre nomination au poste de représentant personnel de Sa Majesté, et je suis persuadé que leur estime et leur affection pour vous s'accroîtront à mesure qu'ils vous connaîtront mieux. Vous pourrez compter, dans l'exercice de vos nouvelles fonctions, sur l'appui de votre épouse, une femme si chaleureuse, spirituelle et bienveillante. A vous, Madame, nous offrons l'hommage de notre respect, ainsi que nos meilleurs vœux.

Excellence, voilà plus de trois décennies que vous servez le Canada. Nous vous sommes reconnaissants d'avoir bien voulu accepter les lourdes charges du poste auquel vous accédez aujourd'hui. Nous savons que vous remplirez vos fonctions avec tout le zèle et la distinction que l'on vous connaît, et nous souhaitons que votre mandat soit pour vous une source de fécondes satisfactions.

SPEECH OF HIS EXCELLENCY
THE RIGHT HONOURABLE JULES LÉGER
AT HIS INSTALLATION AS GOVERNOR GENERAL OF CANADA,
OTTAWA, JANUARY 14, 1974

J'aurai l'honneur de transmettre à notre gracieuse Souveraine le message d'attachement que vous m'avez confié. Les voyages au Canada de la famille Royale se font plus simples et plus intimes depuis quelque temps, plus liés à notre vie de tous les jours. Ainsi, nous serons heureux d'accueillir, tôt après leur mariage, la Princesse Anne et son mari le Capitaine Phillips, qui passeront quelques jours à Ottawa bientôt.

Cette simplicité dont j'ai parlé reflète avec fidélité les transformations qui s'opèrent dans nos relations avec la Couronne. La symbolique de la couronne en effet est devenue aussi multiple que les membres du Commonwealth et les régions qui les composent, chacune y étant liée de façon particulière, mais chacune y trouvant cependant raison de communauté. Derrière les symboles, derrière cette terminologie, que d'aucuns peuvent trouver désuète, se cache une réalité, un système politique que nous avons façonné à notre guise, qui est devenu notre chose, et qui répond à nos besoins.

My wife and I have been deeply touched, Prime Minister, by your most cordial welcome, offered as it was on behalf of all Canadians, for we can succeed in the mission to which we are dedicating ourselves today only insofar as we are able to rely on the support of all, and on the aid of Providence. We shall seek out that support among all those who have a hand in the vast, richly colourful, yet unfinished tapestry that is Canada.

We shall begin by making brief visits to all the Provincial capitals and later we shall retrace our steps in a more deliberate manner, visiting each of the provinces and territories as occasions arise to which we can lend completeness and a sense of historical continuity, for the office of Governor General symbolizes the stability of our national life and the permanence of our institutions.

Dans une lignée historique sans brisure, Samuel de Champlain fut, de fait, le premier Gouverneur de ces territoires, surtout de cette vallée de l'Outaouais qu'il traversa en 1613. Depuis lors, 63 Gouverneurs ou Gouverneurs généraux se sont succédé. Leur autorité a varié, certes, de même, d'ailleurs, que le territoire relevant de leur juridiction. Venus de France, puis de Grande-Bretagne, et enfin du Canada, ils ont participé d'une façon ou de l'autre à l'édification du pays, chacun y apportant sa pierre, aucun en se rendant bien compte de la grandeur de l'édifice en construction. Non plus d'ailleurs que toute cette lignée de gens simples et dignes du Québec, dont nous sommes, ma femme et moi, fidèles depuis les débuts à leur patrie, n'en ayant aucune autre, n'en cherchant aucune autre. Gens de terre et de mer, d'église et de négoce, auxquels je rends un hommage ému, car sans eux, sans leur courage et leur ténacité, le Canada d'aujourd'hui ne serait pas. Leur vie quotidienne et paisible se passa le long du grand fleuve qui porta leurs ancêtres, et où se joua leur destin.

Nor do I forget the masters with whom I have been privileged to work—some of them equal to the very greatest—and the colleagues whose cooperation has always been unstinting and their friendship wholehearted during the more than 30 years that I have shared their hopes and anxieties in public service. Through war and peace, through negotiation and reconstruction, Canada played her part during a generation in which the world found a new equilibrium and this country a new place. These were proud days for Canada's representatives abroad. Has it really been only by chance that the four Canadian Governors General have been chosen from among their ranks, or is it rather because they have shared the common denominator of national prides?

But already times have changed; we find ourselves in another age, whose contours we cannot fully perceive. Our western civilization is floundering, exhausted, because of a number of paralysing contradictions: generations that confront one another in mutual non-recognition; insecurity amid plenty; poverty amid wealth; a traditional morality that is being shaken and replaced by a yearning for primitive purity; acts of violence by some who shun violence; space-age communications at a time when major political groupings are tending more and more towards regionalism.

In some parts of the world, the consumer society is losing momentum; in some, it is not a factor, and in some, it has become a tyrannical force. A process of change is under way; new values are emerging that have already made themselves felt here, particularly among the young. For it is at once our strength and our weakness that Canada is a crossroads, her people open to influences from many directions.

We have been the first—and in many ways the only—people to be affected in a deep and lasting fashion by the three major currents of contemporary thought and genius: The English, the French and the American. Each in turn has formed and in some respects deformed us. In the past we have had to yield to them, because the strength to resist was not forthcoming in a young and scattered people, disunited and hungry for new technology. But now we have the strength, the numbers and the self-confidence to choose what suits us, to assimilate it and give it originality, thus creating a civilization of many cultures—the only kind that can survive—as we learn that we need very little gasoline to explore the highways of the soul.

Dans cette perspective, que pouvons-nous souhaiter aux quelque 985 enfants qui naîtront dans ce pays ce 14 janvier 1974, et qui se joindront aux 25 millions de Canadiens de 1980? Des paysages propres, aux eaux limpides, des villes accueillantes et laborieuses, un milieu fraternel où l'homme a retrouvé sa vraie place, la première, au centre de la création, et ce, dans un pays uni et prospère, dans un monde de justice et de paix. Si, au cours des quelques années qui viennent, nous pouvons être associés, ma femme et moi, à une telle œuvre, ne fût-ce que modestement, nous saurons que notre mission n'a pas été vaine. Avec vous, nous aurons fait notre dur et incessant métier de Canadien. Et toujours, au cours de cette mission, nous aurons à l'esprit la question de Paul l'Apôtre: Qui t'a donné une supériorité sur les autres? Par quoi te distingues-tu? Si tu as tout reçu gratuitement, pourquoi t'en vanter, comme si tu l'avais acquis par tes propres efforts?

HOUSE OF COMMONS

Tuesday, February 26, 1974

The House met at 2 p.m.

● (1410)

[*English*]

PROROGATION OF PARLIAMENT

Mr. Speaker: It is my duty to inform the House that a communication has been received, which is as follows:

Ottawa, February 21, 1974

Sir:

I have the honour to inform you that the Right Honourable Bora Laskin, P.C., Chief Justice of Canada, in his capacity as Deputy Governor General, will proceed to the chamber of the Senate at 2 p.m. on Tuesday, February 26, for the purpose of proroguing the first session of the twenty-ninth parliament of Canada.

I have the honour to be,
Sir,
Your obedient servant,
André Garneau
Brigadier General
Administrative Secretary
to the Governor General.

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

Mr. Speaker, it is the desire of the Right Honourable the Deputy of His Excellency the Governor General that this honourable House attend him immediately in the chamber of the honourable the Senate.

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

Whereupon the Deputy Governor General was pleased to close the first session of the twenty-ninth parliament of Canada with the following speech.

[*English text*]

Honourable Members of the Senate:

Members of the House of Commons:

The First Session of the Twenty-ninth Parliament was opened on January 4, 1973. Since that time many events of great significance to Canada and to the world have taken place and you have responded by legislating and otherwise approving many actions of the highest importance.

Canadians were pleased during this Session that Her Majesty the Queen and His Royal Highness, the Duke of Edinburgh, twice came to Canada.

They assisted in the celebrations of the Centenary of the entry of Prince Edward Island into Confederation, the Centenary of the founding of the Royal Canadian Mounted Police and the Tercentenary of Kingston. They were also present in Ottawa for the Commonwealth Heads of Government Meeting.

Canadians were honoured to have been host to the Commonwealth Heads of Government meeting this summer when the contribution to world understanding of this association was once more underlined.

International affairs generally played an important rôle in this Session. When a major international effort had brought some hope of peace to Viet-Nam, Canada agreed to take part, with reservations, in a new truce supervisory exercise. Although we withdrew when it became clear that our membership in the I.C.C.S. could no longer serve a constructive purpose, our brief participation helped to stabilize a fragile cease-fire which in turn allowed for an exchange of prisoners of war and the withdrawal of American Combat forces.

Following the renewal of hostilities in the Middle East, Canada again accepted an invitation to participate in a peacekeeping mission. Canada's commitment to détente has been evident also in our active participation in the conferences on European security and cooperation and on Mutual Balanced Force Reductions.

In October the Prime Minister paid an official visit to the People's Republic of China. His visit was the first of a Canadian Prime Minister to that country and came on the second anniversary of the exchange of diplomatic recognition between Canada and China. Negotiations and discussions with Premier Chou En-lai and Chairman Mao Tse-tung led to the conclusion of several agreements and understandings, some of them of considerable importance to Canada. A trade agreement was signed, as was an agreement in the field of health services which led quickly to the selection for travel to China of a team of Canadian anaesthetists to study acupuncture analgesia. Arrangements were also concluded to facilitate the reunion in Canada of families of Chinese origin, and for exchanges and cooperation in several other areas of mutual interest.

The Government has pursued its efforts to extend and deepen international exchange in commerce, science, culture and in many other fields and, to this end, several other Ministers have made important visits to nations on all continents.

[*French text*]

The energy situation has revealed dramatically the inter-dependence of our global society, and while assuring Canadian needs first, the Government has made clear Canada's desire to cooperate with the United States and others to work together towards a solution.

The Canadian economy has functioned at a high level of activity. Very high rates of growth in the first part of the year carried the economy close to the physical limits of its productive capacity. Work stoppages in the late summer and early fall resulted in a slowing of output growth in that period but as we have neared the end of the Session, the production has increased rapidly. One of the fastest growing components of demand is business investment in new structures and equipment. Demand for Canadian exports has been high but is now subject to the uncertain impact upon our suppliers, our markets and our own producers of the world shortage and high prices for petroleum.

Our labour force has continued to grow more rapidly than in the previous year, and more rapidly than the labour force of other industrial countries. This growth has been led by the movement of women and younger Canadians into the labour market. But employment has grown more rapidly than the labour force, so that there has been over the year a significant and welcome reduction in the numbers of persons without jobs and seeking work.

Incomes of Canadians have grown with the expansion of the economy. Workers' incomes have grown, the receipts of governments have grown and so too have the returns to business.

The returns to business, combined with special measures which you have approved, are encouraging the expansion of investment needed to increase the productive capacity of our economy. Investment in housing has also been at a high level.

In our foreign trade, both our exports and imports have grown at a much more rapid rate than the total value of our output and we continue to have a surplus balance on merchandise trade and the

combined balance of our international transactions in goods and services has improved from the average for 1972.

The external value of our currency in terms of United States dollars has floated within a narrow range.

The rise of prices in the course of this year has been a matter for constant concern. The increase in prices of industrial materials, foodstuffs and petroleum has been general throughout the world. The impact of these price rises on Canadians has prompted a number of the measures you have taken to relieve hardship among Canadians and to promote an increase in supplies for the future.

[*English text*]

During this Session you have acted to deal with the energy situation. The Government has placed before Parliament the basis for a new national energy policy. The objective of that policy, to be reached before the end of the decade, is Canadian self-reliance in oil and oil products. Included in the essential requirements for a new policy are the creation of a national market for Canadian oil; a pricing mechanism that will provide sufficient incentives for the development of our oil resources; measures to ensure that any escalation in returns and revenues as a result of any higher prices will be used in a manner conducive to security and self-sufficiency; the establishment of a publicly-owned Canadian petroleum company principally to expedite exploration and development; the early completion of a pipeline of adequate capacity to serve Montreal and, as required, more eastward points; and the intensification of research on oil sands technology to permit their full and rapid development.

During this Session you have enacted measures designed to begin the implementation of this new policy. The Government has held discussions with the provinces and further negotiations on this subject will take place. In the meantime Canadians are being asked to economize on the use of energy and the Government is confident that the Canadian economy is sufficiently flexible and resilient that it can adjust quickly to changing conditions and can maintain high levels of production and employment.

In the Speech from the Throne beginning this Session, the Government announced a new priority for social policy issues, and the reorganization of social security programs. An important development in fulfilment of this promise was the decision of federal and provincial Governments to commence a comprehensive two-year review of the entire Canadian social security system on the basis of a framework set forth in the Working Paper on Social Security presented to Parliament last April by the Minister of National Health and Welfare.

One of the two main objectives set out in the Working Paper, and agreed on by federal and provincial Ministers, is to strengthen the incentive toward, and the reward for, productive self-reliance on the part of all who can participate in our work force. In pursuit of that objective, the government proposed, and Parliament accepted a legislative initiative to increase substantially Family Allowance benefits. Since wages are not geared to family size, as are social assistance benefits, this measure reached out in particular to the many in our society who, for various reasons, are employed at earnings below the level of family need. The new Family Allowance program seeks to reduce such inequities and increase the incentive to remain in the work force. To effect a sizeable measure of income redistribution at the same time, these new and higher allowances have been made taxable.

To reinforce further the strong desire for independence and self-reliance among our population, our Government, with the concurrence of the provinces, took steps to strengthen the major social insurance program in the country, the Canada Pension Plan.

Through legislation which you have approved the levels of earnings on which contributions can be made will be raised, thereby allowing Canadian workers more adequately to protect themselves against financial hardship arising from conditions over which they have little or no control—aging, disability, or the death of a family breadwinner.

Furthermore, the Government took steps to maintain the purchasing power of social security benefits. For example, under the Canada Pension Plan, War Veterans' Allowances, Superannuation and Family Allowance programs, benefits were made subject to full escalation to meet cost-of-living increases. Old Age Security and the Guaranteed Income Supplement for the aged, which were already fully indexed, had this escalation put on a quarterly basis. Through these measures, all major government income security programs now assure a continuing full dollar value.

[Mr. Speaker.]

[*French text*]

The other major objective of the social security review is to ensure a decent basic income standard for all those who cannot, and should not be expected to work. Accordingly, at the beginning of this session, the government proposed, and Parliament assented to, a significant increase in the level of security guaranteed our senior citizens. Thanks to this measure, single persons 65 years of age and more are today assured a guaranteed income of over $2,000 a year, and couples are assured in excess of $4,000 a year—levels which compare very favourably with those of any nation in the world.

But these actions do not exhaust the tasks inherent in the social security review. We can now look forward with justifiable hope to further achievements in the review, aimed at maximizing the benefits and reducing the inequities of Canadian society.

You have acted in this Session to improve the standards and the availability of Canadian housing. You approved a measure that provided assistance for research and planning for community development; for public acquisition of residential land; for the improvement of existing residential neighbourhoods; for the improvement of housing for native people; for the increase in housing available for low income families; for the development of cooperative housing; and for beginning protection of buyers similar to that provided for the purchasers of other consumer products. You also enacted the Residential Mortgages Act, which is intended to increase the funds available in Canada for home mortgages.

You were compelled during this Session to deal with a strike in the railways, but you were able to act justly and expeditiously so that no extensive harm was done to the nation.

Measures to improve immigration procedures were enacted during this Session and the Government acted to legitimize the status of thousands of immigrants.

Steps were taken during this year to improve the operations of the Unemployment Insurance Commission.

Of prime importance to the Canadian direction of the economy was the enactment of the Foreign Investment Review Act. This is a positive measure, designed to promote the development of both the Canadian economy and the Canadian identity. The review process that it established is a flexible instrument which recognizes that foreign direct investment is a complex of costs and benefits. It is intended to help us obtain better performance from foreign investment in Canada while arresting and reversing a trend toward foreign control of enterprise in Canada. This measure is not intended to terminate foreign investment in this country; it is intended to provide a welcome to foreign investment that is of significant benefit to Canada.

[*English text*]

Substantial increases in the sales and prices of wheat are manifestations of the prosperity enjoyed by Canadian farmers during this Session. In order to protect these farmers you have enacted measures to eliminate capital gains taxes on family farms passing from generation to generation and to reduce the cost to the farmer of crop insurance. Both farmer and consumer have been protected by the increase in the support levels on dairy products and by the increase in feed freight rate assistance in eastern Canada and British Columbia. Steps were taken to improve generally the marketing of agricultural products and the development of a new feed grains policy was initiated.

In this Session you renewed for a five year period the restriction on capital punishment, and you enacted an important measure to protect the privacy of individuals from abridgement through modern technology. You also enacted a measure to provide protection against air piracy and you increased the membership of the National Parole Board.

You addressed yourselves to the strengthening of the institutions of Canadian democracy. The Government announced its policies toward conflicts of interest of Ministers and public servants. It laid before you a Green Paper on Members of Parliament and conflicts of interest. You initiated the process of review and possible modernization of the system of determining representation of the people in the Canadian Parliament.

Of prime importance to Canadian democracy, you passed the Election Expenses Act. This measure will serve to open the doors of direct political participation in government to many more people. It will provide a more open and just ground for political campaigns in our

history and it will assure that the private interests and significant political obligations of candidates and parties will be public.

Much has been accomplished during this Session, but the pace of legislative reform and innovation must continue rapidly so that the challenges of the future may be met.

Members of the House of Commons:

Prorogation of Parliament

I thank you for the provision you have made for the public services during the previous and the current fiscal year.

Honourable Members of the Senate:

Members of the House of Commons:

May Divine Providence continue to bless our country.

This concluded the first session of the twenty-ninth parliament.